



ETHIOPIAN MINISTRY OF
FINANCE AND ECONOMIC
DEVELOPMENT



COUNTRY STRATEGIC PAPER ETHIOPIA – SPAIN

2011-2015

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2011 – 2015**

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LIST OF ACRONYMS

ADLI	Agricultural Development Led-Industrialization
AECID	Agencia Española de Cooperación Internacional para el Desarrollo (<i>Spanish Agency for International Cooperation for Development</i>)
AfDB	African Development Bank
AG	Agricultural Growth
AGP	Agricultural Growth Programme
AIDS	Acquired Immune Deficiency Syndrome
ARM	Annual Regional Meeting
AUSAID	Australian Agency for International Development
BOWCYA	Bureau of Women Children and Youth Affaires
CAADP	Comprehensive Africa Agriculture Development Programme
CAP	Permanent Open Tender (<i>Convocatoria Abierta y Permanente</i>)
CEDAW	Convention on the Elimination of Discrimination against Women
CIDA	Canadian International Development Agency
CLPP	Community Level Participatory Planning
COMIX	Joint Commission (<i>Comisión Mixta</i>)
CSP	Country Strategic paper
CSA	Central Statistical Agency
DAG	Development Assistance Group
DED	German Development Service
DFID	UK Department for International Development
DGGE	Donor Group on Gender Equality
DIP	Democratic Institution Programme
DoL	Division Of Labour
DRM	Disaster and Risk Management
DRMFS	Disaster Risk Management and Food Security
EDF	European Development Fund
EPG	Ethiopian Partner's Group (Ambassador's Group)
EPRDF	Ethiopian People's Revolutionary Democratic Front
EU	European Union
Fab-Lab	Fabrication Laboratory (Project financed by AECID)
FAO	Food and Agriculture Organization of United Nations

FCSAI	Fundación Española para la Cooperación Internacional, Salud y Política Social. (<i>Spanish Foundation for International Cooperation, Health and Social Policy</i>).
FIEM	<i>Fondo para la Internacionalización de la Empresa (Fund for the internationalization of Companies)</i> .
FMOH	Federal Democratic Republic of Ethiopia Ministry of Health
FONPRODE	<i>Fondo para la Promoción del Desarrollo (Fund for the promotion of development)</i> .
GAVI	Global Alliance for Vaccines and Immunization
GDP	Gross Domestic Product
GEC	Spanish Cooperation Permanent Coordination Group (<i>Grupo Estable de Coordinación</i>)
GEQIP	General Education Quality Improvement Program
GHD	Good Humanitarian Donorship
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> , German development agency
GMC	Mixed Coordination Group (<i>Grupo Mixto de Coordinación</i>)
GTP	Growth and Transformation Plan
HoA	Head of Agencies
HPN	Health, Population and Nutrition Group
HSDP	Health Sector Development Programme
IAs	International Agencies
ICP	Inter-university Cooperation Programme
IFAD	International Fund for Agricultural Development
IHP	International Health Partnership
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
ISC III	<i>Instituto de Salud Carlos III("Carlos III" Health Institute)</i> .
JANS	Joint Assessment of National Health Strategy
JBAR	Joint Budget Aid Review
JICA	Japan International Cooperation Agency
JRIS	Joint Review and Implementation Support
KFW	<i>Kreditanstalt für Wiederaufbau</i> , German Development Bank
LRRD	Linking Relief, Rehabilitation and Development

M&E	Monitoring and Evaluation
MCT	Ministry of Culture and Tourism
MDG	Millennium Development Goals
MDG Fund	Millennium Development Goals Fund
MDG PF	Millennium Development Goals Performance Fund
MoA	Ministry of Agriculture
MoFED	Ministry of Finance and Economic Development
MoWCYA	Ministry of Women, Children and Youth Affairs
MoWE	Ministry of Water and Energy
NEPAD	New Partnership for Africa's Development
NGDO	Non-government Development Organization
NGO	Non-government Organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OP	Operational Programming
OTC	Spanish cooperation overseas technical office (<i>Oficina Técnica de Cooperación</i>)
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PBS	Protection of Basic Services
PIF	Programme Investment Framework
PNSP	Productive Safety Net Programme
PSCBP	Public Sector Capacity Building Programme
RED&FS-SWG	Rural Economic Development & Food Security Sector Working Group
SCP	Strategic Country Plan
SC	Spanish Cooperation
SDPRD	Sustainable Development and the Poverty Reduction Programme
SIDA	Swedish International Development Cooperation Agency
SLM	Sustainable Land Management
SNNPRS	Southern Nations, Nationalities' and Peoples' Regional State
SWG	Sector Working Group
TICA	Turkish International Cooperation and Development Agency
UN	United Nations

UN - Women	United Nations Entity for gender equality and the empowerment of women.
UNAIDS	United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Agency for Human Settlement
UNHCR	United Nations High Commission for Refugees, the UN refugee agency
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency For International Development
USD	United State Dollar
WASH	Water, Sanitation and Hygiene
WB	World Bank
WDPI-I	Women's Development Programme
WFP	World Food Programme
WHO	World Health Organization

EXECUTIVE SUMMARY

Ethiopia is a priority country in the Spanish Cooperation Master Plan for 2009-2012. Hence, Spanish Cooperation (SC) has an opportunity of establishing an effective long-term partnership strategy principally based on effective alignment with the national development strategy of the Ethiopian GTP for 2010-2015. SC will continue to participate actively in policy dialogue, progressive execution through the institutional mechanisms of the partner country, and the use of a broad variety of SC instruments, particularly programme based approach.

Although it continues to be one of the poorest countries in the world, Ethiopia has undergone a significant sustained annual economic growth of 11% over the last few years. It has likewise considerably increased population access to basic services, which has led to the improvement of its socio-economic indicators, decreasing the number of people living in poverty and mortality among children and mothers. In education, it has achieved a basic primary schooling index of 89% in a female-to-male proportion of 0.93/1, and in health, a basic healthcare coverage of 78%, with a 66% drinking water access, among other achievements reflected in PASDEP II results.

The preparation of this first Spain – Ethiopia Strategic paper coincides with the mobilisation of the Growth and Transformation Plan (GTP), the new national development strategy 2011-2015, enabling adequate strategic paper alignment with its priorities.

The new GTP development strategy has been discussed with the different administration organs, political parties, civil society representatives, development partners, NGOs and the private sector. The GTP is based on 7 strategic pillars: accelerated, sustainable and equitable economic growth; the development of farming as a driving force for growth; the development of industries based on agriculture and livestock; expansion and improvement in the quality of development infrastructures; the promotion of social development and the improvement of access and quality in basic services; capacity-building and good governance; and the development of the capabilities of women and the youth.

The period for the preparation of this CSP coincided with the preparation of the Joint EU Strategy for the next 5 years, in which SC participated actively, also integrating the progress made in Aid Effectiveness and the processes of Division of Labour, also spearheaded by the EU.

The present Strategic paper updates the Strategic Country Plan (SCP) for Ethiopia prepared for 2006-2008, which served as general framework for the preparation of the first Joint Commission signed in January 2008. The recent initiation of official cooperation in a country where PASDEP 2005-2010 – a solid strategy to fight against poverty – was in place, where there was participative ownership of development strategies, a good number of national programmes jointly financed from multi-donor funds, with solid monitoring mechanisms and a significant coordination structure of DAG donors and EU countries advancing in aid effectiveness and division of labour, enabled Spanish Cooperation (SC) to initiate its programme by concentrating its activities, aligning them with national strategies, and progressing in the coordination of the projects in course.

The process of preparing this strategic paper was carried out in three phases in a participative manner. In Phase I, shared analysis focused on the sectors which SC up to now has given priority in its work in the country, reflected in OP 2010, as well as on internally harmonising Spanish cooperation itself and its

comparative advantages. The updating of priority sectors in this CSP 2011-2015 was based on GTP 2011-2015, the country's new strategic development plan approved by the Federal Parliament of Ethiopia on 2 December 2010, and the Spanish Cooperation Master Plan 2009-2012 with its sector action plans, bearing in mind the joint EU strategy, the aid effectiveness agenda and the division of labour being spearheaded by the EU in the country. Analysis has likewise been made of the ownership level of the principal development strategies by the different country agents and by the sectors, the principal national policies and plans, and the conditions of alignment and harmonisation in the country.

The alignment is the result of progress in the policy dialogue taking place in the Sector Working Groups operating in the country within the framework of DAG (Development Assistance Group) coordination, which includes government representatives on the level of the sector ministries, cooperation agencies working in the sectors, and representatives of associations, foundations, NGOs and the private sector.

The existence of several National Programmes supported by multi-donor funds contributes to the harmonisation process. The principal among these are: the Protection of Basic Services (PBS), the Productive Safety Net Programme food security network (PSNP), the Agricultural Growth Programme (AGP), the Public Sector Capacity-building programme (PSCAP), the Democratic Institution Programme for strengthening democratic institutions (DIP), and the sector programmes on Health and Education for attaining the MDGs and improving the quality of education and services.

Phase II corresponds to strategic decision-making. During the participative preparation of the CSP, 2 meetings of the SC permanent coordination group (GEC) and 1 meeting of the mixed group (GMC) in Ethiopia have taken place, along with two meetings with Spanish and local NGOs with which SC works in the country, the minutes, participants and presentations of which are attached as Annexes to this document.

