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HUBE IN EITHIORIA & Partner of Choice



Ethiopia is committed to making the transformation into a middle-income democratic country within the next 15 years. The unprecedented economic growth being registered for the past consecutive years and its multiple social benefits are the outcomes of a series of reforms implemented since 1992.

The governance systems put in place at different levels in the country are bringing about considerable changes in the efficiency and equity of public services provision, particularly in making services work for the poor and other vulnerable groups. Democratic processes are now on stronger ground than ever before. Efforts are being intensified to ensure gender equality and the empowerment of women in social, cultural, economic and political aspects. Public spending is proving to be increasingly efficient, effective and pro-poor.

Despite significant improvements in services for the people and increased participation by local communities, poverty and food insecurity still remain a challenge, albeit it one which the country is addressing. Agriculture employs the majority of the poor; which means that addressing environmental challenges in Ethiopia is not only relevant but also justified on equity grounds.

Like many other countries in the region, we are aware of the importance of strengthening our capacity to be more self-reliant. Indeed, this principle guides all our work with our development partners. UNDP is a real partner of choice in this respect, working side by side with our Government to implement our development agenda, the Growth and Transformation Plan (2010/11-2014/15), which aims to maintain high levels of growth centred on sustainable, equitable and green economic development.

We are benefiting from tremendous knowledge, technical expertise and financial assistance from UNDP that are enabling us to explore innovative ways to fight poverty; follow a green path to economic transformation; strengthen our structures of governance; and build systems to mitigate and prevent disaster risks.

It is only through this type of collaborative action, informed by national priorities, that we can manage to transform our country, achieve all the Millennium Development Goals and create new opportunities for everyone in Ethiopia.

Ahmed Shide, State Minister,
Ministry of Finance and Economic Development
Addis Ababa, February 2012



Ethiopia has witnessed significant improvements in terms of human development over the past decade and, with huge investments being made in infrastructure and access to social services being enhanced, the country is broadening and deepening the transformation that is taking place.

Ethiopia's vision to become a middle-income and carbon-neutra country by 2025 is unique in Africa, especially given the double challenges involved in making rapid economic development green. The United Nations Development Programme is proud to be a partner of choice of the Government of Ethiopia in turning this ambitious vision into reality.

UNDP is on the ground in 177 countries, helping support nationally owned solutions to global and national development challenges, which positions us uniquely to assist Ethiopia to find its own path to reducing poverty and promoting human development.

Over the past decade, UNDP has made strategic contribution to Ethiopia's national development priorities by working in partnership with the Government, civil society, the international donor community and the private sector to transform policies and capacitate institutions in order to accelerate human development.

UNDP is now starting its new programme of cooperation with Ethiopia, covering the period from 2012 to 2015, in line with national development priorities that fully integrate the Millennium Development Goals. Through our programme of

cooperation, UNDP continues to support national priorities in three main areas, namely, Economic Growth and Poverty Reduction, Good Governance and Human Rights and Climate Change, Environment and Disaster Risk Management.

The main purpose of UNDP's Country
Programme is to support the
Government and the people of Ethiopia
to achieve the Millennium Development
Goals and to build a climate-resilient
green economy and society.

Through this book, we hope to give you a glimpse of our work on the ground and to encourage you to join us in our journey to make Ethiopia's vision a reality—one where growth is sustainable, greener and more equitable, and where everybody can participate more in their own development.

Eugene Owusu, UNDP Resident Representative Addis Ababa, February 2012



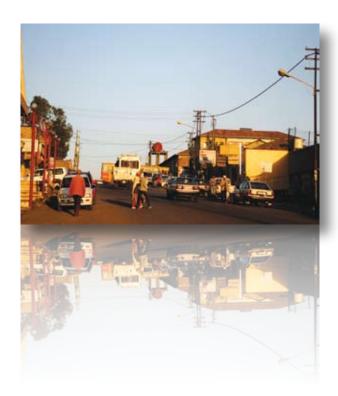
OUERUIEW

Ethiopia—A Country of Diversity and Opportunities

Ethiopia is an ancient civilization dating back to 100 BC. The oldest independent country on the African continent, Ethiopia became a symbol for African independence throughout the colonial era. The country is also a founding member of the United Nations and, as the seat of the African Union, Addis Ababa is widely referred to as the political capital of Africa.

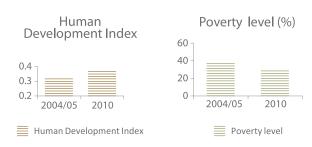
The Federal Democratic Republic of Ethiopia is located in the Horn of Africa and has a total surface area of 1.14 million km². While most of the country is cool highlands, and Addis Ababa is one the highest capitals in the world, in stark contrast Ethiopia is also home to the Danikil Depression, a geological wonder of active and dormant volcanoes and the lowest and hottest place on earth. As the source of the Blue Nile, which provides over 80% of the Nile flow, and with numerous rivers, the country is sometimes referred to as the water tower of Africa. However, access to clean water is still a challenge for the population, and Ethiopia has not yet effectively tapped into this vast resource for irrigation or power.

Ethiopia is making every effort to ensure that its vision—to become a middle-income and democratic country and a climate-resilient green economy by 2025—becomes a reality.





Ethiopia is improving its poverty and human development outcomes



Ethiopia is a diverse nation, with a total population estimated at 85 million, the majority of whom are young, and over 80 ethnic groups. There are nine regional states and two city administrations. Amharic, a Semitic language derived from Hebrew and Arabic, is the official language of the Federal Government.



As a result of a series of reforms undertaken since 1992, the country has significantly reduced poverty and has improved human development by 32%, according to the Human Development Report 2011. It has also achieved and maintained double-digit growth in recent years, positioning it as one of the fastest-growing non-oil economies in the world. However, with the third-largest population in Africa, and the second-largest in Sub-Saharan Africa, Ethiopia remains one of the poorest countries in the world, and ranks 174th out of 187 countries on the 2011 UNDP Human Development Index.

