

# Ethiopia: 2010 MDGs Report

## Trends and Prospects for Meeting MDGs by 2015



Federal Democratic  
Republic of Ethiopia



Ministry of Finance and  
Economic Development (MoFED)



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# The Vision of Ethiopia

"To see Ethiopia become a country where democratic rule, good-governance and social justice reigns, upon the involvement and free will of its peoples; and once extricating itself from poverty becomes a middle-income economy."





Goal 1 – Eradicate Extreme Poverty and Hunger



Goal 2 – Achieve Universal Primary Education



Goal 3 – Promote Gender Equality and Empower Women



Goal 4 – Reduce Child Mortality



Goal 5– Improve Maternal Health



Goal 6 – Combat HIV/AIDS, Malaria, and Other Diseases



Goal 7 – Ensure Environmental Sustainability



Goal 8 – Develop a Global Partnership for Development

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# Acronyms

<b>ABE</b>	Alternative Basic Education
<b>ADLI</b>	Agriculture Development Led Industrialization
<b>ANC</b>	Anti Natal Care
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>APR</b>	Annual Progress Report
<b>ART</b>	Anti Retroviral Treatment
<b>CEDAW</b>	Convention on the Elimination of All Forms of Discrimination against Women
<b>CSOs</b>	Civil Society Organizations
<b>DAG</b>	Development Assistance Group
<b>DHS</b>	Demographic and Health Survey
<b>ESDP</b>	Education Sector Development Program
<b>GDP</b>	Gross Domestic Product
<b>GEQIP</b>	General Education Quality Improvement Program
<b>GER</b>	Gross Enrollment Rate
<b>GoE</b>	Government of Ethiopia
<b>GPI</b>	Gender Parity Index
<b>GTP</b>	Growth and Transformation Plan (2010/11 – 2014/15)
<b>HEP</b>	Health Extension Program
<b>HIV</b>	Human Immunodeficiency Virus
<b>HoPR</b>	House of People's Representatives
<b>IMF</b>	International Monetary Fund
<b>MDGs</b>	Millennium Development Goals
<b>MoE</b>	Ministry of Education
<b>MoFED</b>	Ministry of Finance and Economic Development
<b>MoH</b>	Ministry of Health
<b>MoWA</b>	Ministry of Women's Affairs
<b>MoWR</b>	Ministry of Water Resource
<b>NER</b>	Net Enrollment Rate
<b>NNP</b>	National Nutrition Program
<b>NNS</b>	National Nutrition Strategy
<b>ODA</b>	Official Development Assistance
<b>OVC</b>	Orphans and Vulnerable Children
<b>PASDEP</b>	Plan for Accelerated and Sustained Development to End Poverty
<b>PMTCT</b>	Prevent of Mother-to-Child Transmission
<b>PLWHA</b>	People Living With HIV AIDS
<b>PSNP</b>	Productive Safety Net Programme
<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>SDPRP</b>	Sustainable Development and Poverty Reduction Program
<b>SNNPR</b>	Southern Nation Nationalities People's Region
<b>TB</b>	Tuberculosis
<b>TSF</b>	Targeted Supplementary Feeding
<b>UNCT</b>	United Nation Country Team
<b>UNDP</b>	United Nations Development Program
<b>UNESCO</b>	United Nations Education Social Culture Organization

## I. Executive Summary

During the last seven years, Ethiopia has made substantive economic progress. Since 2003/04 growth has been sustained, recording more than 11% average growth. This growth is complemented by a strong performance in the Agriculture, Industry (construction and manufacturing) and service sectors with an average growth rate of 10%, 10% and 13.2%, respectively. The construction sector has been stimulated by public sector investment in infrastructure. During this period, across the country, health service coverage and school enrollment at all levels improved remarkably as human capital development also received significant consideration from the government. With reference to infrastructural expansion, high quality asphalt roads and rural community roads have been constructed all over the country and access to potable water has improved. The hydroelectric power generation capacity of the country has increased the coverage to 41% in 2009/10 from 16% in 2004/05, telecommunication service coverage has reached 50% within a 5 km radius. The expansion of road network has increased the road density from 29km/1000 km<sup>2</sup> in 2000/01 to 44.5km/1000km<sup>2</sup> in 2009/10. The average time taken to reach all weather roads has also been reduced to 3.7 hours in 2009/10 from about 7 hours in early 2000. The population living below the poverty line has declined to 29% as of 2009/10.

By spending more than 60 percent of its total expenditure on poverty oriented sectors, such as agriculture, education, health, water and road development during the last seven years, the government has maximized its efforts and shown the highest level of dedication to bring about pro-poor economic growth.

Despite the impressive growth record in recent years, low levels of income and savings and productivity in the agricultural sector, limited implementation capacity, unemployment and a narrow modern industrial sector base are the major challenges faced during this period. Besides the aforementioned challenges, the growth efforts have also been threatened by the twin challenges of inflation and the pressure on the balance of payments (BOP). Development finance had also been a critical constraint on the implementation of programs articulated in the country's development plan. As the result of monitoring and physical policies and administrative measures, the macro-economic situation has been stabilizing. However, sustaining the macroeconomic stability requires close monitoring and prudent management.



Ethiopia has also been exposed to weather induced challenges. Climate change is a key emerging factor with adverse effects on the ecological, social and economic fabric of society. Therefore, addressing climate change has important, poverty reduction, equality and human rights dimensions. The various impacts of climate change will have a dampening effect on Ethiopia's economic growth rates and adversely affect the prospects for achieving the national development plan and MDG targets.

The global financial and economic slowdown and climate change are seen as threats that may hinder progress and reverse the development gains registered. The current status of the MDGs and their prospect until the year 2015, discussed at length in this document, need therefore to be understood in this broader context. The rest of the document will examine the trends in the last decade and their likely trajectory until 2015 based on research and information conducted by the government, developmental institutions and academia.

## II. MDGs and the National Development Framework

Since the 1990s, reducing pervasive poverty and ensuring human development in Ethiopia have been the objectives of the Ethiopian government. This vision is explicitly incorporated in various government development policy documents. It is easy to see the central role of MDGs in informing such government policy documents, and several national and sectoral policy documents are very much aligned with the MDGs.

The country's medium term development plans such as the Plan for Accelerated and Sustained Development to End Poverty (PASDEP - 2005/06-2009/10) and its successor Growth and Transformation Plan (2010/11-2014/15) are MDG based development plans that were conceived to be implemented in the medium term. The integration of the MDGs in the national development policy context reached its height following the 'MDGs Needs Assessment' exercise conducted by the government, UNCT and other development partners in 2005. This allowed the explicit incorporation of the MDGs and their explicit cost in important policy documents for the country.

MDGs are therefore well placed in the national development context of the country. In line with the objective of poverty eradication and bringing about social development, the Government of Ethiopia has invested in both physical and human capital formation which could be considered as best practice to address the challenges of achieving the MDGs.

# III. Goal 1: Eradicate Extreme Poverty and Hunger



## 3.1 Poverty and Inequality

Economic growth and distribution of income are the major instruments for reducing poverty. Hence, the challenge to grow and the nature of growth have the most significant effect in eradicating extreme poverty and hunger.

During the past seven years, progress towards achieving Goal 1, as measured by macroeconomic parameters and strong growth averaging over 11% per annum, has been registered. This growth has emanated from the growth of small holder private agriculture, resulting in significant reductions of poverty, particularly in rural areas. Even though the agricultural sector has continued to be the major driver of the economy, the growth contribution of the non-agricultural sectors (particularly the service sector), has also been significant. Together, the agricultural and service sectors, have contributed the lion's share of GDP. During the last seven years, the agriculture (including allied activities) and service sectors have respectively contributed 41% and 46% on average to total GDP. Moreover, this expansion has also been broad based with significant contributions from the manufacturing and construction sectors.

The aforementioned growth within the agricultural sector has emerged from improvements in crop production and productivity; livestock productivity; diversification of agricultural production; agricultural research and extension services; supply of agricultural inputs such as fertilizer and improved seed; expansion of small and medium scale irrigation schemes and the management & utilization of natural resources.



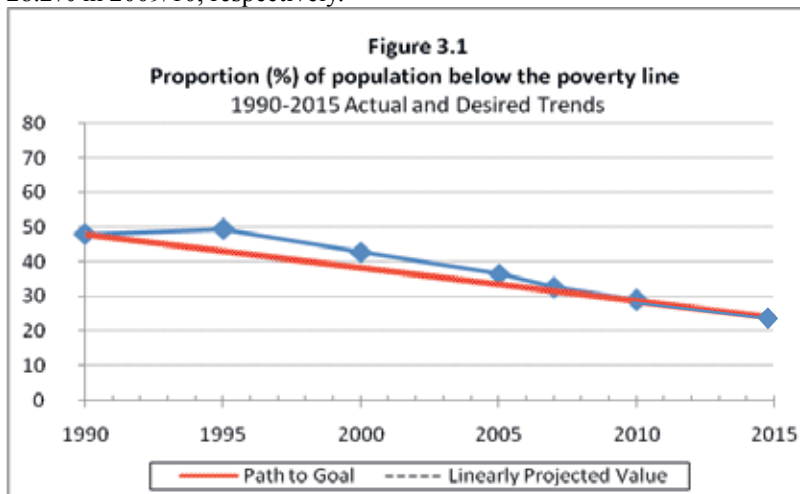


Table 3.1: Macroeconomic Indicators

Sector/Indicator	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Average (2004/05-09/10)
GDP Growth in %	11.7	12.6	11.5	11.8	11.2	9.9	10.1	11.0
• Agriculture and allied activities	16.9	13.5	10.9	9.4	7.5	6.4	6	10.1
• Industry	11.6	9.4	10.2	9.5	10	9.9	10.2	10.1
• Service	6.3	12.8	13.3	15.3	16	14	14.5	13.2
GDP per capita growth	10.7	9.0	7.9	7.8	7.1	6.0	8.3	8.1

Source: MoFED, National Accounts Data (1999/00 – 2008/09)

**Trends of Poverty <sup>1</sup>:** Ethiopia started the fight against poverty from very high levels with close to 49.5% of the total population under the poverty line in 1994/95. Following the implementation of the comprehensive poverty reduction strategy, poverty levels have declined steadily reaching 38.7 percent in 2004/05, and are estimated to further decline to 29.2 percent in 2009/10. The five year Growth and Transformation Plan 2010/11-14/15 indicates that Ethiopia would achieve halving poverty by 2015 and projects that both income and food poverty reach 22.2% and 21.22% in 2014/15 from 29.2% and 28.2% in 2009/10, respectively.