Representatives of Ethiopian institutions and civil society participated in the GMC, along with United Nations agencies. In both groups, there was a consensus on the selection of the sectors and types of partnership proposed for this phase of the CSP. The strategic decisions on intervention sectors and the type of partnership for the next five years were also based on the priorities of the joint EU Strategy and the principles of aid effectiveness, concentration, harmonisation and division of labour with other donors, bearing in mind the EU and DAG Roadmap for advancing in DoL.

In this CSP process, comparative advantages were also analysed with the NGOs and other non-government agents working in the country, defining the sectors in which their activities can have greater impact and added value. Account has also been taken of the evaluation of the activities undertaken during the previous 2008-2010 period.

Phase III consisted of the preparation of an SC results for development management framework, a framework for aid effectiveness and the coherence of policies, results and mutual accountability.

At the AECID headquarters, there have been three encounters of the Expanded Country Group for Ethiopia to validate the three phases, the comments and contributions of which have been included in this document.

The priority sectors for intervention in Ethiopia proposed in CSP 2011-2015 are: basic social services, health, and rural development and food security, with gender and culture representing other

intervention sectors, projecting for action in the humanitarian field and considering gender and the environment as horizontal priorities.

The principal results this effort seeks to support are: attainment of the MDGs, contributing to increase access to basic services, strengthening the National Health System, and improving service quality; increase in the agricultural and livestock production and productivity of small farmers to feed the population sustainably in a manner that respects the environment; the promotion of gender equality and the economic empowerment of women; and the reinforcement of the role of culture in the sustainable and inclusive socio-economic development of the country. In the humanitarian field, attention to humanitarian crises and emergencies will be supported in accordance with existing needs, and efforts will be made to increase the capacity to manage and mitigate disasters.

All the instruments at the disposal of SC will be used to achieve these results, giving priority to the following by sector:

Basic Social Services: Contributions shall be made to the harmonised joint basic services funding mechanisms (current PBS programme), analysing the continuity of this contribution financing the third phase of the PBS programme or participating in general budget support.

Health: Contributions shall be made to the MDG PF, the harmonised sector funding mechanism managed by the FMOH. Advances shall be made towards 90% of the funds earmarked for health through the harmonised funding mechanism as per the commitment signed in IHP 2008, without entailing a decrease in the funds allocated to the sector. Interventions in support of service quality and hospital reform shall be funded through technical training and assistance by Spanish institutions, universities and triangular cooperation as well as direct hospital support.

Rural Development and food security: Financial contributions shall be made to the national Agricultural Growth Programme (AGP). Developed in the framework of the CAADP, this programme will support small farmers and cooperatives (civil society) in increasing their production and improving their food security conditions, in the sale of their products and the sustainable, inclusive, environment-friendly increase in their profits. The gender focus will particularly be observed. NGDO projects and agreements shall be funded, and concentration will principally focus on their activities in interventions oriented towards strengthening and supporting cooperatives, associations and small farmers in improving their production and productivity in underprivileged regions and districts, incorporating new technologies and strengthening sector-specific value chains. Private sector initiatives, entrepreneurial cooperation and public-private alliances oriented towards inclusive production investment, job creation and technology transfer shall be supported.

Possibilities of using the Microcredit and Refundable Cooperation Fund within the framework of FONPRODE shall be identified.

Gender for development: Support shall be given to strengthening the institutions responsible for gender equality and the implementation of equality policies through harmonised funding mechanisms. In addition, contributions shall be made to the economic empowerment of women.

Culture for development: Support shall be given to strengthening the institutions responsible in the sector, the creation of cultural enterprises that encourage the generation of employment and contribute

to the promotion of Ethiopian culture, and to the protection, preservation, management and enhancement of the merits of cultural heritage that promote local development through sustainable harnessing.

Humanitarian Action: Contributions shall be made to humanitarian crisis and emergency attention in accordance with existing needs and the increase of the capacity to manage and mitigate disasters.

Aid Effectiveness: Progress shall be made in the aid effectiveness agenda, decreasing aid fragmentation, planning by results for development, advancing in the foreseeable allocation of funds by sector in line with the instruments considered a priority to obtain said results, and progressively increasing the proportion of funds allocated to programme aid, as well as advancing in the division of labour spearheaded by the EU and in mutual accountability.

1. PARTNERSHIP FOUNDATIONS – DIAGNOSIS.

1.1. THE ETHIOPIAN ECONOMIC AND HUMAN DEVELOPMENT CONTEXT.

Ethiopia is the third most populated African country with an estimated population of 80 million (74 million according to the last census of 2007) and a great ethnic, linguistic, cultural and religious diversity. Despite the fact that high levels of poverty still exist, in these last six years, the country has undergone a sustained and significant economic growth of 11% yearly, a great success, account taken of the draught besieging some regions of the country, the increase in the prices of fuel and food, the international financial crisis and the impact of global recession on the reduction of exports, cash remittances, direct foreign investments, not to mention the pressure on Official Development Assistance. The growth of GDP has been due above all to the growth in agricultural production and the service sector.

According to a recent IMF report, Ethiopia is making progress in increasing domestic income, which it invests in policies and programmes strongly favouring the poor, basic infrastructures and social services, making efforts to enforce an appropriate monetary policy, and giving evidence of clear improvement in the management of public finances, with low levels of corruption. The Ethiopian government has made great advances in implementing its tax policy, financing approximately 70% of its budget with its own funds, whereby the remainder is financed by concessions and loans from the International Community.

Likewise, during the last few years, it has considerably improved the population's access to basic services, which has led to the improvement of its socio-economic indicators, decreasing the number of people living in poverty and mortality among mothers and children. A basic primary schooling level of 89% has been achieved in education, with a female-to-male ratio of 0.93/1. In health, coverage of 78% in basic healthcare and a 66% drinking water access has been achieved, among other achievements.

It may be underscored that Ethiopia is a country immersed in a democratisation process, oscillating between democratic aperture and the political predominance of the majority EPRDF. Its extreme political context is highly complex, whereby it represents the most stable country in the Horn of Africa (Somalia, Eritrea, and Sudan). Its internal context is equally complex, with diverse pro-independence movements, armed groups and ethnic problems in some regions, while being very vulnerable to climate-produced disasters, particularly draught, due to its large population, the deterioration of the land, and climate change. The democratic process begun very recently in 1992, and the last general elections, in which more than 60 political parties of different ideologies presented themselves, were held in May 2010. The EU observers' report indicates that, despite the advances achieved in organising the electoral process, the citizen participation and the presence of different political parties, it still does not come up to international standards.

Ethiopia is projected to achieve the majority of the Millennium Development Goals, particularly MDGs 1, 2, 4, 6 and 7. Despite all this, great challenges to the development of the country still exist, and a long road to eradicate the persistent poverty and food insecurity in the country still remains.

1.2. DEMOCRATIC OWNERSHIP.

Development Programmes and the National Regulatory Context

During 2005-2010, the principal national strategy to reduce poverty in Ethiopia was the PASDEP (Plan for Accelerated and Sustained Development to End Poverty), prepared after a process of analysis and discussion with all the agents in the country. The strategies of the principal development sectors were developed on the basis of the PASDEP.

The new strategic plan for 2011-2015, called “Growth and Transformation Plan” or GTP, was prepared in consideration of the lessons learned in the PASDEP and focuses on achieving authentic transformation in Ethiopia to attain inclusive economic development in the country and the fulfilment of the MDGs, in order to graduate into a middle-income country within 15 years. The GTP was approved by the Federal Parliament of Ethiopia on 2 December 2010. Increase in economic growth is considered indispensable to maintain basic services and human development over the years to come.

PASDEP 2005-2010 Objectives and the Results of its Implementation on Development

The Ethiopian development strategy, Plan for Accelerated and Sustained Development to End Poverty 2005-2010 (PASDEP), had the main aim of laying the groundwork for an accelerated and sustained economic development focusing on persons and advancing in the achievement of the MDGs. Its eight pillars were: (i) to accelerate economic growth, (ii) to create capacity for implementation, (iii) to achieve a balance between economic development and population growth, (iv) to develop the potential of women, (v) to reinforce the key infrastructures of the country, (vi) to reinforce the development of human resources, (vii) to manage risks and (viii) to create employment opportunities. During the implementation of the plan, significant advances were made in the fulfilment of the MDGs, whereby Ethiopia is in a position to comply with a considerable part of the goals. Foreign support has played a crucial role in achieving these advances in economic growth and human development.