Ethiopia faces numerous challenges, including tackling poverty and food insecurity, strengthening its resilience to global and climate-induced shocks and building and

retaining national capacity at all levels to effectively implement national strategies and plans.

As levels of development aid are expected to decline as a result of the global financial crisis, it has also become more critical for Ethiopia to explore alternative sources of funding that would foster self-reliance and sustainability.

Ethiopia is working on strengthening its democratic processes; corruption is being addressed and accountability mechanisms for public management are being enhanced. Ethiopia's new five-year development strategy, the Growth and Transformation Plan (GTP), also prioritizes empowerment of youth and women as essential to accelerated and just development.

Significant improvements in the social sector in Ethiopia

	Previous figures (2004/05)	2009/10
Gross primary school enrolment rate	79.8%	95.9% (90.7% female, 97.6% male)
Primary health care coverage	-	89%
Under-five mortality rate	123 per 1,000 live births	101 per 1,000 live births
Maternal mortality rate	673 per 100,000 live births	590 per 100,000 live births
Population living below the poverty line	34.6% (2006/07)	29.2%
Source: Ethiopia 2010 MDG Report.		

UNDP IN ETHIOPIA:

Supporting Transformative Policies and Capacitating Institutions to Build National Resilience

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We are a partner of choice for the Ethiopian Government in terms of finding development solutions, building capacity, providing advice and advocating for pro-poor development. We also have experience linking grassroots programmes to upstream level and helping Government to build policies.

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INDP has a proven track record of bringing to hear

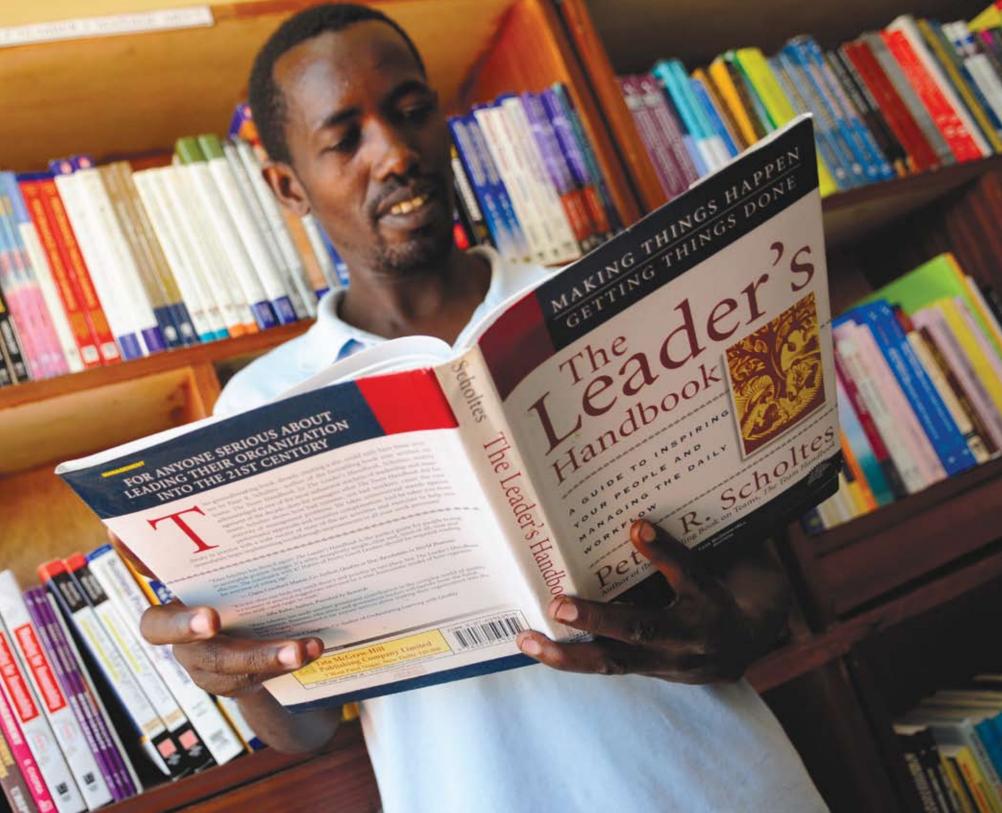
Christine Musisi, UNDP Ethiopia Deputy Country Director.

UNDP has a proven track record of bringing to bear knowledge and evidence-based solutions to meet Ethiopia's ambition of accelerated and sustainable development.

Our partnership will continue based on helping Ethiopia move towards being a climate-resilient green economy and a resilient nation with strong democratic and equitable development. UNDP's ability to leverage its core resources and global knowledge network to mobilize financial and human resources and technology is proving to be a vital asset in this regard.

UNDP aims to focus on providing catalytic support to help address the challenge of strengthening national capacity to implement the country's development priorities. It does this through:

- Strengthening organizational and institutional capacities to deliver on national policies, strategies and programmes;
- Contributing to the promotion of multi-stakeholder dialogue on key issues of policy, regulation and frameworks for accelerated and sustainable development; and
- Providing targeted catalytic interventions that will inform policy and facilitate the scaling-up of good practices for nationwide impact.





Some key results

- UNDP has helped reduce vulnerability to climate change through its pioneering efforts to strengthen capacities for climate change adaptation and mitigation.
- UNDP has played a strong role in strengthening Ethiopia's national capacities to promote disaster prevention and mitigation.
- UNDP has contributed to the successful implementation of local elections and improved democratic governance through technical support to institutions and processes in the country.
- UNDP has promoted gender concerns within national institutions, to ensure that gender equality and women's empowerment are given the utmost attention in programmes and policies.