The decline in rural poverty since 1995/96 is substantial compared to the rising poverty levels in the urban areas. The headcount, poverty gap and poverty severity indices in 2004/05 for rural areas were lower than the lev-

<sup>1</sup> The poverty data and analysis is based on MOFED (2008a) 'Dynamics of Growth and Poverty'

els five years ago, by 13%, 31%, and 41%, respectively. The urban poverty headcount index increased by 11 percent between 1995/96 and 1999/2000 but declined slightly (by 5% only) between 1999/2000 and 2004/05. Income Poverty is slightly higher in the rural areas (39.3 percent) than in the urban areas (35.1 percent). The poverty gap index was 8.3% in 2004/05 and was slightly higher (8.5%) in rural than in urban areas (7.7%).

*Table 3.2: Trends of Poverty and Inequality*

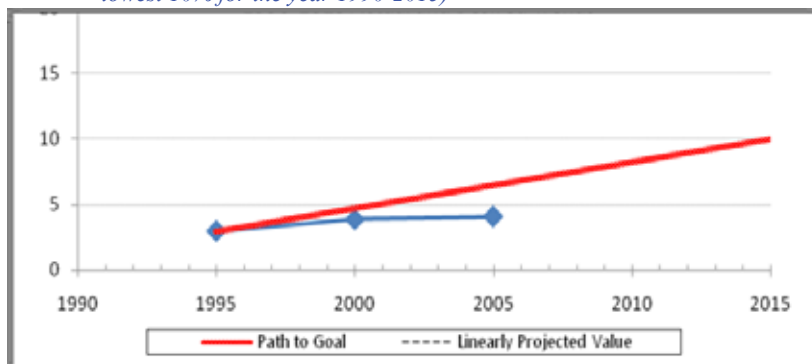
Year	Poverty Head Count Ratio, P0 (%)	Poverty Head Count Ratio If Inequality is Not a problem	Trends of Inequality (Gini Coefficient)		
			Total	Rural	Urban
1994/95	49.5	49.5			
1995/96			0.29	0.27	0.34
1999/00			0.28	0.26	0.38
2000/01	42.8	38.9			
2001/02	43.1	44.1			
2002/03	44.2	47.8			
2003/04	43.9	43.2			
2004/05	38.0	35.4	0.304	0.26	0.44
2005/06	36.6	31.4			
2006/07	34.6	30.0			
2007/08	32.7	28.9			
2008/09	30.6	29.3			
2009/10	29.0	28.5			

*Source: Trend projection based on MoFED data*

### Trends of Inequality:

Trends in inequality, as measured by the Gini Coefficient, show a moderate rise at national level while sharply rising in urban areas (Table 3.2). For rural areas, the poverty reduction is fully accounted for by growth (inequality not being important). For urban areas, however, the gain on poverty reduction obtained due to growth (about a 12 percentage point reduction) was accompanied by inequality (which raised it by about 14 percentage points), leading to a rise in poverty. The above evidence underscores the importance of addressing the challenges of growth and inequality to attain Goal 1.

Figure 3.2: Income of the poorest quartile (income share held by the lowest 10% for the year 1990-2015)



**Food poverty:** is an important issue related to Goal 1. Through its long term strategy of Agricultural Development Led Industrialization (ADLI) and its medium term development framework, the government is attempting to address this issue. This is complemented by the national food security program that includes a productive safety net program, voluntary resettlement program, household asset building and others. The food poverty head count index declined from 38% to 28.2% between 2004/2005 and 2009/2010.<sup>2</sup> Other dimensions of poverty and welfare have also seen significant improvements.

Given the strong performance in growth and assuming that the government vigorously works on addressing issues of inequality that could accompany growth and hunger, Ethiopia's chance of meeting Goal 1 is substantial, as indicated in Table 3.2. The sustainability of overall growth, on the other hand, hinges upon how Ethiopia continues to address the issue of vulnerability to shocks, ensuring macroeconomic stability and accelerating the structural transformation process that has already begun in the economy. Some of the challenges that need to be addressed to achieve Goal 1 are detailed below.

### 3.2 Challenges and Ways Forward: Challenge of Growth, Inequality and Vulnerability

Growth and distribution are found to be important determinants of poverty eradication in Ethiopia. Achieving Goal 1 entails, in addition to keeping up the current momentum for growth and prudently managing the macroeco-

2 MOFED, PASDEP Implementation Review and Growth and Transformation Plan, 2009/10



conomic situation, in particular inflation, balance of payment, domestic revenue and savings when addressing the following issues:

**3.2.1 The Challenge of Malnutrition and hunger:** The percentage of Stunted Children declined from the 2004/05 level of 47 percent to 40.5 percent in 2005/06. Similarly, the percentage of wasted children declined from 8% to 5.9% in the same period (APR 2007/08). Despite improvements, significant reductions in the current levels of under-weight children under-five years old are required. Aiming to achieve this goal, the Government has developed a National Nutrition Strategy (NNS) and it is implementing a National Nutrition Program (NNP) to accelerate progress and address malnutrition with a comprehensive and harmonized approach. The NNP focuses on the immediate causes of malnutrition by supporting a basic package of high impact interventions such as Vitamin A supplementation, de-worming, screening and Targeted Supplementary Feeding (TSF), delivered in a campaign mode. It also addresses the underlying and basic causes through a comprehensive, preventive community-based nutrition intervention package, linking humanitarian food security interventions and the Productive Safety Net Programme (PSNP). The government has also taken the innovative step of addressing acute malnutrition at community level using the infrastructure in place through the Health Extension Programme.

The increasing urban poverty and population growth are also emerging challenges requiring policy responses and some form of urban social safety net programme. To reach the target of reducing malnourishment and hunger by 2015 will also require more aggressive and concerted action in this direction

**3.2.2 Challenge of Growth and Vulnerability:** The Ethiopian economy and the poor in Ethiopia are extremely vulnerable to external shocks that may include climate change and the global price of exports and imports. These could be taken as challenges on the sustainability of growth. Sustainability at a macro level could be attained by the structural transformation of the economy and greater participation of the private sector. This could be done in the medium-term by tackling the dependence on rain-fed agriculture through the expansion of small and large scale irrigation and strengthening public-private partnership. Structural transformation could also be addressed through raising the competitiveness of the industrial and export sectors, through the provision of physical infrastructure and human capital formation.

Sustainability of growth is dependent on high growth in exports, on raising

domestic resource mobilization and prudent macroeconomic management of the economy. Increasing foreign currency reserves and limiting high import growth and rising domestic savings are major issues that the government needs to address to achieve Goal 1. To this effect, the Government of Ethiopia is taking encouraging policy measures and responding to the situation.

The challenge of vulnerability also has a micro dimension. Poverty studies in the country show that even if the poor are able to escape poverty for a substantial period of time, they are extremely vulnerable to slip back into poverty. This is especially true after shocks, such as drought and the death of the head of the household. Such persistence in poverty is related to a lack of structural transformation in agriculture and institutions, as well as inadequate asset accumulation.

### 3.3 New Global Challenges with Consequence for Goal 1

Ethiopia like many other developing countries continues to be affected by global challenges. The global economic crisis and climate change are among the many global challenges, in addition to the rise in food and oil prices, which have affected the poverty reduction efforts of the country. IMF calculations on the effects of the changing global economic environment on Ethiopia's balance of payments in 2009/10 yield an estimated adverse impact in the range of \$260–300 million.<sup>3</sup>

Using a simulated global African model, an estimate of the combined effect of the crisis accounted for through the various channels is that it reduces the growth rate in Ethiopia by -1.71 and -1.55 percentage points from the base case scenario in 2009 and 2010. Applying elasticity of poverty with respect to growth and inequality, we have noted the poverty implication of this decline in growth on Goal 1 and seen how the global financial and economic slowdown has undermined the poverty reduction efforts in Ethiopia.

Similarly, although the impacts of climate-variability related hazards are not well researched and documented and are difficult to quantify on a case by case basis, climate variability in Ethiopia, especially those related to floods and drought could be potential threats to the achievement of Goal 1.