Table 1: Gross Domestic Product (average annual growth rate, in %)

Sector	Departure Point (2005)	2006	2007	2008	2009	2010	Average (2006-2010)
GDP	12.6	11.5	11.8	11.2	9.9	10.1	11.0
• Agriculture and related fields	13.5	10.9	9.4	7.5	6.4	6.0	8.0
• Industry	9.4	10.2	9.5	10.0	9.9	10.2	10.
• Services	12.8	13.3	15.3	16.0	14.0	14.5	14.6

Source: MoFED 2010, GTP

Table 2: Evolution of some results for development from 2005 to 2010

Sector	Start (2005)	End (2010)
Agriculture		
Agricultural Production (million tonnes)	11.9	18.08
Education		
Percentage of primary schooling	79.8	94.2
Proportion of schoolgirls to schoolboys		0.93:1
Proportion of students per book	2:1	1.25:1
Health		
Percentage of primary health care coverage	30	89
Maternal mortality (100,000)	871	590
Child mortality (1,000)	123	101
Percentage of women using contraceptives	15	55
Proportion of childbirths attended to by health personnel	9	25
Proportion of health extension workers / population	1:25,000	1:2,500
Basic Infrastructures		
A. Water		
Urban access to drinking water at a distance < 0.5 km	80	91.5
Rural access to drinking water at a distance < 1.5 km	35	65.8
Total access to drinking water	36	68.5
B. Roads		
Road density (1000 k m 2)	33.6	44.5
Percentage of roads in good condition	64	81
Hours necessary to reach transitable roads at all times	5.7	3.7
C. Electricity		
Percentage of electricity access coverage	16	41

Number of cities with electricity access	648	3367
D. Telecommunications		
Percentage access to telephone service within a radius of 5 km	13	43.3
Number of <i>Kebeles</i> with telephone access	3000	13000
Number of cell phone users (in millions)	0.56	4
Number of landline users (in millions)	0.62	0.74
Number of Internet users (in millions)	00.2	0.2

Source: MoFED 2010, GTP

General and Sector Development Objectives of the Growth and Transformation Plan (GTP) 2011-2015

Ethiopia wants to become a middle-income country in 15 years, so the GTP focuses on maintaining and increasing the country's economic growth based on increased agricultural productivity and the principal growth of the agro-food industry. This growth is considered a means for enabling the population to end poverty equitably and sustainably, offering employment, maintaining and improving the quality of basic services, achieving the MDGs, and moving beyond them. Other factors taken into account are the expansion of the infrastructures indispensable for development, the building of human capacity and progress in good governance, and the promotion of equitable benefits for women and the youth, encouraging the creation of jobs.

The seven strategic pillars of the GTP are:

- **Economic growth**, without which it is impossible to fight poverty, considering the best scenario to be a 14.9% annual growth, or a sustained growth of at least 11%. Without sustained economic growth, it is impossible to reduce poverty.
- **Increase in agricultural productivity**, on which the growth expectation is principally founded, based on the efficient use of water resources and new technologies. The target is for no humanitarian crises or food insecurity to exist in the country by 2015, by which time needs may be covered by the internal food production.
- **Industrialisation**, principally based on the manufacture of products obtained from agriculture and livestock, shall be a priority in the country's transformation, prompting the creation of small companies generating employment focused on women and youth, improving the competitiveness of medium and large companies, focusing on the diversification of exports and promoting industry to substitute imports.
- **Infrastructures**, the equitable development of which is fundamental to the country's growth, focused on drinking water and irrigation, the production of clean energy for internal consumption and export, roads to connect all the towns in the country with each other and with the principal roads, telecommunications, and the creation of a railroad network.

- **Social services**, the access to which will continue to expand in an accelerated manner, focused on the improvement of quality, considering it critical to achieve universal primary education, the expansion of secondary schooling and university. In health, to consolidate the Health Extension Programme and the strengthening of the National Health System to decrease maternal mortality, making progress in retaining human resources, and considering water and sanitation as an indispensable basic social service.
- **Capacity-building and good governance**, considering that economic growth is necessary to support democracy and vice-versa, along with the need for transparency and public accountability. Progress will be made in citizen participation, decentralisation, the fight against corruption, the reinforcement of democratic institutions and the legal system, compliance with the law, the promotion of citizen associations, transparency, and public accountability.
- **Mainstream priorities:** Gender equality and the promotion of opportunities for women and youth. Reinforcement and expansion of culture and tourism. Population control, the fight against AIDS, the management of natural resources and the struggle against climate change.

The GTP projects to give special attention to the development of the four most underprivileged regions, with plans for investment, capacity-building, and additional resources. The monitoring and evaluation of results shall be considered a priority, strengthening the Central Statistical Agency, promoting data quality, information surveys, and the monitoring of the MDGs.

Level of Democratic Support and General Participation in the Development Strategies of Ethiopia

The GTP was prepared within the framework of a broad process of participation with development partners, civil society organizations and Ethiopian institutions. The sector components of the GTP reflect the goals of sector development strategies. These in turn were defined by consultation and the joint efforts of sector groups composed of representatives of institutions, cooperation agencies, NGOs and civil society representatives working in the sectors within the framework of the DAG. Strategies were prepared by combining the contributions of all the participants, including objectives, analysis of agent participation and expected results, along with the most adequate funding modalities. The sectors where there has been the most participation were education, health, rural development and food security, governance, gender, infrastructures, industry and the private sector. The AECID participated in the preparation of the plan as regards health, rural development and food security, in the working groups of which it participates actively. The GTP was subsequently discussed on the decentralised level, with the participation of the institutions and representatives of civil society and the NGOs.

The democratic ownership of the strategy – hard to really achieve in any context – is not easy to attain in Ethiopia. However, the process of discussing the GTP strategy has been participative and constructive, having taken account of the contributions made.

In the context of democratic ownership, it is necessary to underscore important on-going initiatives that have appeared over the last few years to promote civil society participation in development processes. A district-based planning process of interest exists with a view to improving democratic governance.

On another hand, over the last few years now, in some sectors like health, education and gender, citizen participation has been stimulated in identifying needs prior to planning. There are also policies and movements that have recently appeared promoting cooperatives and associations (women, youth, persons living with AIDS, others) for facilitating initiatives principally focused on economic development.

Likewise to be underscored are civil society accountability initiatives, particularly in the field of the large national programmes financed by multi-donor funds, especially those dealing with the protection of basic services (PBS) and food security (PSNP), which represent a significant component of the programme and have produced important experiences that are being replicated in other programmes. In the same manner, the national programmes include democratic ownership components, as is the case of the Agricultural Growth Programme (AGP), which projects for planning prepared by the communities on first demand through CLPP (Community Level Participatory Planning), a process in which the farmers explain their problems, projecting activities and prioritising interventions to improve their own agricultural production.

Mapping Local Development Partners

The principal institutional counterpart of Spanish Cooperation (SC) is the Ministry of Finance and Economic Development (MoFED), in particular its Department of Bilateral Cooperation.

As regards other local partners of the SC bilateral programme – account taken of Sector prioritization and the division of labour – the following may be underscored: the Federal Ministry of Health (FMoH), the Ministry of Agriculture (MoA), the Ministry of Women's Affairs and Children and Youth Affairs Office (MoWA-CYAO), the Ministry of Culture and Tourism (MCT), the Regional Office of Culture and Tourism of Harar, the Regional Health Office of Amhara, the Regional Office of Women's, Children's and Youth Affairs of Addis Ababa, the Ethiopian Parliament, the Ethiopian Women Parliamentarians, the Universities of Addis Ababa, Mekele, Hawasa, Bahir Dar, the primary cooperatives and the unions of local farmers, associations and NGOs.

1.3. ALIGNMENT AND HARMONISATION

The Use of National Systems

There have been strategies for the development of the principal sectors in Ethiopia since the start of the 90s. Starting 2005, several national programmes with solid monitoring structures and mechanisms of accountability were created, co-funded by the State budget and multi-donor funds, that contribute to a great extent to the ownership, alignment and harmonisation of aid in Ethiopia, the principal among them being: the Fund for the Protection of Basic Services Fund (PBS), to finance education, health, water and sanitation, and basic agriculture on a decentralised level in the districts; the Productive Safety Net Programme (PSNP) on food security for the more insecure districts with less productive capacity; the Public Sector Capacity-building Programme (PSCAP) to reform the public administration; and the Democratic Institution Programme (DIP) for strengthening democratic institutions. Starting 2008, sector support mechanisms in health, education and rural development have begun to operate: the MDG Performance Fund, GEQIP, and, starting 2010, the Agricultural Growth Programme (AGP).

These programmes were prepared by joint technical groups of representatives from the sector Ministries, the cooperation partners and non-government agents with very specific objectives and goals. They likewise have a management structure, in a large number of cases spearheaded by the WB, with frameworks for results and monitoring and solid safeguard mechanisms (for example, the effectiveness, sustainability, and justice tests and fiduciary and accountability standards in the PBS).

For the time being, the initiation of general budget support to contribute to the implementation of the GTP in the years to come is not projected. Large multi-donor programmes and support to sector programmes are contemplated as harmonised funding mechanisms. Currently, the design of a new instrument is being projected to support economic development in the country.

Principal Harmonisation Mechanisms and Fora

Since 2001, a developed coordination and harmonisation structure among donors has existed in Ethiopia: the DAG (Development Assistance Group), in which the AECID has participated since January 2008. 26 bilateral and multilateral cooperation agencies, the objective of which is to promote effective development aid in the country, coordinate and harmonise programmes and activities, and support the fulfilment of GTP objectives as well as facilitate dialogue and commitment with the Ethiopian institutions and population, are represented in the DAG. An Executive Committee exists within the structure of the DAG, composed of the group of Cooperation Agency Directors in the country (HoA), a secretariat and 11 technical Sector Working Groups (SWGs), some of them co-chaired by the Sector Minister or Vice-Minister, and a representative from the donors' group. The DAG responds for the challenge of making progress in ownership and alignment, the foreseeability of funding, and management by results. Recently, a new architecture was updated for adaptation to the new needs and pillars of the GTP to increase the effectiveness of its initiatives.