As the development arm of the United Nations and a knowledge organization, UNDP also promotes innovation, knowledge-sharing and the use of South–South exchange to capture best practices.

Replicating best practices through South–South cooperation

UNDP Ethiopia has facilitated four international knowledge exchange forums, drawing hundreds of participants from across Africa and the world: two on Commodity Exchange; the China–Africa Poverty Reduction Conference; and the Integrated Bio-economy Africa Forum.

UNDP Ethiopia has created an opportunity for South–South exchange on various thematic issues of the climate-resilient green economy, with lessons learnt from such exchanges expected to inform policy and programmatic innovations as well as to expand investment and technology transfer. Thus far, there has been exchange between Ethiopia and Mali, Uganda, the Philippines, Bangladesh, China and Kenya.

Gender, HIV and AIDS and use of information and communication technologies are crosscutting themes for the work of UNDP in Ethiopia, within the three key pillars of our intervention, which are in the areas of:

- Climate-resilient and Green Economy;
- Accelerated Sustainable Economic Growth and Reducing Poverty; and
- Promoting Good Governance.



CLIMATE-RESILIENT GREEN ECONOMY

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Close to 80% of Ethiopia's population depends heavily on our country's environmental resources for their livelihood. If they lose environmental resources, they won't have anything to feed their family. Biodiversity, fertile land and clean water are all under severe threat. It is essential for their survival.

We are a low-emission country, and we can better achieve economic progress without becoming a high carbon-emitting country. We owe it to ourselves and to our children to do it.

Shimelis Fedaku, Climate Change and Environment Programme Specialist.

Climate change is generating various risks and opportunities for Ethiopia. The country has taken the lead in Africa by committing itself to building a climate-resilient green economy, which pursues low emissions and promotes local ability to adapt to climate change. It is also committed to a shift from crisis management to a multihazard and multi-sector disaster risk management approach.

Building a climate-resilient and green economy in Ethiopia

Working towards greener growth

Ethiopia is working on promoting accelerated and sustainable development in ways which will not affect the environment and will even reduce its carbon footprint. The Government's green economy strategy focuses primarily on emission-intensive sectors, where the climate mitigation potential of Ethiopia resides—energy, forestry, agriculture, soil-based emissions, livestock, cities, infrastructure and health—with a focus on renewable energy, carbon financing, reforestation and bio-farming.

UNDP will continue to exploit the technical expertise, tools and networks at its disposal to raise awareness and promote knowledge-sharing on the causes and impacts of climate change as well as to facilitate the adoption of sustainable practices and clean technologies. Women are one of the vulnerable groups in Ethiopia, and this is also true when it comes to the impact of climate change. Therefore, UNDP strongly believes in the need to include women in improving the environment and implementing a proactive response to climate change.



Partnership and Innovation: solid waste management in Bahir Dar

Bahir Dar, one of Ethiopia's largest cities, has the country's first ever public–private partnership. The unique relationship between Dream Light, a private company providing waste management services, and Amhara regional state, youth and women associations, the Chamber of Commerce and Bahir Dar City Administration is proving that the public and private sectors can work together with citizens for the benefit of all. UNDP provides technical know-how as well as financial support to this initiative programme through its Local Economic Development programme.

The project is cleaning up the city, creating employment and generating wealth at the same time: young people are producing smoke-free charcoal and biogas and also recycling plastic. An innovative green intervention, the partnership is now considered one of Africa's best practices.



"Ethiopia is the first country in Africa to make the commitment to green energy. UNDP supports capacity-building and leadership for our parliamentarians to inform, educate and build green strategies for Ethiopia's development."

Gameda Binegde, Committee Deputy Chairperson, Environmental Planning.

Sustainable development of Ethiopia's protected area system

Maintaining the health and biological diversity of protected areas is critical to the availability of fresh water, food, medicines and other life-sustaining benefits for farming and pastoralist communities which derive their livelihoods from nature. Protected areas also contribute significantly to reducing the impacts of climate change and building resilience by serving as natural buffers against climate impacts and other disasters.

UNDP is enhancing Government frameworks and capacities to manage protected areas to safeguard biodiversity and conserve the country's ecosystem and ecological processes. As part of this, it has helped establish the Ethiopian Wildlife Conservation Authority.

All of the country's protected areas have shown significant improvements in terms of the management of wildlife and other natural resources.

Tourism incomes have increased, private investors have arrived and ecotourism has led to transformed livelihoods for local communities.

Activities have directly benefited women. A project in Senkele Swayne's Hartbeest Sanctuary, for example, has developed alternative livelihood possibilities for women through credit schemes and enhanced women's contribution to wildlife conservation and environmental management.







Involving communities in building a more resilient future

In the Tigray Rural Women Solar Electrification Project, solar energy technology is used to enhance quality of life in low-income communities in areas with no grid electricity. Promoting the use of renewable energy reduces the impacts of climate change and land degradation. Local capacities have been built to set up, operate, repair and maintain solar PV generating systems to meet local needs.

As sustainable and clean energy sources can eliminate a number of negative impacts on women, this initiative provides them with greater hope for the future. Furthermore, access to energy sources means girls and women can save time otherwise spent collecting fire wood and thus increases the time available for them to go to school or work.

Wonji Area Sugar-cane Growers Cooperative Union's conversion of sugar cane trash to charcoal is also contributing to these goals, as well as increasing the income of growers and reducing forest degradation. The materials used are distributed to cooperatives, helping them assess existing resources for future use.



Responding to drought in Ethiopia

The Government, with the help of the international community, has built structures and systems to avoid the reoccurrence of devastating famines arising as a result of recurring droughts.

The recent drought in the Horn of Africa has highlighted that effective planning and early warning systems, thanks to capacity-building and other support from partners such as UNDP, have enabled Ethiopia to survive the drought that has led to millions of casualties elsewhere.