Agriculture whether subsistence or commercial farming, is the foundation

3 *These estimates are based on comparisons of projected outturns in 2009/10 (on unchanged policies and a constant real exchange rate) with the 2008/09 outcome.*

of the Ethiopia's economy. It is extremely sensitive to unpredictable climate variations. Therefore, in terms of livelihoods, small-scale and subsistence farmers and pastoralists are the most vulnerable groups. Adverse climate change with its effect on drought, disease and conflict could potentially reduce school enrollment (Goal 2), not to mention its impacts on agricultural productivity that depends

heavily on rain-fed agriculture and therefore has serious consequences for poverty reduction. Moreover, unforeseen weather changes often cause outbreaks of disease and recurring climate-induced hazards which could pose serious constraints on the achievement of health related MDG targets.

Ethiopia's vision of a Climate Neutral and Climate Resilience development direction is encouraging, but requires substantial programmatic and policy support towards a low carbon development path. Bearing in mind the challenges, this will require a flexible framework that puts in place the means to continuously scan policy instruments and mainstream climate change as needed.

In conclusion, if the current strong growth continues and the growth path is broad-based and pro-poor, it is possible to conceive poverty declining by up to 22.2% by 2015. The need to look at the link between economic growth, inequality and poverty reduction therefore has paramount significance. Safeguarding the economy and households from vulnerability to shocks and addressing issues of hunger and malnutrition should be taken as important instruments to achieve Goal 1. In addition, the non-income targets of Goal 1 continue to require aggressive action to get on track. Thus, achieving Goal 1 will depend on directly tackling the challenges noted here.

## IV. Goal 2: Achieve Universal Primary Education



### 4.1 Trends and Prospects of Goal 2

Ethiopia is well on track to achieve universal primary education, given the trend from the 1990s and the recent excellent performances as seen below in Figure 2. The achievements of the Government of Ethiopia in terms of higher gross enrolment ratios, as well as increases in the total number of primary and secondary schools in the country are noted by both the PASDEP progress report and UNESCO's Education for All Global Monitoring Report (2009). These impressive results have been achieved through a massive nationwide effort of providing education. The Government of Ethiopia has made achieving universal primary education a central aspect of public policy and public spending on education has increased over the decades. Successive five year nationwide Education sector Development Programs (ESDP I, ESDP II and ESDP III) have already been implemented. Ethiopia realizes that increasing the coverage of education is only part of the battle and the push to increase coverage has been accompanied, in recent years, by a national program to improve the quality of education delivered, to keep children in school and reduce drop out rates.

During 2009/10 the Gross Enrolment Rate (GER) for primary school (grades 1-8) reached 95.9 per cent (93. per cent for female and 98.7 per cent for male). During the same year (2009/10) the Net Enrolment Rate (NER) stood at 89.3 per cent (87.9 for male and 86.5 percent for female).





*Table 4.1: Primary School (1-8) Trend of Gross Enrolment Rate (GER) by Gender and Year*

Gender	Years					
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Boys	88.0	98.6	98.0	100.5	97.6	98.7
Girls	71.5	83.9	85.1	90.5	90.7	93.0
<b>Both</b>	<b>79.8</b>	<b>91.3</b>	<b>91.7</b>	<b>95.6</b>	<b>94.2</b>	<b>95.9</b>

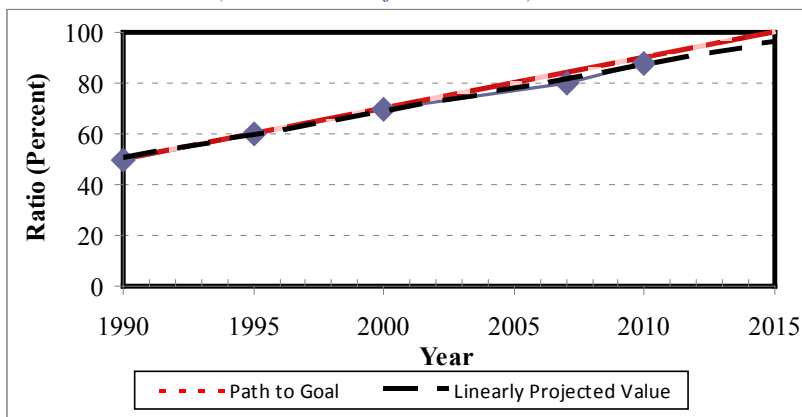
Source: MoE (2008/09) and Draft input for the Five Years Growth and Transformation Plan

*Table 4.2: Primary School (1-8) Trend of Net Enrolment Rate (NER) by Gender and Year*

Gender	Years					
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Boys	73.2	81.7	82.6	86	84.6	89.3
Girls	63.6	73.2	75.5	80.7	81.3	86.5
<b>Both</b>	<b>68.5</b>	<b>77.5</b>	<b>79.1</b>	<b>83.4</b>	<b>83.0</b>	<b>87.9</b>

Source: MoE (2008/09) and input for the Draft Five Years Growth and Transformation Plan

*Figure 4.1: Net enrolment ratio in primary education for the year 1990-2015 (Actual and Projected Trends)*



Source: MoE (2008/09) and Draft input for the Five Year Growth and Transformation Plan (2010/11 – 2014/15)

There has been a steady improvement in the participation of girls at primary level as expressed by the Gender Parity Index (GPI) which shows a progressive trend over the years. GPI in the first cycle (grades 1-4) increased to 0.93 in 2009/10 from 0.87 in 2004/05. At upper primary level (grade 5-8), GPI has



substantially improved as well to 0.97 in 2009/10 from 0.69 in 2004/05. In general, the GPI improved from 0.87 during 2004/05 to 0.93 during 2009/10. Likewise, for the same years under consideration, GPI increased in the first years of secondary level (grades 9 and 10) to 0.80 from 0.57.

The overall success in access to primary education is mainly related to the increase in the number of primary schools from 16,000 in 2004/05, to more than 25,000 in 2008/09 (MoE, 2008/09). This is complemented by constructing more than 80% of the schools in rural areas. Moreover, the government has also progressively increased the share of education in the national budget from 19.8% in 2004/05 to close to 22.8% in 2009/10.

The general literacy rate remains very low, pointing out the need to focus on this aspect of education development (see Table 4. 3). Heterogeneity in the gender disparity of adult literacy rates is widespread across Ethiopia. In addition, the urban-rural disparities in literacy are pronounced with literacy rates often significantly lower in rural areas.

*Table 4.3: Other Indicators of Goal 2.*

Indicator	1990	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Primary school GER	32	79.8	91.3	91.7	95.6	94.2	95.6
Primary school Completion Rate		34.3	41.7	44.2	44.7	43.6	46.0
Primary School girls/boys ratio		0.87	0.84	0.87	0.90	0.93	0.93
Literacy Rate	26 (1996)	29.2(2000)			35.9		36

*Source: MoE (2008/09) and Draft input for the Second Five Year Growth and Transformation Plan*

## 4.2 Challenges and Ways Forward

Despite the impressive progress and achievement in the education sector, addressing a 100% enrollment rate across all parts of the regions remains a challenge. This is particularly true for pastoral and semi-pastoral areas such as Afar and Somali regions. The GER in Afar has increased from 26.2% in 2007/08 to 58.0% in 2009/10. Similarly, the GER of Somali region has increased from 32.7% in 2007/08 to 63.8% in 2009/10. This increase is attributable to the continued focus given by the government on the regions under the government's development plan (PASDEP), as well as the development of informal education programs for out-of-school youth, mobile and community schools for pastoral areas and national programs of Alternative Basic Education (ABE).

The overall increase in the enrollment ratios though seems to come at the

expense of educational quality. Given the importance of education in indirectly addressing the other development goals, the issue of quality is of paramount importance. The completion rate for first cycle and second cycle primary education is currently at 74% and 46% respectively during 2009/10. Towards this end, the GoE initiated a General Education Quality Improvement Program (GEQIP) which began implementation in 2009. This included upgrading teacher's quality and increasing the number of teachers through on the job training and summer training, as well as reducing the pupil to teacher and pupil to textbook ratios. Hence, the percentage of certified teachers in primary education has shown commendable improvement reaching 89.4% in first cycle (grades 1-4), 71.6% in second cycle (grades 5-8) and 38.4% (for grade 1-8). The share of female teachers is higher than male teachers in both cases. In addition it is also important to balance the rural-urban enrollment difference.

The other challenge is related to the nutritional status of children. Malnutrition has a negative impact on the children's educational achievement. Hence the government has implemented a program to support those food insecure households with food security and productive safety net programs. This in turn helps those children in food insecure areas and vulnerable households secure access to education, where malnutrition no longer affects their performance, and to ensure the achievement of universal access to education. Climate variability in Ethiopia has increasingly been the source of droughts and floods. Impacts of climate change could potentially limit progress, such as full education enrollment. The Humanitarian Requirement Document (2010), for instance, stresses that relief responses should be multifaceted and should also entail responses in the education sector, among others. Interventions in education primarily focus on the provision of emergency education support for students that have dropped out of school, due to drought and disease.





## V. Goal 3: Promote Gender Equality and Empower Women



### 5.1 Trends and Prospects of Goal 3

This goal is central to address the majority of the MDGs. The GOE has declared its commitment to gender equality, equity and the empowerment of women by stipulating the rights of women in its Constitution, by issuing the Women's Policy of Ethiopia and by revising the Family Law and the Criminal Law. In 2005, the Government upgraded the Office of Women's Affairs in the Prime Minister's office to the level of a full Ministry of Women's Affairs (MoWA) with the mandate to ensure that due consideration was given to gender issues across all sectoral policies. Efforts continued to firmly establish gender as a cross-cutting issue through joint planning sessions between sectoral line ministries and MoWA. The Government has also incorporated gender issues in different national policies including health, education and training, HIV/AIDS, population and other sector policies. The formulation of the National Action Plan (NAP) on Gender and Development ensures that gender is fully considered and incorporated in all the annual work plans; and the establishment of a gender focal person in each of the regional bureaus is evidence of the Government's commitment to gender equality.