There is also a coordination mechanism between EU Member States that meets every two months and has prepared the foundations for a joint strategy in the country by way of a "roadmap" for advancing in the division of labour in Ethiopia and making progress with the aid effectiveness agenda. This initiative feeds the discussions taking place in the DAG as regards concentration and division of labour.

Joint Donor Initiatives

Alignment in Ethiopia is the result of sectorial policy dialogue taking place in the sector working groups of the DAG, the most immediate consequence whereof is support for the creation of strategies and programmes, with financial aid for their execution through multi-donor funds or harmonised funds for providing technical assistance or capacity-building support.

The commitment among donors established in the DAG is that of advancing in the principles of aid effectiveness by increasing their contributions to the harmonised national programmes and decreasing interventions through parallel implementation units.

Quality of Policy Dialogue in Ethiopia

The dialogue between the Ethiopian Government and the cooperation partners is frank and open, local institutions having demonstrated a clear ownership in the preparation and implementation of their public policies. Spaces for this dialogue have been created in Ethiopia on different levels.

Sectorial public policies are continuously discussed in the DAG technical groups, health, rural development and food security (sub-groups of agricultural production and risk and disaster management) being the groups in which SC habitually participates.

The high-level dialogue between Government and the cooperation partners is conducted over the "High-Level Forum" or quarterly encounters of the Minister of Finance and Economic Development with the cooperation agency representatives of the DAG country.

The political dialogue on the highest level takes place periodically within the framework of Article 8 of the Cotonou Agreement between the group of ambassadors (EPG) and the Government Prime Minister of Ethiopia.

Conditionality

Any conditions that may exist shall be based on development goals internationally agreed on and linked to the fulfilment of international commitments, progress in poverty reduction and sustainable human development, and advances with regard to human rights, gender equality, environmental sustainability, governance and social inclusion, these advances being understood as complex long-term processes necessary to encourage through policy dialogue and country partnership (Master Plan 2009-2012, p. 45).

Spanish Cooperation must be based on a partnership (reflected in this strategic paper) that establishes mutual commitments with regard to: (i) the reduction of poverty and the Millennium Development Goals (MDG), (ii) the reinforcement of financial management, accountability and transparency, and (iii) respect for human rights and other international obligations. Account should be taken of the partner country's point of departure, which in this case started its process of political, social and economic modernisation very recently in 1992.

Following these instructions reflected in the Spanish Cooperation Master Plan 2010-2015, no specific conditions shall be established in Ethiopia beyond the achievement of development goals, account taken of the transparent use of the aid for the purpose projected, advancing in mechanisms of mutual accountability and accountability to the Spanish and Ethiopian citizens nor shall aid be used to impose certain public policy options that are not appropriated by the partner country.

Mapping the Donors Present in Ethiopia

The principal bilateral donors with a presence in Ethiopia are: Austrian Development Cooperation, AECID, AUSAID (Australia), the Belgian Embassy, the CIDA of Canada, the Danish Embassy, DFID, the European Union Delegation, the Finnish Embassy, the French Embassy, German Development Cooperation, GIZ, the Indian Embassy, Irish Aid (Ireland), Italian Cooperation, the Japanese Embassy, JICA (Japan), the Dutch Embassy, the Norwegian Embassy, SIDA (Sweden), TICA (Turkey), and USAID.

The Development Banks and other Financial Institutions: IMF, World Bank, African Development Bank and the German Development Bank, KFW.

With regard to United Nations Agencies, the majority are represented in the country, underscoring: UNHCR, FAO, IFAD, UNPA, OCHA, IOM, ILO, WHO, WFP, UNDP, UNAIDS, UNECA, UNEP, UNESCO, UN-Habitat, UNICEF, UNIDO, UNODC and UN Women.

1. 4. PRINCIPAL STRATEGIES BY SECTOR: OWNERSHIP, ALIGNMENT AND HARMONISATION.

1.4.1. HEALTH

Sector Policy

With regard to the health sector, the Government prepared a Health Sector Development Plan for the first time in 1997 (HSDP I). Since then, plans have continuously been defined every five years, and HSDP IV, covering 2011-2015, has just been approved this year.

HSDP IV, as the fourth five-year planning exercise conducted in the country, and is considered a highly **owned, coherent and inclusive plan**. It is based on an in-depth analysis of the national reality and the available resources: it presents a detailed budget per programme, the principal bottlenecks involved, three funding scenarios, and the budget gap. In addition, it has been subjected to an intense consultation process involving the authorisation of different working groups in which the different institutions from different administrative levels, such as communities, non-government organizations and civil society representatives, cooperation agencies and international agencies competent in the sector participated. All their comments were included.

In this plan, **women occupy the “central position in all activities”** and are attributed the role of axis of transformation.

The three strategic lines of HSDP IV are the so-called “pillars of excellence” (those more important areas around which work in the sector must revolve):

1. Quality of healthcare services at all levels.
2. Leadership and governance. Planning, monitoring and evaluation, formulation, implementation and development of a regulatory framework based on evidence. Efficient allocation of resources.
3. Health infrastructures, human resources and materials.

The Plan is supplemented by **other national policies and programmes** such as: the HIV/AIDS prevention and control policy and strategy, the national drug policy, the national population policy, the national policy on women, the rural development policy and strategy, the strategy on child survival, the national nutrition programme, the national strategic plan for the prevention, control and eradication of malaria, the reproductive health strategy, the health extension programme, and the national development strategy (GTP).

In turn, these lines focus on 13 strategic objectives: 1. To improve health. 2. To improve access to healthcare services. 3. To improve community ownership. 4. To maximize the use of resources. 5. To improve the quality of services. 6. To promote harmonisation and alignment. 7. To improve the regulatory system. 8. To improve emergency preparation and response. 9. To improve pharmaceutical supplies and services. 10. To improve decision-making based on evidence. 11. To improve health infrastructure. 12. To improve the mobilisation of resources. 13. To improve human capital and leadership.

In order to measure alignment with the said objectives and expected results, the HSDP avails of a series of indicators reflecting information on the level of the *woredas* or districts. In accordance with the framework of the International Health Partnership (IHP), the Ministry of Health has given priority to **48 indicators**, about which information must be availed of at least annually. These indicators cover the following matters: mother-child health, disease prevention and control, nutrition, environmental health and hygiene, health infrastructure, human resources, logistics, laboratories, use and coverage of healthcare services, service quality, emergencies, alignment, funding and harmonisation, information system, monitoring and evaluation, governance, and ownership.

Institutional Structure

Apart from the Ministry of Health, four state institutions with competence in the sector reporting to the said Ministry and to the Ministry of Finance and Economic Development also exist. These are: the Regional Health Offices, the Zonal Health Departments, the *Woreda* or District Health Offices and the Administrative Council Health Offices (existing on each administrative level likewise participating in plan implementation). The values governing the work of the four institutions are: priority to the community, collaboration, patience and commitment, change, trust and professionalization.

Sector Policy Dialogue and Coordination Fora

The health sector donor coordination group is called Health, Population and Nutrition (HPN), where all multilateral and bilateral donors working in the sector participate. The principal obstacle to progress in the aid effectiveness agenda within the group is the fact that the visions and interests of each participant differ.

There are also committees and groups in which the donors meet with the Ministry, such as: the Joint Consultancy forum (meeting every three months with the participation of the Ministry of Health and all members of the HPN) and the Joint Coordination Committee (the Ministry of Health and six HPN representatives meeting fortnightly). Currently, revision is being conducted on the governance and dialogue structure so as to make it more operative and flexible.

With regard to principal sector challenges, it is necessary to mention the greater need for donor alignment and harmonisation in order to support the entirety of the health system instead of parallel vertical programmes, the improvement of management by results, the strengthening of human resources, and the revision of public acquisition systems for greater flexibility: for example, in the purchase of medicines, infrastructures, equipment and training material.

Donor Initiatives and Spanish Cooperation

International Health Partnership: In 2008, Spain, together with the majority of the donors working in the health sector, signed the International Health Partnership Compact, consisting of an agreement by which the donors commit themselves to apply the principles of the Paris Declaration to the sector to strengthen the National Health System, basically consisting of: (i) channelling 60% (2010 target) to 90% (2015 target) of the funds through the more harmonised mechanism (the MDG Fund) according to the programme based approach (using the national systems on the basis of “one plan, one budget” for all), (ii) carrying out joint missions, (iii) eliminating parallel implementation units, and (iv) establishing foreseeable commitments (at least three years), etc.

MDG Performance Fund: For the time being, the most aligned and harmonised mechanism in the sector is the MDG Fund, a pooled fund in which the United Kingdom, Ireland, the World Health Organization, the UN Population Fund, Italy (which shall begin to contribute this year) and Spain participate. The United Kingdom and Spain contribute 89% of its funds (40% for Spain). In 2009, the fund amounted to a total of 34.5 million dollars (9% of the available health budget).

The remaining sector aid is channelled through bilateral programmes of United Nations agencies, global programmes and NGOs.

In view of these data, it may be seen that great efforts at alignment and ownership are still necessary on the part of the international community (the USAID health budget is equivalent to the total budget of the MDG Performance Fund, and the Global Fund brings in 26% of the budget). The Ministry of Health has already repeatedly made known that the MDG Fund is the preferred modality of cooperation (defined by them as Channel 1).