UNDP's response has entailed building community resilience through linking the response to the immediate

needs of the affected population in southern and southeastern Ethiopia to medium- (recovery) and long-term interventions. This involves improving water availability and access in affected regions; building community resilience; initiating the Voucher-for-Work Scheme to enhance social protection; and improving veterinary services; as well as mobilizing resources to scale up this approach in partnership with other agencies.

UNDP's drought response is consistent with the Government's disaster risk management approach and also supports its thrust of using the recovery phase as a platform for "building back better", thus further promoting risk reduction and long-term resilience.





Proactive disaster risk management and climate-resilient planning

As part of its medium- and long-term strategy to end the cycle of disaster and food insecurity in the country, the Government of Ethiopia has committed to a policy shift that moves the country away from reactive crisis management to a proactive multi-sectoral disaster risk management approach. The aim is to implement national resilience and adaptation interventions, safeguard development gains and hence support the achievement and sustainability of the Growth and Transformation Plan targets.

UNDP is playing a central role in supporting the Ethiopian Government to set the policy and institutional framework that will enable it to achieve this vision. UNDP is also enhancing the adaptive capacity of local communities to manage land, water, crops and livestock, using an integrated approach and the mainstreaming of agro-biodiversity conservation in farming systems. A conscious effort is being made to ensure the participation and inclusion of women in all of these initiatives.

Demined land released for productive use

Ethiopia, once one of the most landmine-infested countries in Africa, has become the first country on the continent to be on track to complete demining activities, well before the Mine Ban Convention's official deadline of June 2015.

UNDP has helped strengthen the capacity of the Ethiopian Mine Action Office (EMAO) by facilitating the exchange of knowledge and mobilizing funds to directly support demining and mine risk education. This work has also improved food security and socioeconomic development and enhanced peace and stability in the three target regions. Demining efforts by EMAO have freed up land for cultivation; by the end of 2011, EMAO aimed to have demined more than 10 million m² of land for productive use and to provide 100,000 community members with gender- and culture-sensitive mine risk education.





Supporting mine action in Ethiopia

Ethiopia is the only country in Africa providing training to mine detection dogs. The project is supported by UNDP and Norwegian People's Aid. Socialization and contact with people start when the dogs are three days old, but actual training starts when the dogs are ten weeks old. The dogs train for four to six hours a day, jumping obstacles and learning to recognize all different kinds of explosives.

Since 2002, the Belgian Shepherds have helped in clearing 6,570,517 m² of mine-infested land. In addition, 12 of the 64 dogs trained have been sent to help demining efforts in South Sudan. For each 10 months spent in the field, dogs get a month-long refresher course. Eight teams can be sent at a time, each with two dogs (one to check the field and one for verification).

- To date, up to 3,719,425 m² of safe land has been released for productive purposes, transforming the livelihoods of over 300,000 families that had been displaced by war.
- 3,421,086 m² of land has been demined—34% of the two-year clearance target of 10 million m².
- 1,065 anti-personnel landmines, 142 anti-vehicle mines and 8,892 items of unexploded ordnance have been removed and destroyed.
- 35,131 people (11,813 female) have benefited from a series of mine awareness and community liaison sessions—35% of the two-year outreach target of 100,000 people.
- No mine/unexploded ordnance accidents have been reported in and around the operations areas.
- Former residents and newcomers in parts of Somali region have resettled in the areas confirmed as safe after demining operations.

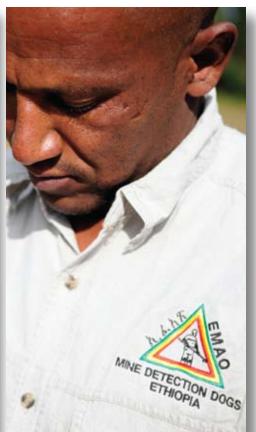
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Mines are of great danger to local populations, especially farmers and children. But we have never had any casualties with our dogs. Meanwhile, since the inception of this programme, our dogs have found over 3,900 pieces of unexploded ordnance (shields, rockets, grenades), 43 anti-personnel mines and 57 anti tank mines.

Tesfu Gebreegziabher, Ethiopia Mine Action Office Mine Detection Dog Project Coordinator.









PROMOTING GOOD GOVERNANCE

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UNDP is supporting the democratizing process in Ethiopia. We are focusing on developing the capacity of the institutions and mechanisms that create the foundation for a democratic state, to ensure a coherent approach to bring about universal human rights.

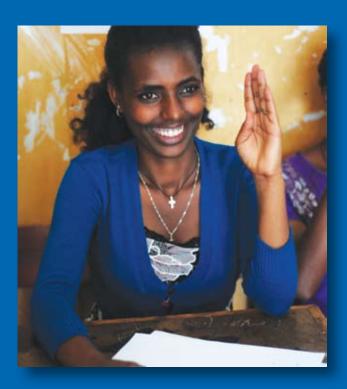
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Sehen Bekele, Team Leader, Good Governance and Human Rights Unit.

Good governance encourages
citizens' participation in
Government and wide
representation of societal interests
in decision-making to hold those
in power accountable. It also
ensures economic stability, welldefined property rights, a nonarbitrary legal system, sustainable
peace, affordable and accessible
infrastructure and an efficient public
service conducive to private sectorled economic development.

UNDP is one of the lead UN agencies in terms of focusing its support on a wide spectrum of interventions aimed at strengthening good governance in Ethiopia. Our agency contributes to the deepening of democracy in the country through a number of programmes and projects that support key public democratic institutions, such as strengthening decentralization and local governance capacities for effective public service delivery and enhancing national capacities for leadership and peace-building. Overall, UNDP has continued to help Ethiopia strengthen its democratic governance and human rights frameworks and processes in order to ensure increased citizen empowerment and participation.