PASDEP has also recognized addressing gender issues as one of its eight pillars. To this effect, PASDEP outlines the following strategic measures: increasing girl's and women's access to education, improving water supply and sanitation as well as health services and adapting agricultural training to the needs of women. Furthermore, safeguarding rights such as access to land, credit, and increasing the number of women that benefit from government programs such as the construction of low cost houses in urban areas and the



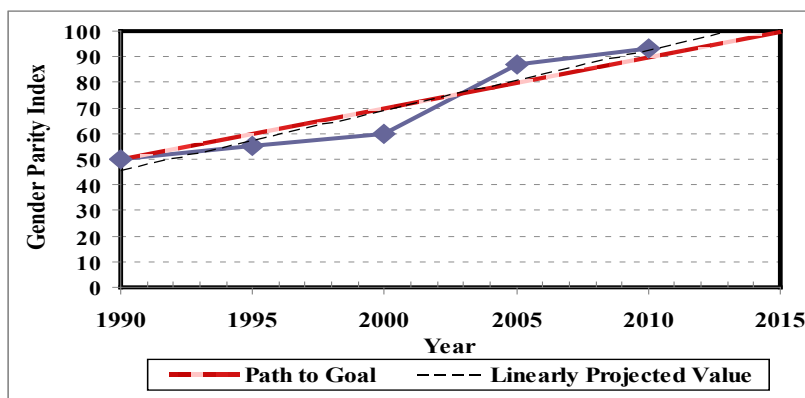




encouragement of micro and small scale enterprises which are essential parts of the PASDEP strategy. Measures are also taken to reduce violence against women, including the enactment of protective legislation. A new Penal Code has been adopted which contains strong measures in support of women's rights and curbing gender based violence.

One of the targets under Goal 3 involves eliminating gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015. Although gender parity was not achieved by 2005, Ethiopia appears to be on track to achieve it in primary school enrolment by 2015. Gross enrolment rate (GER) for girls at primary level increased from 53.8% in 2002/03 to 93% in 2009/10 while GER for boys increased from 74.6 to 98.7 during the same period (Annex Table 2). The recent PASDEP implementation review indicates an impressive achievement in increasing the gender parity to 0.93 for primary education in 2009/10. However, the gender disparity gets wider at higher levels of the educational system because of the prior history of structural problems. Achieving gender parity at the primary level, results in many more girls enrolling at secondary and tertiary education levels. Educational gender gaps are larger in rural areas than in urban areas and have spatial variation.

*Figure 5.1 Ratio of Girls to Boys in Primary Education (1-8) 1990-2015 actual and desired Trend*



*\*\* This ratio is a calculation of the total number of girls divided by the total number of boys and multiplied by 100*

Although the level of women's representation in the federal parliament is low, significant improvements were observed when compared with the previ-



ous two elections (1995 and 2000). In the first parliament (1995 election), 13 women (2.74%) were represented out of 547 seats while in the second parliament (2000 election) around 42 (7.7%) of the elected MPs were women. In the third parliament (2005-2010), the number of women holding seats rose to 117 (22%). During the third election, the government had strived to increase the number of women legislators to 30-50% of the house, through different measures. The number of seats held by women in the House of Federation has now reached 21 (18.75%). Apart from the political empowerment of women, training women on leadership is the major mechanism undertaken to strengthen women's capacity in decision making. It is believed that women's education and economic empowerment play a vital role in empowering and enhancing the decision-making capacity of women.<sup>4</sup>

According to the 2009 Urban Employment and Unemployment Survey, out of the total unemployed people 68.5% were females and 31.5% were males. This shows a decline from 2005 which stood 74.1% for female and 25.8% for male. The rate of unemployment for urban areas in the same year was 20.4%, which is 12.2% and 29.6% for male and female respectively.<sup>5</sup>

## 5.2 Challenges and Ways Forward

While much progress has been made, addressing gender equality and empowering women remain the most challenging. This is because of the deep-rooted nature of the challenge, which depends not only on the actions of government, but also on changing attitudes and cultural values of the society. These types of changes take a significant amount of time to evolve and bring society's consciousness to one level of understanding.

Addressing these socio-culturally and psychologically embedded root causes requires a process of social change and transformation. PASDEP as well as some of the government's flagship programs, including the imminent Gender Joint Program, mark steps in the right direction in that they are based on a root cause and gap analysis. Similarly, there is a growing understanding that there is a disconnect between the existence of legal prerogatives and entitlements in favor of women's rights and the latter being enforced, implemented and claimed.

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4 Country CEDAW Report 2009

5 Ethiopian Women's and Children's Development Plan (Draft),  
MoWA, March 2010

Climate change may exacerbate the precarious position of many Ethiopian women, particularly rural women by making them walk longer distances to fetch water, collect fuel wood, and by creating greater threats of gender-based violence on the way to water points, as well as reducing their choices about the amounts and quality of nutrition they can consume and type of crops they can cultivate.

Seeing through the empowerment of Ethiopian women would not only go a long way to bring about socio-economic development, but is in fact the precondition and indispensable catalyst for sustainable development and achieving the MDG agenda. The continued and enhanced implementation of the policies and strategies of the GoE will therefore make a significant difference over the coming years.





## VI. Goal 4: Reduce Child Mortality



### 6.1. Trends and Prospects of Goal 4

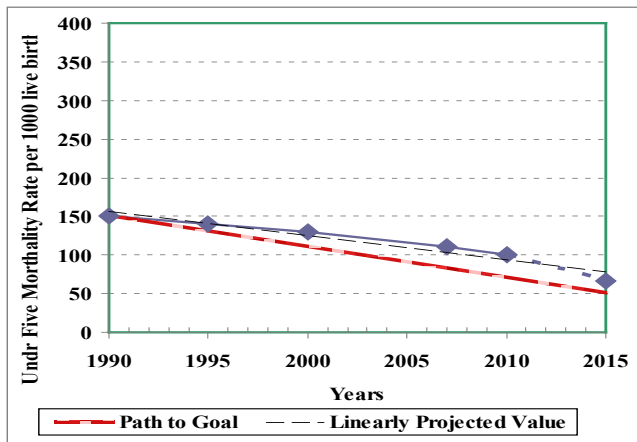
The under-five mortality rate has decreased to 123/1,000 in 2005/06 from 167/1,000 in 2001/02 and the infant mortality rate has declined to 77 per 1,000 live births in 2004/05 from 97 per 1,000 live births in 2001/02. In 2009/10 the under-five mortality rates and infant mortality rates decreased to 101/1000 and to 45/1000 live births, respectively. Malaria (20%), Pneumonia (28%), Diarrheal Diseases (20%) and Newborn conditions (25%) each account for the major causes of child deaths in Ethiopia.

The improvement of children's health is an essential component of the Health Sector Development Programme (HSDP) III that focuses on poverty related health conditions. HSDP III which ends in the middle of 2010, envisaged a reduction of the mortality rates of children under-five from 123/1,000 to 85/1,000 and the infant mortality rate from 77 to 45 per 1000 live births. This prognosis is based on an increased coverage of maternal, newborn and child health, nutrition and WASH related interventions.





Figure 6.1: Under-five Mortality Rate (1990-2015 Actual and Desired Trends)



Source: MoFED and MoH

The majority of child deaths can be prevented by low-tech, evidence-based (i) cost-effective family care practices such as exclusive breast-

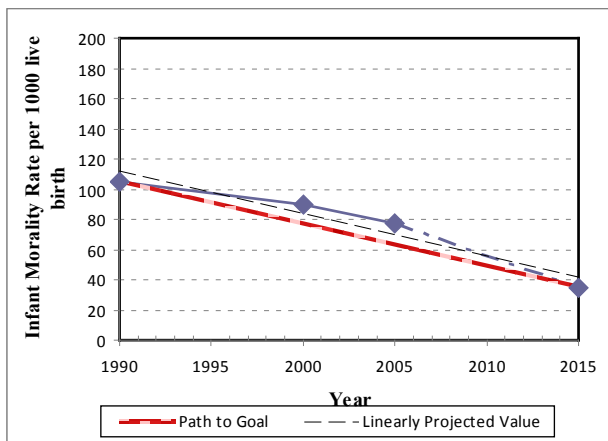
feeding up to 6 months of age, hand washing with soap and micronutrient supplementation; (ii) preventative measures such as immunization; and (iii) curative measures such as prompt community based treatment of diarrhea, malaria, pneumonia and severe malnutrition.

The inception of the flagship Health Extension Programme (HEP) was completed during 2009. This was the first year that the full complement of community based health workers supporting the Ministry of Health's (MOH) efforts towards the achievement of MDG 4, 5 and 7 were deployed, working on a combination of promotional, preventative and basic curative high impact interventions. Crucially, the commitment of the government to introduce community-based pneumonia management brings an opportunity to further accelerate the reduction of child mortality.

With regard to infant mortality rates, the Draft HSDP IV indicates a reduction to 77 per 1,000 live birth and is expected to further reduce to 31 per 1,000 live births by 2014/15.