On the Spanish Cooperation side, the total health budget for 2009 was slightly higher than the 10 million euro allocated through bilateral programmes, NGO projects and international agencies. Approximately 51% of the funds are channelled with a programme based approach. In 2010, the sector budget came close to 8 million euro, whereby 65% was programme based approach. This increase in proportion is due to the decrease of funds through other instruments, which does not correspond to the IHP philosophy of progressively increasing the proportion of funding with a programme based approach without decreasing the total funds allocated to the sector.

To advance in channelling the funds from the rest of the donors through the health sector fund, HSDP IV has subjected itself to the JANS process, which validates the pertinence and appropriateness of the Strategic Plan in the framework of the IHP initiative, with a view to the adhesion of new partners to the joint mechanism next year, including the Global Fund Health System Strengthening component.

Some Sector Achievements and Challenges

The following may be underscored as principal government advances in the sector: the Health Extension Programme which has trained more than 34,000 women during the last few years working on the more peripheral levels, as well as the improvement of access to primary healthcare and the clear intention to make progress in the Millennium Development Goals (reducing child mortality, improving maternal health and fighting HIV/AIDS, malaria and other diseases).

Among other challenges for consideration are: the difficulty of expanding the health network in such a large country, retaining human resources, and the fragmentation of aid to the sector.

1.4.2. RURAL DEVELOPMENT AND FOOD SECURITY

Sector Policy

The strategies, plans and development programmes in the sector of rural development and food security were prepared and spearheaded by the Ministry of Agriculture.

At the outset, general lines were defined by the **Agricultural Development Led-Industrialization (ADLI)** plan, a 1993 strategy that promoted sector development to ensure product supply to agro-food industries, which would accelerate and expand industrial development and contribute largely to the country's economic development. Its principles and basic lines have served as foundations for the subsequent development of policies and programmes, reflected in the SDPRD (2001-2005) and PASDEP (2006-2010), general strategic plans to fight poverty.

On 28 August 2009, the **CAADP Compact** (Comprehensive Africa Agriculture Development Programme) was signed in Ethiopia, an initiative spearheaded by the NEPAD and the African Union, launched in 2003 and created to stimulate agricultural growth and productivity in Africa as an integrated solution to food security, reducing poverty and malnutrition on the continent.

The CAADP thus provided a strategic framework of action and a regional context for programmes to be developed on the national level, as well as a framework for collaboration among the different agents operating in the country and on the continent in the agriculture and food security sector, expressed through the preparation and signing of national agreements between governments, cooperation partners, the private sector and civil society for the long-term partnership of all the agents involved. Each country prepared its national investment plan in agriculture and food security on the basis of four pillars:

1. Management of water and expansion of cultivated lands.
2. Provision of rural infrastructure and commercial capacity to access markets.
3. Increase in food production and reduction of hunger.
4. Support to agricultural research and dissemination of new technologies.

On the other hand, the CAADP implied a series of premises, which, in the case of Ethiopia, are being successfully met. Outstanding among these commitments is the obligation to allocate at least 10 % of the national Budget to the development of agriculture and achieve at least a 6% annual growth in the sector: during the last 5 years, Ethiopia has earmarked 19% of the national annual budget to agriculture and the management of natural resources. An annual growth of 10% in productivity has been estimated for the same period. It has also been necessary to take account of, and apply, the contents of international treaties and conventions on food security, and to prepare a general national framework for investments in agriculture. The investment framework or PIF (Programme Investment Framework) was recently finalised in Ethiopia and delimited the priority investment areas for the next ten years, taking account of the perspectives of federal and regional representatives and considering the contributions of all sectors of Ethiopian society and development agents in the country in rounds of consultation meetings to consolidate the document, with considerable consensus among all the agents involved.

The PIF areas are: Management of natural resources, Irrigation systems, Research, Extension systems, Production of improved seeds, Livestock production, Market access infrastructures and systems, Strengthening of cooperatives, Access to credit in rural areas, Support to the private sector, Administration and planning of land use, Food security network, and the Management of risks and disasters. It may be underscored that areas largely affecting productive systems were delimited, since it is the area that the Ethiopian Government considers underendowed with resources in relation to food aid and support programmes to vulnerable zones in the country. The need to invest in programmes to increase production was a consensus backed by all the agents working in the sector.

The GTP likewise establishes increase in agricultural production and productivity in the country as a key sector objective, so as to produce enough food for the population by 2015.

In its section on agriculture and rural development, the GTP sets guidelines for supporting the private sector and developing the “traditional pasture” areas (where nomad herders live). It likewise underscores three lines of intervention for supporting small-scale farmers, clearly favouring the poor:

1. Replicating the best practices of model farmers
2. Improving the use of water resources for farming by expanding irrigation systems
3. Orienting and changing agricultural production towards market-oriented products of high value.

In this sense, Spanish Cooperation in Ethiopia orients itself to these lines of intervention to increase agricultural production, this being the immediate principal necessity, and there being leadership and mechanisms established by the Ministry of Agriculture, respecting the principle of ownership in the sector.

Institutional Structure

The Ministry of Agriculture is composed of three State Secretariats, which in turn are aligned with the CAADP pillars. These are:

- Agricultural Development
- Development and Management of Natural Resources
- Risks, Disasters and Food Security

Each State Secretariat is represented in the DAG sector working group and executes a programme financed by a multi-donor fund.

The Ministry’s decentralised structure avails of: regional agricultural offices, zonal departments and agricultural offices in the *woredas* or districts. Each district has at least one Farmer Training Centre, with three agrarian extension agents in each municipality.

Sector Dialogue and Coordination Fora

The harmonisation group of sector donors (DAG Sector Working Group – SWG) in Rural Economic Development and Food Security (RED&FS) was formally established in April 2008 and serves as the coordination platform for sector affairs between donors and the Ethiopian Government. The general

purpose of the group is to coordinate and harmonise efforts and monitor the implementation of joint sector programmes. From among the 26 bilateral or multilateral agencies established in Ethiopia and acknowledged to be donors, 21 support the food security and rural economic development sector (African Development Bank, Austria, Canada, the European Union, FAO, Finland, France, Germany, IFAD, Ireland, Italy, Japan, The Netherlands, Norway, Sweden, UNDP, the United Kingdom, the United States, the World Bank and the WFP). Nonetheless, the group is exemplary in implementing the Division of Labour among its 3 Technical Committees. The group has an Executive Committee led by the Minister of Agriculture, an ad-hoc Secretary with a donor coordinator and a coordinator for Ethiopian Government institutions, and three Technical Committees that represent the three working pillars among which the donors carry out the division of tasks:

- Disaster Risk Management and Food Security (DRMFS)
- Sustainable Land Management (SLM)
- Agricultural Growth (AG)

Donor Initiatives and Spanish Cooperation

Within the framework of the RED&FS sector working group, the **Technical Committee on Disaster Risk Management and Food Security (DRMFS)** is circumscribed to chronically or seasonally insecure areas. One of its main components is the **Productive Safety Net Programme – PSNP**, aimed at protecting food security. This programme addresses a total of 300 districts considered vulnerable in 8 regions, with the poorer heads-of-family farmers suffering from food insecurity as beneficiaries (generally due to bad harvests caused by the lack/unpredictability of rain). The PSNP provides food or cash to the beneficiaries in return for sundry community jobs, thus providing them with a “safety network” that gives them a means of livelihood until they can fend for themselves, graduating and leaving the assistance programme. To contribute to financing this programme, which is now fully operative, a multi-donor fund administered by the World Bank has been in place since 2005. The programme, which was to last 5 years at the outset (2005-2009), has been renovated by the Government of Ethiopia, whereby a second 5-year phase (2010-2014) has begun. PSNP funding for both periods has been very high, reaching a figure of 2.5 billion USD in contributions, largely from cooperation agencies: USAID, the World Bank, the DFID, the European Commission, the UN World Food Programme, SIDA-Sweden, CIDA-Canada, Irish Aid and the Embassy of The Netherlands, there being likewise a percentage of funds allocated by the Ethiopian Government for the same purpose.

Currently, a new Law on Disaster Management is being approved, accompanied by an institutional reorganization. Likewise under preparation is a national plan and large-scale programme currently known as **Disaster and Risk Management – DRM**. This programme is to be included as the second national programme coordinated by the DRMFS Technical Committee. Although it is still in a very cursory state of preparation, the programme is envisioned to cover the aspects of prevention, mitigation, attention to chronic crises, emergency response, and rehabilitation, including early warning system components, contingency plans, emergency funds, preventive analyses, and disaster impact analyses, all of which in turn is to follow the Hyogo Action protocol, an international framework that seeks to reduce disasters and improve disaster response by means of international standards. This programme aspires to be the appropriate harmonised and aligned mechanism for disaster and risk management interventions.

The **Sustainable Land Management (SLM)** Technical Committee supports a programme of the same name that oversees the proper use of land and natural resources, fighting soil degradation, protecting natural resources, and restoring fertility to the land. The programme includes activities for the preparation of agrarian expansion plans and land titling. It is a 5-year programme (2009-2013) implemented in 177 micro-basins in food security districts prioritised by the Ministry of Agriculture in 6 regions of the country. Funding for the programme amounts to approximately 80 million USD and the following cooperation agencies are participating: Germany (GTZ, DED and KFW), the World Bank, Norway and Finland.