Improving freedom of information through key legislation

Although Ethiopia's Constitution guarantees the right to seek, receive and impart information of all kinds and stipulates that any entity placing unjustified limitations on the exercise of these rights may be held liable under the law, there was no mechanism through which citizens or the private media could request and access Government records. Responses to requests for information were very slow and difficult. In response to this situation, the Government enacted the Freedom of Information Law and mandated the Ethiopian Institution of the Ombudsman to oversee its implementation. UNDP supported this process through the development of framework documents and guidelines and by facilitating wide consultations to build the foundation to operationalize the law.

Promotion and protection of human rights

Ethiopia's Constitution guarantees the rights of all citizens to access to justice, and the country has ratified the major international human rights treaties. In order to translate these rights into reality, UNDP, through a programme supported by 13 donors, has enhanced the capacity of the Ethiopian Human Rights Commission to receive, investigate and follow up on complaints related to rights violations and abuses. The Commission has also set up a taskforce that will spearhead the facilitation of the development of a National Human Rights Action Plan.

Legal aid centres resolving rights violations for the poor

UNDP has supported the Ethiopian Human Rights Commission to set up free legal aid services for the poor and vulnerable. The Commission initiated collaboration with academic and non-governmental institutions so as to be able to bring justice closer to the people, especially the poor and marginalized. There are now 104 such centres around the country.

Vulnerable and poor segments of the population can now go to these centres for free legal aid, including counselling, the preparation of statements of claim and defence and representation before the court. This is strengthening the Commission's case-handling mandate, while helping to ensure citizens have access to remedies to human rights violations. The partnership also entails awareness creation on human rights, which empowers citizens to be active and effective participants in the democratic process. The linkage with the academic institutions further helps facilitate clinical legal education with a focus on human rights.

Clearing the backlog of state party reports on human rights

Although Ethiopia has ratified all of the major international and regional human rights treaties, prior to UNDP's intervention, the country had a huge backlog of 19 reports to various UN and regional treaty body mechanisms—which has now been cleared. The preparation of state party reports on the various major international and regional human rights treaties is a national process that provides for a comprehensive review of the human rights situation of the country.

A Universal Periodic Review was completed by the UN Human Rights Council, thus opening up Ethiopia's human rights records to public scrutiny. Baseline information on the status of civil, political, economic, social and cultural rights has now been established and Ethiopia's reporting obligations under international agreements have been met.

The National Human Rights Action Plan, currently under preparation, represents a paradigm shift on the currently ad hoc implementation of human rights commitments at national level. Also being developed, in partnership with the UN Economic Commission for Africa, is the African Governance Report (AGR), which assesses and monitors the progress African countries are making on governance, identifies best practices and capacity gaps in governance institutions and makes recommendations on how to improve governance on the continent. AGR III identifies the nexus between elections and diversity management, and country reports, including one on Ethiopia, will also be published. This ground-breaking study is expected to provide an entry point for engaging on substantive issues in relation to electoral processes and practices as they relate to the Ethiopian context.





Laying the foundation for democratic participation

Building excellence in the civil service

UNDP, in partnership with the French Government, has been a key partner to the Government of Ethiopia's National Leadership Development Institute. The institute supports middle- and top-level civil servants to provide strategic leadership in the implementation of Ethiopia's development plans. UNDP has been instrumental in facilitating visits for senior Government officials to different countries, making it possible for Ethiopia to select a relevant model on which to base the new institute to suit the specific needs of the country. Following the review of different models, the leadership institute is expected to be based on the French Ecole Nationale d'Administration.

"I learnt not only new skills in leadership, but also how to change my mindset. I have understood through our training that the only way to bring change in people is to change attitudes. We all must work hard to turn Ethiopia into a middle-income country. Thanks to our training, I have learnt how to lead our region, how to turn our goals and dreams into action to bring change and progress."

Mekdes Mesfin, Women's and Children's Bureau and student of the National Leadership Development Institute.

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Since 1994, UNDP has collaborated closely with the UN Capital Development Fund (UNCDF) to provide support in developing local capacity within the context of the decentralization process underway in the country. This engagement builds on the lesson that linking community empowerment to institutional capacity development at local government level will help ensure sustainability. More recently, UNDP has provided critical assistance to the four developing regional states—Afar, Benishangul-Gumuz, Gambella and Somali—to overcome human resource challenges in local planning and implementation through the deployment of 150 multi-disciplinary personnel. These civil servants have been drawn from federal sector ministries and the bigger regions, and have helped a number of districts become self-reliant and graduate from the need for this type of assistance.





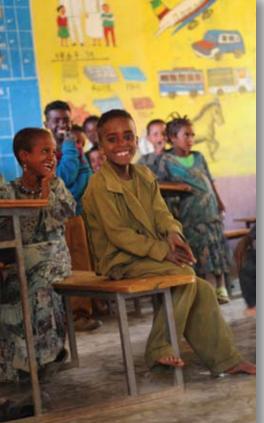
Women's role in the future of the country

UNDP's gender mainstreaming strategy for Ethiopian institutions of governance has led to increased attention to the equitable participation of men and women in their activities. Certain institutions have also taken further steps to address some gaps that have been identified.

For example, the House of People's Representatives has developed a guideline and checklist to assist parliamentarians in mainstreaming gender in legislation and budgeting, etc.

Being a woman in the House is challenging—it is important to mainstream gender throughout all policies and to empower women in Ethiopia, but there is a real lack of knowledge on how to do it. It is essential to change mentalities in Ethiopia to have more women in positions of power. Women have a right to be equals to their men brothers. Without equality of women, no country can develop. It is part of our development agenda.

Asefu G. Amlak, Communication Directorate Director for the Secretariat of the House of People's Representatives.







Cultivating the next generation of democratic citizens

Inspired by similar initiatives in Finland and around the world, children's parliaments were established in 2006 by the Ethiopian Institute of the Ombudsman. These serve as platforms to help the young address critical governance and service delivery issues at the local level.