Figure 6.2: Under-five Mortality Rate (1990-2015 Actual and Desired Trends)



Source: MoFED and MoH

Pentavalent vaccine was introduced in 2007 with coverage of 87% while measles coverage reached 81.9%. Although the full immunization performance has increased significantly from

22.3% in 1999/2000 to 65.5% in 2008/09, it requires further effort. As indicated below, Ethiopia is on track to reduce child mortality by two-thirds by the year 2015.

Achieving health related MDG targets, especially the reduction of maternal and associated newborn mortality, requires further efforts. This should be considered in light of the huge gap between the supply and demand of human resources required to meet the minimum staffing pattern, for scaling up basic and emergency obstetrics and newborn care services in health centers and hospitals.

In general, Ethiopia is working hard to achieve the goal of reducing child mortality by two-thirds by the end of 2015.

## 6.1 Challenges and ways forward

Understanding the current determinants of child mortality is essential to inform policies and strategies to accelerate the reduction of child mortality. It is often associated with poverty (the lowest quintile is associated with 32% more child mortality than the highest), maternal education, maternal fertility characteristics [the under 5 mortality rate is significantly higher for mothers under the age of 20 (225 deaths per 1,000 compared to 179 for mothers in their twenties)], maternal under-nutrition, intervals between births, access to adequate safe water and basic curative health services. The expansion of family planning programs across the country is expected to positively impact

## VII. Goal 5: Improve Maternal Health



on some of the challenges associated with reducing child mortality.

### 7.1 Trends and Prospects of Goal 5

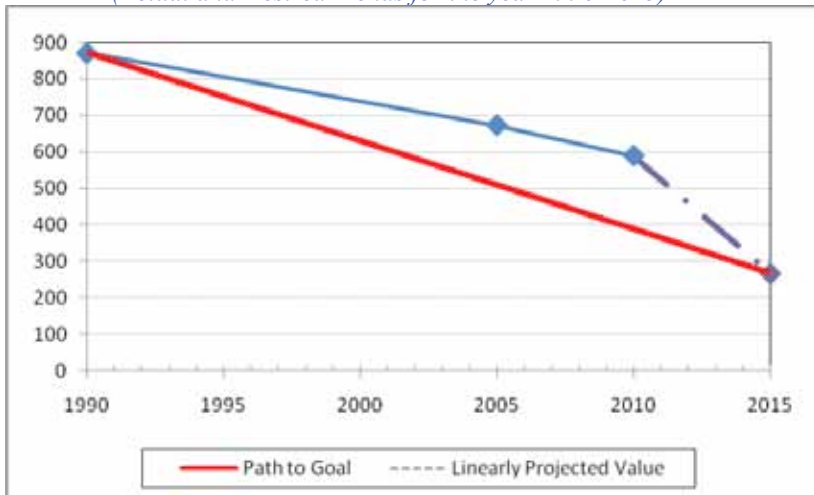
According to DHS 2005, the maternal mortality rate has also declined to 673/100,000 in 2005/06 from about 871/100,000 live births in 2001/02. The cover for Antenatal Care, Deliveries attended by skilled health personnel and Postnatal Care service, reached 59.4%, 20.3% and 25.1% respectively. In 2009/10 the national contraceptive prevalence rate reached 55%.

Improvement in maternal mortality is closely correlated with access to and the quality of health facilities and professionals. On that basis, the efforts already taken to date would be fundamental building blocks to help Ethiopia achieve the goal of reducing maternal mortality by three-quarters by the end of 2015. See Figure 7.1 below.





Figure 7.1: Maternal Mortality Ratio Per 100,000 Live Birth  
(Actual and Desired Trends for the year 1990-2015)



With regard to maternal health, DHS 2005 illustrated that family planning services coverage, in terms of knowledge and use of family planning methods, has increased. About of 88% of married women and 93% of married men knew at least one method of contraception.

The main method of implementation is training and deploying Health Extension Workers (HEWs) in rural villages. The HEWs have basic skills in clean delivery, essential newborn care and recognition and referral of maternal and newborn complications. Currently, it has been observed that the implementation of the Health Extension Program (HEP) has already started to bear fruits. Due to investments in health facilities all over the country, the proportion of the population living less than 10 km away from a health post has increased. So far, the total number of HEWs trained and deployed has reached 30,193 accounting for 98.07% of the total national requirement of 30,786 HEWs. Some of their major tasks include delivering basic sanitation, immunization and providing other health services in mainly rural villages in the country. Generally, the current on-going integrated and comprehensive interventions in the health sector and complementary interventions in other sectors could have a significantly positive impact in improving the maternal health and achieving the goal of reducing maternal mortality by three quarters by 2015.

According to the draft ESDP IV, the maternal Mortality rate is projected to reduce to 267 per 100,000 by 2014/15.

## 7.2. Challenges and ways forward

Improving maternal health requires a strong system which can only be built with concerted effort over time. Human resources and an enabling environment such as basic infrastructure and the necessary supporting system should be at the center of the maternal health strategy. The availability of basic infrastructures such as water, electricity, road connections, laboratories, blood banks, communication, and referral systems are crucial for improving maternal health.

Efforts to reduce maternal mortality should definitively address cultural factors that influence their health and their access to health services. Alleviation of these social constraints would contribute towards the success of the goal. Increasing access to high quality antenatal and post-abortion care, strengthening reproductive health care and family planning in rural areas, increasing access to skilled delivery care, and providing education about family planning are also key areas where the scaling up of efforts should be go hand in hand with community mobilization. The HSDP IV has also framed its progress along the major areas discussed above.



## VIII. Goal 6: Combat HIV/AIDS Pandemic, Malaria and Other Diseases



### 8.1 HIV/AIDS Pandemic

Ethiopia joined the UN General Assembly in issuing the Political Declaration on HIV/AIDS in 2006. The declaration necessitates commitment on the part of governments to move towards the goal of universal access to HIV prevention, treatment, care and support by 2010. Subsequently, Ethiopia's Federal HIV/AIDS Prevention and Control Office (HAPCO) launched an updated planning framework that set targets to achieve universal access. The 'Millennium AIDS Campaign' designed by the federal government has been the centerpiece of efforts to scale-up prevention and treatment programs.

A trend analysis of HIV/AIDS prevalence rates shows that the urban epidemic appears to have leveled off at a high prevalence in the past years while the rural epidemic hasn't shown significant change.

Owing to the expansion in the number of health centers, the rate of HIV positive pregnant women who received a complete course of Antenatal Care (ANC) reached 42% of its targeted rate of 15% by the end of 2004/05. Similarly, about 35,000 Orphans and Vulnerable Children (OVC) received support by the end of 2004/05. With respect to the provision of ART, 206,907 PLWHA received treatment in 2008/09.

Ethiopia's HIV/AIDS epidemic is heterogeneous with marked regional variations. At the national level, the epidemic has been stable over the past several years. Adult HIV prevalence in 2009/10 is estimated to be 2.4%.<sup>6</sup> With an estimated 1.1 million people living with HIV, its prevalence in Ethiopia is high; although,



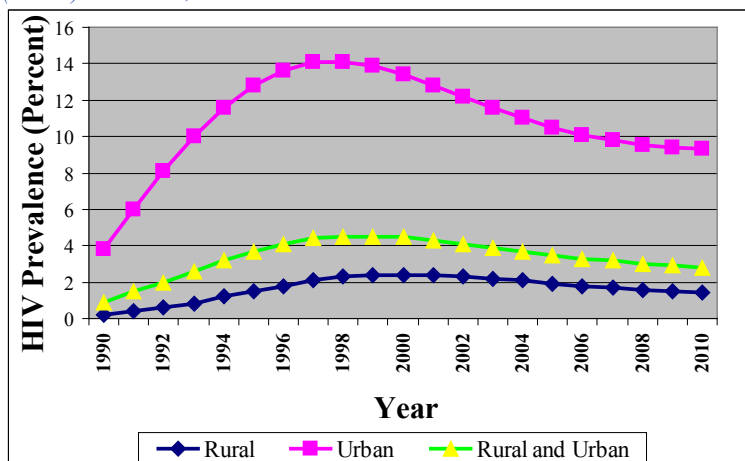
6 MoH input in the Draft Five Year (2010/11-2014/15) Growth and Transformation Plan.



the HIV prevalence among the adult population is lower than many sub-Saharan African countries.<sup>7</sup>

A new single point estimate of HIV prevalence will be generated following the completion of a population-based survey in late 2010.