The third Technical Committee is the **Agricultural Growth (AG)** committee, the 5-year programme of which (AGP) was recently approved with a pooled fund administered by the World Bank, which will finance activities oriented towards productive investments in a total of 83 districts in 4 regions selected for their high production potential. The AGP responds to one of the principal objectives of the Government to **stimulate the growth of agriculture** in a way that contributes towards the improvement of national food security, the creation of jobs and the reduction of poverty. There are some initial needs in the amount of 281 million dollars, with the participation of the World Bank, AECID - Spain, USAID, CIDA-Canada and the Dutch Embassy.

Both the MoA and the secretariat of the RED&FS sector harmonisation group have requested the participation of SC in the Agricultural Growth Programme, this being a priority in the new national development strategy with the greatest need for funding to date. In this sense, AECID participated in the process of programme creation in 2009 with a contribution of € 300,000 to the pooled fund managed by the UNDP, earmarked to support the preparation of the AGP, and initiated its contribution to the AGP in 2010 with € 1 million.

On another hand, within the group of RED&FS donors, mapping has been done on the programmes financed by the agencies in the sector to analyse compliance with aid effectiveness criteria.

Some Sector Achievements and Challenges

During the last two years, the Ministry of Agriculture has successfully completed strategic planning for the years to come, developing the sector and establishing effective mechanisms for dialogue with development partners and other non-government agents. Likewise, it has more than met the commitments set forth in the CAADP Compact.

In the case of Spain, the conclusion has been arrived at that practically **100% of its interventions** in the sector of rural development and food security are **isolated projects** (except for the contribution to the UNDP fund to support the AGP in 2009) using parallel implementation units (United Nations Agencies and NGOs). Among the group of donors, these interventions have had a negative evaluation, and a greater effort has been requested from SC to comply with the commitments and principles of alignment and harmonisation.

1.4.3. GENDER FOR DEVELOPMENT

Sector Policy

Ethiopia is a country in which women suffer great vulnerability due to patriarchal traditions that have been established for centuries, on top of very high poverty indices. Hence, a mainstream focus on gender is particularly relevant in all cooperation activities, always with a view to long-term dialogue and education.

Since the Ethiopian Constitution ensured gender equality as a basic principle in all spheres of life in 1995, there has been an increase in the laws promulgated with a view to reinforcing the guarantees for achieving this equality, the great challenge being the implementation of the laws and the capacity-building of institutions to enforce them in such a large and decentralised country.

The laws on ownership and the titling process seek to guarantee the access of women to property. Since 2003, in case of marriage, the names of both husband and wife are to appear in the register of deeds; this is fundamental with a view to bank credit access.

The law on families, revised in 2006, sets the minimum age of 18 for a marriage to be valid. Female genital mutilation is prohibited and punished on the basis of gravity. Responsibility for child care falls upon both spouses, modifying the previous regulations by which the father was the head of the family to all intents and purposes, and the law likewise guarantees equal rights on the subject of inheritance.

The Government is committed to advance in this direction, but the great challenge of guaranteeing strict compliance with the laws persists.

The Ethiopian Women's Development Initiatives Project (WDIP – I) covers 2011-2015 and was approved in March 2010 after a decentralised consultation process with diverse agents, including NGOs and the civil society. It is the country's first five-year plan in the area, so it basically lays the foundations for the work to be done in this field. The WDIP defines eight components that are summarised below:

1. Promotion of the economic empowerment of women (business capacity, employment opportunities, access to micro-credits and cooperatives and the promotion of economic rights).
2. Promotion of women's political participation and decision-making (presence of women in political positions: legislative, executive and judicial).
3. Promotion of the educational participation of women (on all educational levels).
4. Promotion of women's health (access to healthcare services, consciousness-raising and change of conduct with regard to HIV/AIDS and other diseases).
5. Eradication of discriminatory attitudes, harmful traditional practices and violence against women and young girls (dialogue with communities, psychological services, promotion of victims' associations).

6. Reduction of the vulnerability of women and young girls to social ills (the fight against sexual slavery, labour exploitation, mendicancy and juvenile delinquency with the approval of laws and regulations, legal support and the creation of employment programmes).
7. Improvement of the environmental situation for women and young girls (consciousness-raising on environmental matters, promotion of access to drinking water and healthcare services, the participation of women in artistic, leisure and sports activities).
8. Promotion of institutional capacity (planning, budgeting, monitoring and evaluation with a gender focus, mainstreaming of gender in all sectors, research and advocacy).

The WDIP-I has selected a series of indicators relating to each of the eight components prioritised in the Plan. For the time being, it seems an over-ambitious number, since no sufficient information is available to establish a baseline for all of them and guarantee effective annual monitoring, probably making it necessary to prioritise further.

Institutional Structure

The Ministry of Women's, Children and Youth Affairs (MOWCYA) was created in 2006 for the purpose of channelling efforts towards greater equality and fighting against all types of violence against women (initially, the Ministry, MoWA, assumed responsibility for women's affairs, incorporating children and youth affairs in 2010). Prior to this, the mandate of the current institution corresponded to a department of the Ministry of Social Affairs. This structure, as occurs with the other sectors, is replicated in the regional and district governments. Thus, the MOWCYA is organised regionally through the regional Bureaus of Women's, Children and Youth Affairs (BoWCYA) and offices in every *woreda* and *kebele*. There is close coordination between federal (central), regional, zonal and municipal levels.

Sector Dialogue and Coordination Fora

There is a donor coordination and sector working group called Gender Sector Working Group in which bilateral and multilateral donors participate, led by UN-WOMEN with the active participation of the MoWCYA.

The objectives of the Gender Sector Working Group are to support gender mainstreaming in government policies, programmes and projects and to improve coordination and harmonisation, as well as the implementation of these gender policies, programmes and plans.

Donor Initiatives and Spanish Cooperation

Up to now, the principal harmonised funding mechanism was the Gender Pooled Fund, a fund managed by the donors through the DAG. However, following the unsatisfactory result of the evaluation done on this, a gender programme spearheaded by UN Women and the MoWYCA within the framework of One UN, **Gender Equality and Development Empowerment (GEDE)**, has begun, to lend continuity to the programme Leave No Women Behind, financed by the gender window of the UNDP-MDG Fund, maintaining bilateral contributions.

Spanish Cooperation upholds support for the implementation of the WDIP-I as a priority in Ethiopia, also giving priority to the components of institutional reinforcement and the economic empowerment of women. Diverse cooperation instruments are used in order to advance in this direction, such as bilateral programmes with the MoWCYA and the Women Parliamentarians Group, multilateral programmes, participation in multi-donor funds and financing for ONDG projects.

Some Sector Achievements and Challenges

The new GTP for development contemplates gender equality and the promotion of opportunities for women and youth as one of its 7 basic pillars, which will be a mainstream priority.

On another hand, the great challenge continues to be the implementation of the laws (particularly in the rural sphere) and the low capacity of the institutions to enforce such laws in so large and decentralised a country, along with the effective participation of women in socio-economic development and the political activities of the country.

Likewise, MoWCYA being a recently-created Ministry, it still needs to strengthen its capacities and material resources, which are very scarce for the time being. Similarly, the five-year strategy was approved in March this year, so it still does not have a track record sufficient to obtain results or lessons learned.

1.4.4. CULTURE FOR DEVELOPMENT

Sector Policy

Culture appears as a horizontal sector in GTP 2011-2015, which defines strategic orientations addressing the reinforcement of the role that culture and tourism play in the socio-economic and political development of the country.

The main objective is that of ensuring the sustainable development of a cultural and tourism policy of preserving flora and fauna, along a policy of conservation, management and enhancement of the value of the tangible and intangible heritage of the country focused on community development, exploiting existing potentials and using cultural attractions to build a positive image of the country. Likewise, efforts shall be made to generate wealth from the country's cultural property, making sure that the profits contribute their part to its efforts to eradicate poverty.

Cultural, social, natural and historical assets shall be developed in the same way to enable them to create spaces for social participation, contributing to the greater cohesion and democratisation of the country.

Sector Dialogue and Coordination Fora

There is currently no sector working group within the DAG for culture and tourism. However, mapping of the agencies and players active in the sector has begun in order to study the possibility of creating a forum for donor coordination and harmonisation. This mapping was promoted by the AECID, French

Cooperation and UNESCO under the aegis of the Ministry of Culture and Tourism, several agents already having been identified, such as the World Bank, USAID, UNESCO, the European Union and French Cooperation.

Donor Initiatives and Spanish Cooperation.

Since 2009, SC has had an established bilateral programme with the Ministry of Culture and Tourism (MoCT). The MoCT priorities are: support for the development of cultural industries, giving priority to handicrafts, and support to the management and enhancement of the value of the country's tangible and intangible cultural heritage that will redound to the benefit of its communities.

The artisan craft development programme, set in the framework of the support for cultural industries, was proposed by the MoCT as the continuation of a programme initiated in 2006 by the World Bank, and that aspires for the creation of four local handicraft excellence centres that will include training, quality and market development in the regions of Amhara, Harar and Addis Ababa. In 2009, the MoCT, backed by AECID, prepared a handicrafts development plan in which the handicraft associations of the mentioned regions participated extensively. It has been in execution since 2010. As regards the Heritage Preservation component, support is given to the activities of the Ethiopian Authority for the Research and Conservation of Cultural Heritage.

Some Sector Achievements and Challenges

The mapping of the players involved in the sector and the encounters held between the Ministry and the decentralised agencies and institutions concerned in the country to better coordinate action are a good starting point for a promising stage in the development of the sector.