To date, 920 early marriage cases have been identified and reported to the police by child MPs, thereby preventing these marriages from taking place. UNDP has provided support to 8 of the 11 model children parliaments around the country, and the success of the initiative has led the country to decide to set up a further 62 across the nation.

Members of the children's parliaments are aged from 12 to 16 years old. They are trained and empowered to act as socially and legally mindful citizens of the future who not only understand but also demand their rights as enshrined in the Constitution.

Strengthening institutions

Democratic and accountable institutions; empowered citizens

Institutions have become more effective and responsive in the implementation of their mandates. They are also collaborating more actively than before to adopt common approaches, where appropriate. At the same time, public understanding of the responsibilities of these institutions has been enhanced—resulting in increasing numbers of inquiries and complaints to be handled by oversight institutions.

The Democratic Institutions Programme:

The multi-donor-funded Democratic Institutions Programme (DIP), managed by UNDP, is instrumental to helping Ethiopia build well-structured and well-functioning institutions that embody open, transparent and democratic governance which respects the rights of all its citizens.

In particular, the DIP works on enhancing the capacity of the institutions to promote and protect citizens' rights, at the same time as empowering citizens to be active in the democratic process.





Zero tolerance for corruption

Ethiopia has made commendable efforts to fight corruption. The adoption of the Asset Registration Law is a further testimony to this commitment, and the Prime Minister was the first to register his assets to ensure the necessary impetus for this initiative.

UNDP has assisted the Federal Ethics and Anti-corruption Commission to develop a plan of action for asset registration as well as providing training and sensitization of civil servants to register their assets as per the requirements of the law.

Through UNDP support, in June 2010, the House of People's Representatives organized a high-level National Conference on Accountability on Public Funds to facilitate a national process of dialogue on the issue with relevant stakeholders.

Helping lagging areas catch up

Ethiopia is a large country where some regions lag far behind others in terms of reaching development goals as well as their capacity to generate local revenue. UNDP has provided support to the House of Federation's response to this critical problem by researching and proposing formulas for grant budget allocation for consideration by the House.

To date, 17,000 officials have registered their assets, of a target of 50,000. UNDP expects to support the automation of the registration system to enhance implementation as well as transparency.

The institutions that UNDP supports are at federal-, regional- and sub-regional levels, and include:

- The National Electoral Board;
- The Human Rights Commission;
- The Ethiopian Institution of the Ombudsman;
- The Federal Ethics and Anti-corruption Commission;
- The House of People's Representatives and Regional State Councils;
- The Office of the Federal Auditor-General and Offices of the Regional Auditor-General; and
- The House of Federation.



ACCELERATED SUSTAINABLE ECONOMIC GROWTH AND REDUCING POUERTY

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Ethiopia plans to become a middle-income country by 2025. This is very ambitious, but is doable if you look at the potential of the nation. The country has been growing at 11% for almost a decade, and most of the budget is used for the poor. More than 50% of national income is invested in social sectors, with a particular focus on infrastructural development in health, energy and roads.

Eugene Owusu, UNDP Resident Representative.

Ethiopia is modernizing its agriculture and industry in order to become a strong player in the global trade system and to drive domestic growth and transformation.

UNDP's Economic Growth and Poverty Reduction programme has focused on economic growth corridors, private sector development, agricultural growth and local economic development.

Support to the formulation of the Growth and Transformation Plan enabled the Government to prepare an inclusive plan that incorporated the perspectives of civil society, the private sector, development partners and the public, with the active participation of women's groups and institutions. The Government now has full ownership of its development planning.





Agriculture is the foundation of Ethiopia's economy, responsible for 81% of employment, 47.5% of gross domestic product and 52% of exports for foreign exchange. Small-scale producers are responsible for 90% of total production. The continued growth of the sector is essential for the country to achieve its interconnected goals in food security, poverty reduction and human and economic development.

Agricultural growth

Increased rural incomes and food security through higher agricultural productivity

Ethiopia's shift to a higher growth path in agriculture is a result mainly of its diversification and commercialization of small farming and its focus on transparent and efficient marketing.

However, the sector continues to suffer from major structural problems. It remains low-input, low-value and subsistence-oriented, and is vulnerable to frequent climatic shocks.

Furthermore, supply has not fully responded to increased demand, which has led to high food prices.





The Government is now embarking on an ambitious new five-year plan, the Growth and Transformation Plan, to double output. UNDP strategic role in supporting the agriculture sector is to link production to value addition and markets as well as providing capacity-building assistance to key institutions such as the Ministry of Agriculture, the Ethiopian Institute of Agricultural Research and the Agricultural Transformation Agency.

UNDP is also engaging with the Government to help create a favourable policy environment, and facilitating increased investment in the sector. UNDP has played a catalytic role in designing a US\$ 300 million, multi-donor National Agricultural Growth Programme, and has also supported the preparation of Ethiopia's report on the Comprehensive Africa Agricultural Development Programme and of the National Policy and Investment Framework for agriculture sector development. This has given Ethiopia the opportunity to be awarded US\$ 51.5 million from the Global Agriculture and Food Security Program.





UNDP supports the ambition of the Ethiopia's Growth and Transformation Plan to double agricultural production in the next five years.

UNDP has also enhanced the opportunities of women to access and manage natural resources and finance, in addition to showcasing best practices by small-scale farmers.

"Our coffee is delicious. We do all of these tests, and we have to know the cleanness, the flavour, the quality. We need to know if it is good, very good, good or average. All coffee for export passes through us."