*Figure 8.1: Estimated and Projected HIV Prevalence by Adult Population (15-49) in Urban, Rural and National level*



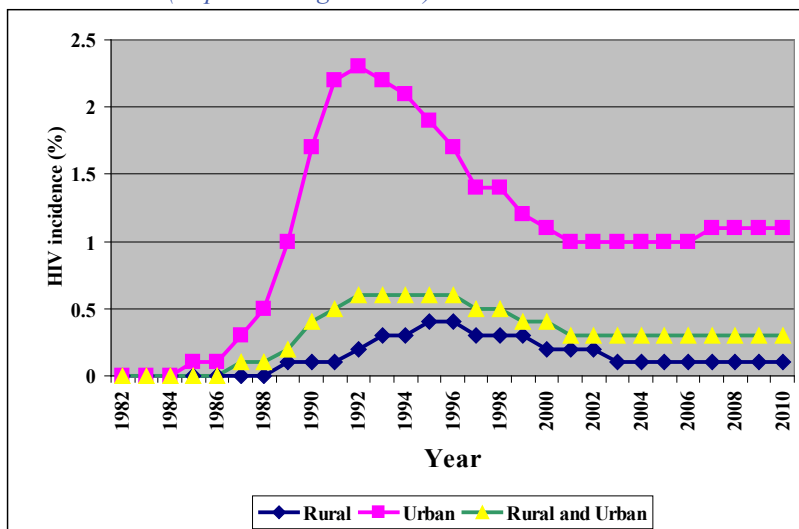
Source: 6th Annual Report on AIDS in Ethiopia-MoH/HAPCO

strategic plan, the development of specific HIV/AIDS related legislation and revising the HIV policy to promote and protect human rights. In order to ensure that quality HIV/AIDS services are delivered at the community level, various guidelines and standards were developed, distributed and are being implemented. Hence the HIV/AIDS incidence Rate has remained below 0.3 percent.

<sup>7</sup> Federal Ministry of Health-Federal HAPCO: Single Point HIV Prevalence

Estimate, June 2007

Figure 8.2: Estimated and Projected HIV Incidence by Year, Rural, Urban and National (Population Aged 15-49)



Source: 6th Annual Report on AIDS in Ethiopia-MoH/HAPCO

Lower prevalence rates have been attributed to: the rapid expansion of sites for HIV counseling and testing, prevention of mother-to-child transmission (PMTCT) and antiretroviral treatment services, exceptional growth in annual HIV testing, the growth of antiretroviral treatment for people living with HIV, awareness about the epidemic, behavioral change, and the rise in psychosocial, educational and nutritional services for people living with HIV.

The HIV Counseling and Testing (HCT) program has shown considerable improvement both in terms of service expansion as well as utilization. A total of 5.8 million people (53% male) received HIV counseling and testing in 2008/09 which is a 22% increase on the previous year. However, despite these remarkable achievements, there is a widely held concern that PMTCT activities have been lagging behind. From an estimated 84,189 HIV positive pregnant women in 2009 only 6,466 (8%) received antiretroviral prophylaxis.<sup>8</sup>

<sup>8</sup> Program performance data has been compiled from the most recently available FHAPCO and FMOH progress reports. Please note that the PMTCT figure does not include mothers who are enrolled in the ART program.

In terms of progress towards the universal targets set in the ‘Millennium AIDS campaign,’ data from UNAIDS shows that ART care and support for people living with the virus, counseling and testing programs to support orphans and vulnerable children are on track, while coverage of mother-to-child prevention services is lagging behind.

### *8.1.1. Challenges and ways forward*

The national response has shown rapid improvement in the health sector while there are still potential areas for improvement in non-health areas such as the education sector, workplace programs, and care and support to Orphans and Vulnerable Children (OVC). Progress was made by mainstreaming HIV/AIDS activities in sectoral public agencies but efforts and achievements in mainstreaming HIV/AIDS in many non-public sectors remain much less than desired. The enhancement of HIV and human rights laws need to be addressed to mitigate stigma and discrimination and increase the involvement of People Living with HIV/AIDS (PLWHA) in the prevention and control of the HIV/AIDS epidemic. The existing participatory approach to prevention and care should be further enhanced and allow PLWHA to take control over and better respond to their situation.

The 2010-2014 national strategic plan for the multisectoral response, known as the SPM2, has five thematic areas: (1) Creating an enabling environment to build capacity for the multisectoral response; (2) Intensifying HIV prevention to halt and reverse the spread of HIV epidemic; (3) Increase access and quality of chronic care and treatment to reduce HIV related morbidity and mortality and improve quality of life of PLWHA; (4) Strengthen care and support to mitigate the impact of AIDS; and (5) Strengthen the generation and use of strategic information. A comprehensive national multisectoral HIV prevention road map and multisectoral prevention annual work plan will be developed at all levels to intensify HIV prevention efforts. The program shall define, develop and implement a package of HIV prevention services to address most-at-risk populations (MARPs) based on existing experiences and strengthen the existing interventions for the general population. Prevention efforts shall also focus on interrupting urban-to-rural transmission and containing the rural epidemic at its current low levels through social mobilization. The national coordination, M&E and the synchronization mechanism of HIV prevention efforts from all sectors, including private and non-governmental actors will also be strengthened.

## 8.2. Malaria and TB

According to the 2008 Federal Ministry of Health (MOH) report, in 2005/06 malaria was the leading cause of morbidity and mortality in the country. The assessment of the implementation of the last five year plan (PASDEP) indicates that the household level Insecticide Treated Net (ITN) coverage rate in malaria-prone areas increased from 3.5% in 2005 (DHS) to 100% in 2009/10.

Significant strides have been made in disseminating malaria knowledge and the provision and use of ITN over the past five years. According to MoH, remarkable achievements are observed in malaria control. This is based on a baseline survey undertaken in Amhara, Oromia, SNNP and Tigray regions in 2009. Over 22.2 million bed nets have been procured and distributed in 2008/09 and 2009/10. Though the overall household level ITN coverage reached 100% in 2009/10, the facility-based data illustrates that morbidity due to malaria declined by 48%, hospital admissions by 54% and mortality by 55%.

With regard to TB control, the same survey shows that the target of an 85% treatment success rate was almost achieved in 2008/09 and it now stands at 84%. However, the case detection rate of 70% has not been achieved as it now stands at only 34%. Tuberculosis death rate per 100,000 people has slightly declined from 94 in 2004 to 92 in 2007.<sup>9</sup> Ethiopia adopted the Directly Observed Treatment Short course (DOTS) system in 1991 and, according to the WHO, coverage has expanded to 95 percent of the population.

Ethiopia has tremendously increased health service coverage to 89.6% in 2009/10 and recent data shows significant possible progress in relation to TB and malaria cases.

### 8.2.1. Challenges and ways forward

General malaria education is an essential tool of preempting outbreaks of malaria epidemics. Although it is encouraging to see that a majority of women (74.6-79%) reported having heard about malaria, only 38.2% of women in areas susceptible to malaria mentioned mosquito nets as methods of prevention. Furthermore, even though it is a general scientific fact that pregnant women are more susceptible to malaria which is associated with serious adverse effects on pregnancy, only slightly over half recognized fever as a symptom of

malaria (Ethiopia National Malaria Indicator Survey 2007: Technical Summary). The knowledge of the disease and its symptoms could contribute to reduction in maternal and infant morbidity. Hence, it is essential that scaling up efforts to disseminate knowledge about the disease to those at risk has substantial dividends.

Moreover, low Indoor Residual Spraying (IRS) coverage, mosquitoes' resistance to DDT, low usage of ITNs by households (utilization rate as opposed to ownership) and the treating of persons with negative tests, without adhering to rapid diagnostic tests due to the need for treatment of fever caused by pneumonia, are areas that require further efforts to the realization of this goal. It is imperative to work on the further integration of malaria within the HEP and ensure continued advocacy for funding and increased surveillance.

With regard to Tuberculosis, the effort to increase the Case Detection Rate (CDR) through the training of staff and coordination of implementing agencies has to be strengthened in the fight against tuberculosis. A gap in diagnostic capacity for tuberculosis and weak partnership coordinating mechanisms to Stop TB, weak planning and implementation capacity at regional level and weak diagnostic laboratory services are all identified as major challenges by the MoH.

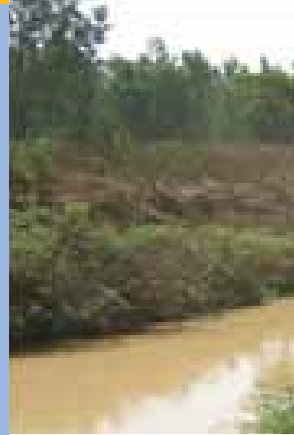
In summary, as the MoH noted, the national response to HIV/AIDS has been re-oriented in the context of MDG 6 towards achieving a universal access focusing on three instrumental strategic approaches: the Health Extension Program, health facility expansion, and capacity development (human resources). Progress on HIV/AIDS and malaria is commendable and it is highly probable that the targets for this goal will be met. However, TB control needs attention if targets for case detection are to be met.

On the other hand, climate shocks have often caused outbreaks of disease and hence their recurrence could pose serious constraints on the achievement of health related MDGs targets (Goals 4, 5, and 6). Hence the Government of Ethiopia should take into consideration that the impact of serious climate change could hamper the effort to further sustain the existing achievements not only by the end of 2014/15 but also beyond.

## IX. Goal 7: Ensure Environmental Sustainability



Sustainable development entails ensuring environmental sustainability to meet the needs of the present generations without compromising the needs of future generations, thereby offering improved quality of life for everyone. Ethiopia has shown bold political will by establishing environment protection agencies at the federal level and in all regional states. Various proclamations, including the Environment Impact Assessment Proclamation, pollution Control Proclamation, Industrial Waste Handling and others have been formulated. Various Environment Protection conventions have also been ratified by the government. Furthermore the government has also formulated an Environment protection policy, strategy and program to promote and implement carbon neutral and climate resilient development and economic growth.