The challenges relate to support for a strategy in the consolidation phase, and progress in the objectives of a sector with little funding from development partners, although a clear leadership and ownership by Ethiopian institutions already exists.

1.5. BACKGROUND TO SPANISH COOPERATION IN ETHIOPIA

Cooperation Agreements and Strategic Decisions in 2007-2010

The AECID Technical Cooperation Office was set up in the country in April 2007 following the signing of the basic cooperation agreement between Spain and Ethiopia in January of the same year. Before this, cooperation activities in the education, health, infancy, agriculture and humanitarian action sectors were principally carried out through NGOs and IAs, without geographical concentration or any specific relation to the policies of the country. The strategic reference document was the Strategic Country Plan (SCP) for Ethiopia 2006-2008, the proposed working lines of which were as follows: increase in social and institutional capacities, increase in human capacities: food sovereignty, education, health, water and sanitation, strengthening of the technical capacities of small farmers and livestock breeders to improve productivity and product commercialisation, increase in the economic capacities of small enterprises, increase in the capacity to improve environmental sustainability, increase in civil liberties and cultural capacities, increase in the capacity and autonomy of women, conflict prevention and peace-building, and humanitarian action, incorporating gender equality as a horizontal mainstream feature.

The First Mixed Commission was signed on 30 January 2008, whereby the Spanish Cooperation Master Plan was agreed on as a strategic framework, along with the Plan for Accelerated and Sustained Development to End Poverty (PASDEP) and the commitments of aid effectiveness undertaken in the Paris Declaration, in support of the Ethiopian national development strategies and their operative frameworks.

Taking account of the recommendations of the MoFED (Ministry of Finance and Economic Development) – the Cooperation Agency’s institutional counterpart in the process of preparing the Spanish-Ethiopian Cooperation First Mixed Commission – the Division of Labour, and the Sector prioritization process implemented in the DAG and in the EU, it was decided to concentrate support on the health, education and rural development sectors, with gender as a horizontal priority, and without any specific geographical priority. Humanitarian action is considered an important field of intervention, given the frequent humanitarian crises that afflict the country, mainly due to recurrent draught. The document also contemplates a programme for culture for development.

The AECID office in Ethiopia received technical support from the head office in May 2008 to specify and focus its activities, analysing its comparative advantages, its financial possibilities, and the framework of the division of labour already underway in the country. The consensus reached by the head office, MoFED and other agents was to contribute to the Protection of Basic Services (PBS) programme, which was entering its second phase, and which facilitated the active incorporation of new agents, as it had significant funding needs in comparison with the other programmes. The health sector regarded the support as very relevant, since it only relied on the participation of a few cooperation agencies and was short of funding. In the rural development sector, it was decided to support the component aiming for an increase in agricultural productivity, which hardly had cooperation partners at that time (the WB and The Netherlands), as the national programme to increase agricultural production that would later be called AGP was still in the preparation phase. In the interests of division of labour and concentration, it was decided not to start participating in the education sector, to which the Ethiopian Government annually allocated an average of 25% of its annual budget, and in which almost all cooperation agencies were participating. Gender equality was considered a mainstream priority in all activities.

Since then, there have been no great modifications in the AECID strategy in Ethiopia, with the following areas included as intervention sectors in the 2010 Operational Programming: Basic Social Services: Health, Rural development and food security, Gender for development, Culture for development, and Humanitarian Action.

The fundamental thrusts on which the proposal of the present Strategic paper are based are those that have shaped the activities of Spanish Cooperation for the last three years up to now, affecting the progressive increase of contributions through programme support and respecting the requests and priorities of our Ethiopian partners expressed in the GTP and in sector plans.

Figures and Features of AECID Cooperation in Ethiopia for 2006-2010

Spanish ODA in Ethiopia has progressed from 7.5 M euro in 2006 to 69.8 M euro in 2009. Percentage distribution by sector and field of intervention in 2009 was as follows: 48% humanitarian action, 19.1% health, 14.3% PBS (as a form of budget support), 10.2% for food security and agriculture, 3.6% gender, 2.9% culture for development, and 1.9%, others.

The total of the AECID contribution through programme and sector support in 2009 accounted for 24.4% of contributions: through multilateral programmes, 68%; through NGO projects, 7%; and through scholarships and assistantships, 0.6%.

Participation in the PBS Programme (as a form of budget support through the WB) represented 14.3% of the total AECID contribution to the country in 2009.

In the health sector, up to 2008 contributions were being made through NGO project subsidies, with multilateral contributions through the WHO and the UNICEF. In August 2008, the International Health Partnership (IHP) to strengthen the national health system in a harmonised way and advance towards the MDGs was signed in Ethiopia. The commitment acquired with the IHP is to channel 90% of the contributions to the sector in 2015 through the harmonised sectorial instrument, the MDG Performance Fund, managed by the Ministry of Health. AECID began contributing to it in 2008. NGO and multilateral projects are underway. In 2009, the percentage of funds channelled through sectorial programme support in health reached 38.6%, with 52.9% channelled through multilateral funds and 8.6% through NGO projects.

In the sector of rural development and food security, NGO agreements and projects as well as multilateral projects through the FAO and the IFAD are being used up to the present. In 2009 and 2010 AECID participated in the preparation of a new national programme promoting growth in agriculture, the AGP. Support for this programme during the next few years is considered a priority. In 2009, 73.2% of the funds for the sector were channelled through multilateral agencies, and 26.8% through NGO projects. There was no participation in sectorial support.

Gender is likewise a priority in Ethiopia, where work centres on institutional support through a bilateral programme with the Ministry of Women's Affairs (MoWA), multilateral programmes through UN agencies, and support to civil society through the Women Parliamentarians Group and non-government organizations.

In 2008, the AECID began a Culture for development programme in Ethiopia, principally supporting the Artisan Craft Development Plan of the Ministry of Culture and Tourism and the management of heritage conservation, along with support to other cultural industries and civil society initiatives. In 2009, the implementation of a Fab-Lab was started in the country.

In the field of Humanitarian Action intervention, work is principally done through UN agencies, the WFP, OCHA and UNICEF, through bilateral contributions to the Ministry of Water, as well as through NGO projects and agreements.

With regard to other modes of bilateral cooperation with Ethiopian institutions, work is done with the Ministry of Finance and Economic Development, the Ministry of Women's Affairs and the Ministry of Culture and Tourism. Specific subsidies are likewise allocated to Spanish institutions working in the health area.

As regards cooperation through multilateral instruments, 5 joint programmes financed with the Spain-UNDP-MDG Fund are being implemented at a value of 27 million USD in the sectors of Gender, the Environment, Nutrition, Culture and the private sector. In addition, diverse programmes are also being implemented through the UNIFEM, WHO, FAO and UNICEF.

There are also 31 interventions underway, implemented by NGOs (agreements, projects, permanent open tenders) in addition to 15 permanent open tenders (CAPs in Spanish) mainly oriented towards supporting Ethiopian organization initiatives, and 16 Inter-university Cooperation Programmes (ICPs), with funded scholarships and assistantships.

Despite concentration efforts during these past years, there are more than 90 interventions underway, still a very high number that considerably fragments aid.

Mapping of Spanish Development Actors in Ethiopia

Autonomous Communities: Aragon, Castile and Leon, Catalonia, the Balearic Islands, Madrid, Navarre, the Basque Country and Valencia.

NGDOs: Abay, Adia, Addis-Galicia, ADRA-Spain, África Nos Mira, África Directo, Amigos de Silva, AMREF-Spain, Asociación Cultural de Abisinios para la Cooperación (ACABCO), AFNE, Balbalika, Caritas-Spain, Cielo 133, International Rescue Committee – Spain, Spanish Red Cross, Catalanian Red Cross, Equilibri, Etiopía Utopía, Etiopía Viva, Centre d'Iniciatives Solidàries, Doctors without Borders, Fundació Cal-Pau, Fundació CANFRANC, Fundació El Alto, Fundació Haurralde, Fundació Homac, Fundació Lleida Solidaria, Fundació Pablo Horstman, FPSC, Global Infantil, Holystic (Physiotherapy)Pro-Àfrica, Infancia Solidaria, Ingeniería para la Cooperación, Intermón Oxfam, Implicadas no desenvolvemento, Jóvenes y Desarrollo, MAGMA, Madreselva, Manos Unidas, Mediterránea, Medicus Mundi, Nous Camins, Plan International – Spain, Proyecto Visión, Red Deporte y Cooperación, SETEM.

Universities: Univ. de Alcalá de Henares, Universidad Autónoma de Madrid, Univ. Politécnica de Madrid, Univ. Complutense de Madrid, Univ. de Granada, Universidad Francisco de Vitoria, Universidad Jaume I de Castellón, Associació Catalana d'Universitats públiques, Univ. Politécnica de Cataluña, Univ. de Almería, Univ. de Valladolid, Univ. Europea de Madrid, Univ. de Cádiz, Univ. del País Vasco, Universidad Rovira u Virgili, Universitat de Girona, Universidad de Salamanca, Univ. de Oviedo.

Research Institutes and Other Entities: CRESIB, FCSAI, Instituto de Salud Carlos III, Hospital Ramón y Cajal, CSIC, Fundación CTIC, INIA,

Religious Organizations: Missionary Community of St. Paul the Apostle and Mary, Franciscan Sisters, Combonian Missionaries, Consolata Missionaries, Don Bosco Salesians, Patres Albi, Sacerdotes Diocesanos.