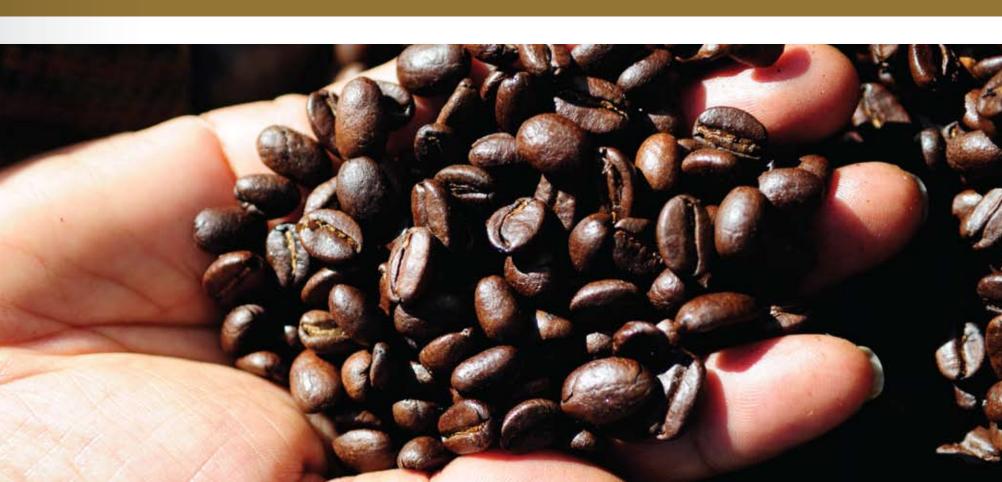
Fantu Bezabeh Belea, Certification Coordinator.



Ethiopia is known as the birthplace of coffee, and the Ethiopian economy still relies heavily on the export of this commodity. UNDP has been supporting the Government of Ethiopia to benefit from the Ethiopian Fine Coffee Trade Marking and Licensing initiative. Moreover, capacity-building support to the Ministry of Agriculture laboratory in testing the quality of coffee for export has helped in enhancing the country's competitiveness in the export market.

When Japan found traces of chemicals in Ethiopia's coffee—its major export—the Ministry of Agriculture and Rural Development responded by establishing a testing laboratory to ensure the quality of the product. UNDP's support to this, and also to the Ethiopia Commodity Exchange, is helping enhance the country's competitiveness in export markets.

Before tasting, the technician takes a sample of moisture content. If the level is above 115%, the beans do not pass the test. The size of the bean is also tested, as is the odour. Grade 1 beans are the best—this means there are 0–4 bad beans in 300 grams-worth of beans.



Private sector development

Releasing the potential for local economic development

UNDP's approach to economic growth entails strengthening publicprivate partnerships at regional and local level to create an enabling environment for entrepreneurial development.

There has been a strong emphasis on job creation and microfinance for poor and vulnerable people and vocational skills training for youth. A focus on job skills and work opportunities for the poor and vulnerable can ensure the benefits flow more effectively to more of the population and close the ever-widening gap between the rich and the poor.

Over a three-year period, more than 1,000 small and micro enterprises were strengthened in seven localities of four regional states, mostly for the poor and vulnerable. Almost 50% of new jobs created benefited women and girls. The 60,000 indirect beneficiaries of this support are now no longer food-insecure.

The Government considers these interventions indispensable to achieving the goals of its Growth and Transformation Plan and is scaling up best practices from UNDP's initiatives nationwide.









We have good customers, but we need capital to offer more services and products. We don't take home paycheques yet because we're putting everything back into the business. We hope to make enough money eventually but right now we invest everything back into the restaurant.

Medhanye, 23 years old, part owner.

Support to young people's small business initiatives

With UNDP funding, 16 young people, 50% female, have started up two branches of the Abinet Café and Restaurant to improve their livelihoods. "Abinet" means "model for others" in Amharic and Tigrinya.

Of the young entrepreneurs, 12 have college degrees and the other 4 have high school education. However, they were not able to access decent work. Weldu and Merwit, for example, graduated from university just one year ago and worked for four or five months in public sector jobs. The work was sporadic and they were keen to find a better way to earn enough money for a decent future.

The group received initial funding of ETB 300,000 and is now working hard to break even.







An enhanced enabling environment for the private sector

Private investment in industrial manufacturing, agriculture, real estate and services and trade and export are on the rise in Ethiopia. Public–private policy dialogue is necessary to build trust and enhance the business climate, so the private sector can flourish as an engine of growth and contribute to poverty reduction.

UNDP's assistance in this has included the publication of the Exporters' Guide together with the Ethiopian Chamber of Commerce. Women entrepreneurs have benefited from support to the private sector and have started to engage more in running and managing businesses.

Integration into the regional and global trading system

As Ethiopia participates more in global and regional trading systems, there is a need for strategic information and knowledge to facilitate effective policy-making and negotiation in these forums.

UNDP partners with the Ministry of Trade to build Government capacity to make informed decisions about regional and global economic integration. This includes support to a number of strategic policy studies, which identify the benefits and challenges of integration as well as providing recommendations on how to take advantage of the opportunities that increased economic integration offers.

Ethiopia is a member of the
Common Market for Eastern and
Southern Africa (although not yet
of its Free Trade Area), is preparing
for accession to the World Trade
Organization and is undergoing
negotiations towards an Economic
Partnership Agreement with the
European Union.





Enhancing the use of Ethiopia's economic growth corridors

An economic growth corridor is an area which has the potential to optimize growth and spill-over effects by following the connectivity of economic activities in otherwise separate locations. The establishment of such areas can lead to quick public, private and foreign investments, with great impacts on local development.

UNDP is currently strengthening knowledge, institutions and frameworks in relation to the concept of such corridors. A learning mission to Malaysia and Vietnam by a delegation of Ethiopian officials and UNDP representatives has also taken place. An overarching national framework is now being prepared, and it is hoped that it will soon be possible to catalyze investments in economic growth corridors on the ground.

The Ethiopia Commodity Exchange (ECX) is a very innovative project for Ethiopia, where there is relatively abundant production but market failures have kept productivity down. If we make market information available to all people and market infrastructure to all producers, there will be incentives to export more. Farmers currently do not have this incentive, but through the ECX we can change this.