## 9.1 Access to improved water sources, and sanitation

### 9.1.1 *Trends in access to improved water sources, and sanitation*

Access to Safe Water: Progress on water supply has been particularly encouraging. The share of the population with access to clean water has increased dramatically since 1994/95 and given current trends, Ethiopia seems to be on track to reach the MDG target of halving the population without access to clean water by 2015. Access to safe drinking water increased from 19% in 1990 to 68.5% in 2009/10. It is particularly encouraging to note that the proportion in rural areas with access to clean water has significantly increased from 35% in 2004/05 to 65.8% in 2009/10, compared to increases from 80% to 91.5% in urban areas for the same period.

Access to Basic Sanitation: Although the latest data are not available, the 2006 study report indicates that the overall access to basic sanitation is low.<sup>10</sup> However, the HEP and the expansion of education have brought significant improvement in sanitation services. The same report indicates that the shift in approach, expanding sanitation products and services from direct production and distribution to that of social marketing, where the community is made aware of the values of sanitation and its linkage to health, in general, have facilitated a growth

in demand for improved services and resulted in behavioural change. It is projected that the expansion of health extension and education programme at all levels, particularly for the last five years could have significant increasing both in demand and utilization of sanitation services.

### 9.1.2 *Challenges and ways forward*

As indicated above, one of the most significant challenges in the water sector is the apparent lack of reliable, up to date information on coverage, access and use. Most importantly, there is a considerable funding gap to achieve full coverage; MoWR estimates that over 544 million USD is needed (UAP and Review, MoWR, Feb 2009). One option being emphasized by the Government is the promotion of largely unsubsidized family wells (so called self-supply) in areas where this is practical and feasible. However, more has to be invested in developing sector capacity through strengthening institutional structures especially at regional, woreda (district) and community levels. The different rules and regulations of development partners, for example, relat-

ing to procurement, continue to confound donor harmonization. The National WASH Program Implementation manual is about to be extensively revised to improve the situation.

## 9.2 Reversing soil and forest degradation

In 2009/10 more than 5 million ha of forest cover Ethiopia. In recent years, some encouraging progress has been made towards increasing the forest cover. A particularly successful campaign has been the launch of a program to plant two trees for every Ethiopian during the Ethiopian Millennium year of 2007/08, which is now being extended and scaled up. As reported in the annual report of MoFED, the completion of mapping activities for an area of 302,000 hectares of forest land, covering 593,000 hectares of land with multipurpose tree seedlings and the distribution of 1,524,000 quintals of multipurpose tree seeds to beneficiary households was completed in 2007/08.<sup>11</sup> Measuring specific progress on reducing biodiversity is difficult since the system has only recently been introduced. Policy measures indicate that Ethiopia is showing commitment in integrating the principles of sustainable development as indicated in Goal 7.

The Ethiopian Environmental Protection Authority (EEPA) states that biodiversity is left in a precarious state due to factors such as settlement and investment activities that do not take biodiversity into account, the absence of a land use policy and land use plan and increasing amounts of toxic substances and pollutants. The extent of degradation faced by forests and vegetation cover, the EEPA claims, has been inflicted by an unwitting public, a weak effort to protect and conserve biodiversity and the severe extent of poverty.

The proportion of terrestrial and marine areas protected in Ethiopia has not shown much progress. The proportion of terrestrial areas protected, total surface area grew by a third of a percentage point in the period 1990-2008. However, data for sub-Saharan Africa shows that there is little variability across countries in their efforts to reduce biodiversity loss. Ethiopia's Biodiversity Strategy and Action Plan was formulated, albeit very late in 2005, with the objective of ecosystem conservation, through effectively managing protected areas and ensuring that the costs and benefits of biodiversity conservation are shared equitably.

### *9.2.1. Challenges and ways forward*

In regard to forest, soil degradation and biodiversity, the GoE (MOFED) noted some major challenges: the fragile initial conditions and population pressure. In this regard, Ethiopia's strategy, as laid out in the PASDEP, revolves around: (i) ensuring community led environmental protection and sustainable use of environmental resources as well as paying attention to gender equality and improved livelihoods; (ii) rehabilitating affected ecosystems and enhancing the capacity of ecosystems to deliver goods and services, particularly biomass, for food, feed, and household energy; (iii) preventing environmental pollution; integrating environmental objectives, including mainstreaming gender equality aspects in all development activities. Programs to implement this strategy include water harvesting, reforestation, composting, improved use of fertilizers, and diversification of fuels away from reliance on firewood and charcoal.

Some of the most important challenges that need to be addressed to realize this goal have to do with the capacity building and protection of biodiversity through legislation. However, most of the direct threats causing the devastation of the ecosystem come from clearing land for agriculture, overharvesting, overgrazing, overhunting and climate change. The latter manifests itself in the form of increased desertification, flooding and reductions in agricultural production.

### *9.3. Improving the conditions of urban slum dwellers*

The Government of Ethiopia had an ambitious plan to cover 65% of the total population with housing and basic services by 2009/10. As of 2009/10, 213,000 new houses were constructed through the public housing development programme. Similarly, it was planned to reduce slum areas to 35%, but achieved to reduce to 40% in 2009/10. Although an enormous effort has been put into the provision of housing and basic services and improving slum areas, further efforts are required given the accumulated demand. In 2009/10, the public housing development programme has generated employment opportunities for more than 176,000 people. The focus of the government, in regard to urban development, is on support to small and medium scale enterprises, the expansion of micro-financial institutions and community based urban works programs. Moreover, to improve the urban living environment and urban poverty, the government has introduced a number of interventions that include reducing urban unemployment to below 20%, providing support for small and micro enterprises through various programs such as micro-finance institutions and micro-enterprises, pursuing improved urban land manage-

ment, the implementation of solid waste disposal and water-borne sewage disposal systems, as well as improving rural-urban linkages. As these interventions have been introduced recently, it is too early to assess what impact they will have on the conditions of the urban poor. However, conditions for urban slum dwellers have improved and are expected to continue to improve significantly in the remaining 5 years of the MDGs.

It is, however, imperative to understand the determinants, incidence and duration of unemployment in urban areas as well as the proper targeting of low income groups for housing for effective policy design/prescriptions and success. Some studies, for instance, indicate that self-employment for the poor may be a route out of unemployment. The majority of the self-employed are likely to come from the least educated segment of the labor force and are unlikely to get wage offers that would make employment feasible. However, other studies have shown that the influence of higher education on small business success is a testimony to the nexus: education → ability of the owner to adapt to technological advances and business competition → successful businesses. Hence, it is imperative that policy decisions regarding expansion of employment be based on actual studies on the determinants, incidence and duration of unemployment.

In conclusion, from existing data and expressed political commitment and encouraging policy measures, Ethiopia stands in a better position to achieve most of the targets under Goal 7.



## X. Goal 8: Develop a Global Partnership for Development

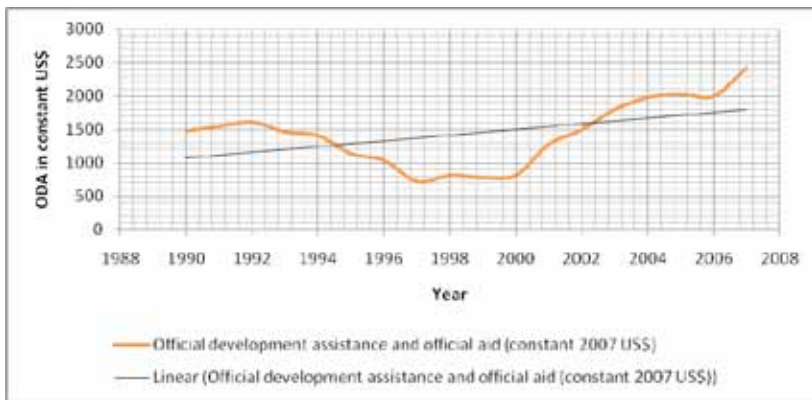


Although Ethiopia is making great progress in increasing domestic revenue, a substantial amount of Ethiopia's national budget is financed from external sources (see Figure 10.1). Moreover, a recent DAG report stresses the need for scaling up external financing and aid to reach the MDGs. DAG (2007) indicates that humanitarian and food aid constitutes a large share of external assistance (30-50% of total aid). However, the report concedes, Ethiopia's ODA per capita is still significantly lower than the Sub-Saharan African average.



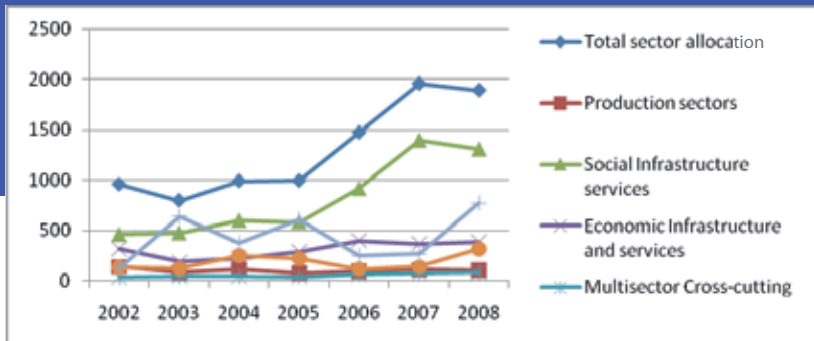


Figure 10.1: Trends of ODA to Ethiopia



Source: OECD DAC database (ODA is expressed in millions, constant 2007 USD), reference is made to actual disbursements

Figure 10.2 shows that a significant proportion of total ODA allocated by sector (production sectors, economic infrastructure and services, multi-sector cross cutting spending, and social infrastructural services) finances social infrastructure services. Spending on social infrastructure services is composed of education, health, water supply and sanitation, population control and reproductive health. Government and civil society track changes in the total sector allocation of ODA fairly well. This is reflective of donor commitment to raise institutional standards of human development and good governance. However, the same commitment is not reflected in the productive sectors as illustrated by the volume of official development assistance directed towards agriculture, industry, trade policies and regulations. In addition to raising the level of ODA, which is low in per capital terms, there is a need to improve the quality of aid such as its predictability and effectiveness.



*Source: OECD DAC database (ODA is expressed in millions, constant 2007 USD), reference is made to actual disbursements*

Ethiopia benefited from debt relief under the Multilateral Debt Relief Initiative in 2006 after reaching its HIPC initiative completion point in 2004. As a result, the debt relief provided under the two initiatives helped to reduce the debt ratio to 7% of GDP in NPV at the end of 2007/08.

Trade policy and progressive integration into the global economy are considered important drivers of growth. Trade liberalization is often positively associated with economic growth. Developed countries are, therefore, expected to make efforts to remove barriers to trade, in the spirit of supporting developing countries to realize the MDGs. The poor in developing countries work in agriculture and labor intensive manufacturing sectors which are confronted by the strongest trade barriers. The premise is that the removal of duty on trade merchandise could increase growth by letting exports grow in the developed markets. DAC data shows that the proportion of imports from Ethiopia to that of total imports from developing and least developed countries admitted free of duty, for all product categories, has been consistently larger than sub-Saharan Africa and the LDC average.

## XI. Conclusions

Ethiopia has shown an extraordinary level of commitment to eradicate poverty and has gained significant development gains. The economic growth in the last decade and the progress towards the MDGs has been remarkable. The economy grew at an average growth rate of 11% which is well above the 7% growth rate estimate required to achieve the goal of poverty reduction by the year 2015. The government has also made an enormous progress in the provision of social services such as education, health and infrastructure by spending a large share of its budget in the pro-poor sector. This could be taken as the best practice from which other countries may learn. This effort has also resulted in the excellent stride made to meet the MDGs. Furthermore, with adequate support from the international community to address the challenges noted in this document, the country will be on a positive and promising track to meeting all the MDGs.

*Table 11.1: MDGs and their Likely Course*

MDG Goals	On Track*	Likely to be on Track**	Off Track***
Goal 1: Eradicate extreme poverty and hunger	YES		
Goal 2: Achieve universal primary education	YES		
Goal 3: Promote gender equality and empower women		YES	
Goal 4: Reduce child mortality	YES		
Goal 5: Improve maternal health		YES	
Goal 6: Combat HIV/AIDS, malaria and other diseases	YES		
Goal 7: Ensure environmental sustainability		YES	
Goal 8: Develop a global partnership for development	YES		

\* Likely to be achieved if the current effort continues in the coming five years

\*\* Likely to be achieved only if additional challenges noted in the document are addressed.

\*\*\* Unlikely to be achieved in the coming five years, given the scale of current progress and envisaged challenges

As seen above, prospects for achieving the MDGs are promising and it requires policy makers and development partners to combine efforts to address the potential challenges noted in various sections of the report. As evidences on the recent crisis have shown, poor global economic governance threat-

ens progress towards the MDGs. And thus, the global economic governance needs to be strengthened to address and respond to the external shocks. As indicated in the coming Five Year Draft Growth and Transformation Plan (2010/11 – 2014/15), the Government of Ethiopia has shown its commitment to continue to implement an aggressive program to deepen and accelerate growth. This includes an emphasis on basic social services to create the required human capacity, expanding basic infrastructures for economic competitiveness, increasing productivity and promoting agricultural growth into more commercial activities, creating a more competitive industrial sector, building institutions for improved public service delivery; strengthening a federal system of government, ensuring democratic and human rights and building the basis for the devolution of power to regional states which is the foundation for participatory development and empowerment. These initiatives have been accompanied by a massive re-orientation of public spending to growth and pro-poor investments nationwide sector development programs to improve health services and expanding education and building the capacity of public institutions for improved public service delivery.

In conclusion, as mentioned, Ethiopia is well on track to meet all the MDGs. The government is confident that, with its firm commitment and continued community mobilization and private sector and international community participation, all of the goals will be achieved by 2015.

Annex Table 1: Summary of Progress towards the MDGs

Goal and Ethiopia's Indicator	Base Level (1990)	MDG Target	2006/07	2009/10 (or recent)	National Target 2014/15
<b>Goal 1: Reduce Poverty and Hunger</b>					
Population Living below the poverty line (%)	48	24	34.6	29.2 (estimate)	22.2
Population below absolute food poverty line				28.2 (estimate)	21.2
Poverty gap ratio	12.5 (1995/96)		8.3 (2005)		
Stunting: % of Children below weight-for-age (%)			47 (2004/05)	40.5% (2005/06)	
Children underweight (%)	45.4 (1996)		37 (2004/5)	-	
<b>Goal 2 – Achieve Universal Primary Education</b>					
GER Primary education (Grade 1-8) %	32	100	91.6	95.9% (2008/09)	100%
Net Enrollment Ratio Primary education				86.5% (2008/09)	100%
Primary completion rate (1-4)	34.3 (2004/05)	100	71.6	78.9 (2008/09)	74.0
Literacy rate	26 (1995/96)		38 (2005)	36	95
<b>Goal 3: Promote Gender Equality and Empower Women</b>					
Ratio of Girls to boys in -Primary education (1-8)	0.61 (1995/96)	1	0.87	0.93	1
-Secondary education	0.61(2001/02)	1	0.78	0.80	1
-Higher education	0.24 (2004/05)	1	0.30	0.29 (2008/09)	

Number of Women in Parliament (HoPR)	12 (1995/96)	116	117 (22%)	
<b>Goal4: Reduce Child Mortality</b>				
Health Service Coverage (%)			89	100
Under 5 mortality rate (per 1000)	190	63	123(2004/5)	67
Infant mortality rate (per 1000)	123 (1992/93)		77 (2004/5)	31
Immunization – Measles (%)	42(2001/02)		65	90
Immunization – DPT 3 (%)	14		73	90
<b>Goal 5: Improve Maternal Health</b>				
Maternal mortality ratio (100,000)	871	290	673 (2005/06)	267
Contraceptive prevalence rate (%)	4		33	80
Proportion of births attended by skilled personnel (%)	9 (2000/01)		16	60
Ante-Natal coverage	20.2 (1992/93)		52	
<b>Goal 6: Combat HIV/AIDS, Malaria and other Diseases</b>				
Overall HIV/AIDS prevalence rate (%)	7.3 (2000/01)	<4.5	3.5 (2007)	1.4 -2.8 (2010)
% of HIV/AIDS receiving Antiretroviral treatment (%)		100	37.1	70
% of population with treated bed nets (%)	3.5 (2005)		91	100
TB prevention & control (% of cases successfully treated with DOTS)	60 (2000/01)		84	90
<b>Goal 7: Ensure Environmental Sustainability</b>				
Population without access to safe water (%)	81	40.5	47.6	31.5 (2009/10)

*Note on Source: the data for this summary table are the PASDEP review reports inputs for Growth and Transformation plan from focal sector ministries*



*Annex Table 2: Primary School (1-8) Trend of Gross Enrolment Rate (GER) by Gender and Year*

Year	Primary 1st Cycle (1-4) (%)			Primary 2nd Cycle (5-8) (%)			Primary (1-8) (%)		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
2004/05	109.8	95.5	102.7	62.0	42.6	52.5	88.0	71.5	79.8
2005/06	123.9	111.2	117.6	67.4	49.8	58.8	98.6	83.9	91.3
2006/07	122.9	111.2	117.1	68.3	53.7	61.1	98.0	85.1	91.7
2007/08	133.0	122.5	127.8	64.8	55.5	60.2	100.5	90.5	95.6
2008/09	126.7	118.4	122.6	65.6	60.5	63.1	97.6	90.7	94.2
2009/10	133.4	124.5	129.1	67.1	68.3	67.1	98.7	93.0	95.9

Source: Ministry of Education:

*Annex Table 3: First Cycle and Second Cycle primary school average completion rate (%),*

Year	Grade (1-4) completion rate			Grade (5-8) completion rate		
	Male	Female	Total	Male	Female	Total
2004/05	65.2	49.5	57.4	42.1	26.3	34.3
2005/06	69.2	56.0	62.7	50.1	32.9	41.7
2006/07	71.6	61.6	66.6	51.3	36.9	44.2
2007/08	71.7	67.0	69.4	49.4	39.9	44.7
2008/09	79.4	78.4	78.9	48.4	40.5	43.6
2009/10**	75.0	73.0	74.0	47.0	44.0	46.0

\*\* The data under 2009/10 could be improved while MoE finalizing the

Education Statistics Abstract.

Source: Ministry of Education:

*Annex table 4: Share of Poverty Targeted Sector Expenditure from Total Government Expenditure*

Sector	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Education	19.8	21.8	23.7	21.3	21.1	22.8
Health	4.9	4.6	6.6	7.3	6.7	7.1
Agriculture	15.0	15.2	12.9	11.7	11.5	11.1
Water	6.0	6.1	5.7	6.1	5.4	6.1
Road	11.3	12.4	14.1	17.7	17.4	19.6
Total poverty targeted expenditures	57.0	60.1	62.9	64.1	62.7	66.7

Source: PASDEP performance reports





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