Dereje Dejene, Team Leader Growth, and Poverty Reduction programme, UNDP.



The Ethiopia Commodity Exchange: an innovative solution for the whole value chain

Ethiopia registered an average agricultural growth rate of 8.4% between 2006 and 2010. This was higher than the targeted 6%, in part because of the country's emphasis on the need for a transparent and efficient agricultural marketing system.

Before, farmers did not have access to price information and sold only to people they knew. Buyers had all the advantages: they used their knowledge to buy at cheap prices and there was no quality certification. The Ethiopia Commodity Exchange (ECX) has put a stop this. Governed by a private-public Board of Directors, the ECX connects buyers, sellers, distributors and exporters into one efficient value chain and assures all participants of quality, quantity, payment and delivery.

Warehouse facilities, quality assurance, rapid and reliable market information and risk management have yielded excellent results for

key agricultural commodities and hold promise for an expanded commodity market. Since 2008, the ECX has traded US\$ 1 billion of commodities, mainly coffee so far.

UNDP-supported social mobilization has showcased the achievements of farmers (including 2 million smallholders) and motivated others throughout the country to replicate best practices. Beyond its impact on the livelihoods of farmers and rural market actors, the ECX has become recognized as an agent for change in the financial sector, private sector development, transport and logistics, among others.

An Africa Association of Commodity Exchanges has been created to strengthen cooperation and capacities, with a vision to create an African Commodity Exchange in the future.

A VISION FOR THE FUTURE

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Rapid scaling-up of renewable energy options can be done economically to the great advantage of sustainable development and growth ambitions, demonstrating the visionary leadership of Ethiopia. Alessandra Tisot, UNDP Ethiopia Country Director.

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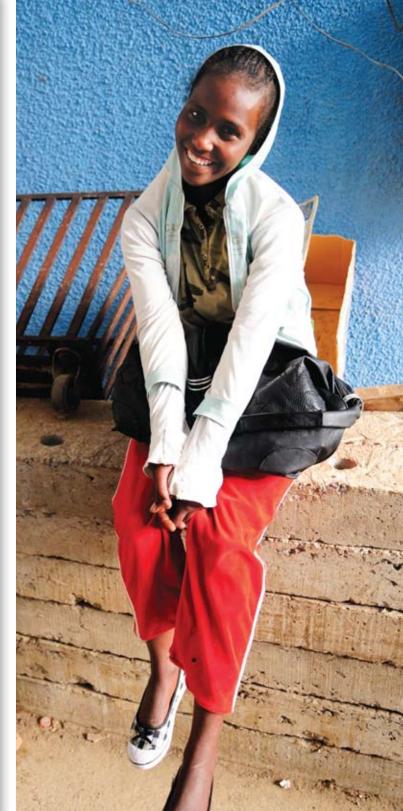
UNDP also promotes aid effectiveness in Ethiopia in this and all its other activities, through the roll-out of an aid management platform and support to the public financial management system. UNDP also adopts a position of impartiality, which allows it to play a bridging role in aligning donors with the Government. For example, the secretariat for the Development Assistance Group (DAG)—a group comprising 26 of the country's leading development partners—is responsible for donor coordination activities in Ethiopia and is housed in UNDP.

Harmonized and coordinated support to national development policy

UNDP's approach to working in Ethiopia means the agency lays a strong emphasis on promoting dialogue with Government on national development policy, on a number of key areas. National partners are now accelerating their progress towards achievement of the Millennium Development Goals and their ability to implement national development strategies and adapt effectively to external shocks.







UNDP's strategy in Ethiopia calls for continued work on both highlevel policy support and on-the-ground projects, in partnership with other development agencies and Government, to help the country achieve its ambitious goals of becoming a green-growthbased middle-income country and resilient society in the next decades.

This assistance will also support Ethiopia in its efforts to achieve the Millennium Development Goals by 2015—an outcome which has now been deemed likely.

Great progress has already been achieved, and UNDP is proud to be able to assist the Government in driving this. This "partnership of choice" builds up national, regional and local capacity while helping the poorest segments of society become self-reliant and exit poverty for a greater future for all in Ethiopia.



UNDP's Ethiopia programming is aligned with the overall UN Development Assistance Framework (UNDAF) for UN agencies, funds and programmes working in Ethiopia. UNDP also contributes substantially to the UN Delivering as One Agenda, leading in the areas of Governance and Climate Change, and houses the Secretariat for the multi-donor Development Assistance Group.

Credits

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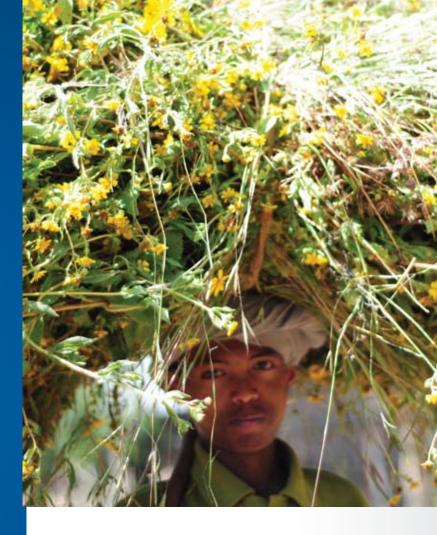
UNDP is a partner of choice in Ethiopia.

We are working together with the

Government, as well as with the people, to
ensure a better future for the country and
everyone who lives in it.

In this book, we are proud to present
the achievements we have all made
together and the joint vision we have for
the future of Ethiopia—a future where
growth is more sustainable, greener and
more equitable, and where everybody
can participate more in their own
development.

Eugene Owusu, UNDP Resident Representative, UN Resident Coordinator and UN Humanitarian Coordinator.





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