Companies: Orero Trading SL, Seine Tech SL, Gaztandegi Dorrea SA., Goizper SL, Renfe.

1.6. COMPARATIVE ADVANTAGES OF SPANISH COOPERATION

Comparative Advantages in General Terms

Spain is a recent donor in Ethiopia. The fact that it initiated bilateral cooperation recently (the First Mixed Commission was signed on 30 January 2008) has enabled it to concentrate its activities in three principal sectors: basic social services, health, and rural development and food security. Programmes likewise exist respectively in Gender for development and Culture for development.

*Comparative Advantages in the **Basic Social Services Sector***

The PBS programme, considered a modality of budget support, is crucial to pursuing increased access and basic services quality on the decentralised level, producing measurable results in terms of equitable development with solid monitoring, safeguarding and accountability mechanisms, and represents an absolute priority of the Ethiopian Government and the decentralised governments. It is also the harmonised donor funding instrument par excellence.

This programme essentially contributes to the constructive policy dialogue between the Ethiopian Government and its cooperation partners, the improvement of public finances, and accountability to civil society.

AECID is perceived as one of the principal programme donors.

*Comparative Advantages in the **Health Sector***

The Federal Ministry of Health (FMoH) regards the presence of the AECID in the sector very positively and considers that it should continue for the next five years, mainly for three reasons:

- 1) The last three years have consolidated the relationship of trust and the constant policy dialogue between both countries, since the FMoH considers the Spanish National Health System a model that can inspire that of Ethiopia.
- 2) The sector is underfunded and there is a gap in the health budget, and
- 3) Few donors are applying the principles of the aid effectiveness agenda and channelling their funds through harmonised mechanisms such as the MDG Fund (in fact, along with the DFID, Spain was one of the first donors to participate in the preparation and signing of a code of conduct in the sector (the Joint Financing Arrangement) and to fulfil the commitments of the IHP, contributing to promote the aid effectiveness agenda in the sector).

The majority of donors (bilateral and multilateral agencies), including the AECID, are aligned with the National Plan and the Health Development Plan, and the work areas are within the country priorities. However, only a few donors channel their funds over “channel 1” (= single Treasury account) in the use of the national systems. Among NGOs, there are also great differences in degree of alignment between one and another.

The AECID signed the IHP Compact in August 2008, with the commitment of advancing in the aid effectiveness agenda and achieving the MDGs. The FMOH preference is for “on-budget” support (channels 1 and 2) through the sector fund to finance principal strategies and health system strengthening.

Comparative Advances in the Sector of Rural Development and food security

We can underscore the following as the comparative advantages of Spain:

- 1) The sector is crucial to a country where 80% of the population is devoted to farming and where there is a great problem of food insecurity, aggravated during the last few years by economic instability, growing demographic density and climate change.
- 2) The Ministry of Agriculture considers Spain a country of great added value in the sector, with the possibility of initiating new activities of knowledge and technology transfer in priority areas with great development potential, such as orchard farming, horticulture, and the development of agro-industries.
- 3) The absence of donors in the “pillar” of increased agricultural production is a reason for Spain to participate in it, given current scarce sub-sector funding in relation to plans, and due to the great demand of the Ethiopian Government and people, this component being a key to achieving the objectives of economic growth and the reduction of poverty marked out in the GTP.
- 4) Better results and greater added value have been detected in NGDO activities in productive sectors such as agriculture, supporting vulnerable groups of Ethiopian civil society organized into cooperatives and farmers’ associations. There is less duplication and overlap with the activities of the Ethiopian Government, this being a field of activity with greater possibilities for coordination (harmonisation of indicators) and sustainability (on working with production units that generate resources, project feasibility is greater).
- 5) Relationships with the Ministry and the donor group have gradually consolidated over the last few years, a productive dialogue existing despite non-participation in the existing harmonised mechanisms.

Comparative Advantages in the Sector of Gender for development

The Ministry of Women’s, Children and Youth Affairs (MoWCYA, formerly MoWA) rates the presence of SC in matters of gender positively, for the following reasons:

- 1) The Spanish Government upholds a firm commitment of support for African women, as the various “Women for a Better World” encounters held between Spain and Africa have demonstrated.
- 2) Great mutual trust and capacity for policy dialogue exist between both countries.
- 3) The AECID has a bilateral programme for the institutional reinforcement of the MoWCYA, the pertinent Regional Offices and other democratic institutions (Women Parliamentarians Group), as well as projects through civil society organizations

4) The AECID contributes to the improvement of modalities of work with Ethiopian state institutions (sectorial focus, coordinated technical assistance, etc.)

Comparative Advantages in the Culture for development Sector

In culture for development, the Ministry of Culture and Tourism rates the presence of the AECID in the sector positively, for the following reasons:

- 1) Express acknowledgement of the experience, success and added value of Spain in the sector on the part of Ethiopian institutions.
- 2) The consolidated relationship of dialogue and projects executed between both countries through good relations with the Ministry and other institutions, based on the development of specific programmes by means of funding support and joint technical assistance (Spanish and Ethiopian teams).
- 3) The projects underway in the field of Artisan Craft Development and plans for heritage management are based on needs detected by the Ministry and the civil society.
- 4) Scarce presence of donors in a sector that the Government of Ethiopia wants to develop into a driving force for economic development.

2. PARTNERSHIP STRATEGY TO ACHIEVE RESULTS FOR DEVELOPMENT.

2.1. STRATEGIC DECISIONS AND MANAGEMENT STRUCTURES FOR RESULTS FOR DEVELOPMENT AND LESSONS LEARNT.

Demands Expressed by the Ethiopian Government

The Ministry of Finance and Economic Development (MoFED) is the principal institutional counterpart of cooperation in Ethiopia. It spearheads bilateral cooperation and looks after coordination and the division of labour among donors.

Its vision of SC for the next five years based on the experience of the past three years is as follows:

- The MoFED considers the Spanish contribution a priority to increase population access to basic social services, currently made over the Protection of Basic Services (PBS) programme, considered the principal funding mechanism for basic services and, in general, for Ethiopian development. By supporting this programme, which finances the basic services of education, health, agriculture, water and sanitation and rural roads on decentralised levels, harmonised contributions are made to all the results for development defined in the GTP.
- It considers SC health sector participation supporting the implementation of the strategic HSDP IV and National Health System strengthening through the MDG pooled sector Performance Fund as adequate.
- It considers SC food security participation focused on increasing the productivity of small farmers and supporting the agro-food industry, where different agents can participate, as pertinent. It would consider investment and technology transfer from Spanish companies investing in the sector to be of great value.
- It considers SC gender programme participation important, since the equality of women and their active participation in development is considered one of the GTP pillars.
- It considers Spain's participation in culture as being of significant added value, due to the Spanish experience in the sector and the scarcity of cooperation partners.

The MoFED is interested in analysing the possibilities of using the reimbursable cooperation instruments of SC during the next few years, principally in the area of basic infrastructures, including irrigation and renewable energy infrastructures. In this sense, the possibility of exploring the opportunities of FONPRODE in Ethiopia with the support of the central office FONPRODE Unit would be very interesting. This instrument could supplement the Spanish contribution to the AGP in the sphere of food security and/or other programmes or needs.

Strategic Decisions: Sectors, Prioritising and Coordination.

After the meetings held in the permanent coordination group (GEC) and the mixed coordination group (GMC), and account taken of the harmonisation initiatives underway in Ethiopia – in particular, in the EU – the following have been proposed as Ethiopian priority intervention sectors: **basic social services** (considered as general budget support), **health**, and **rural development and food security**. Proposed as intervention sectors are **gender for development**, and **culture for development**, with **humanitarian action** as a field of action. These sectors coincide with the sectors given priority in the 2010 operational programming. Moreover, they respond to the consultations conducted with other agents in the country, the presence, experience and discourse of Spanish Cooperation, and the guidelines and assessments of the AECID central office for the past few years.

At the meetings held, it was also concluded as convenient to advance progressively in a consolidated budget for SC in the country that could subsequently be distributed by instrument depending on priorities and the strategic plan. These circumstances would facilitate coordination, making it possible to give priority to those mechanisms guaranteeing the best results as against the allocation of funds by instrument, optimising the implementation of the Strategic paper and preventing fragmentation in interventions.

Establishment of Geographical Priorities.

Geographical priorities for the projects financed by SC in the country have been defined to increase the effectiveness, efficiency and impact of SC in Ethiopia. In preparing the CSP, the permanent coordination group unanimously decided to advance in establishing geographical priorities for 2011-2015. Three regions were chosen to initiate the process of geographic concentration: **Afar, Oromiya and Somali**. At the outset, geographical concentration will be applied principally to the **projects financed by NGOs in the sector of rural development and food security and in the field of prevention, mitigation and attention to chronic humanitarian action crises**, making subsequent efforts to apply these priorities to other SC instruments, account taken of the added value of working occasionally in other regions to support specific programmes. Although at first, preferential treatment will be given to these three regions, concentration will gradually focus in accordance with the guidelines and agreements implemented with the Regional Authorities (Bureaus), as well as lessons learned from observing the experience and adaptation of the NGOs to the work methodology, establishing an appropriate transition period.

The procedure and criteria for selecting the regions were defined in the coordination meetings with the NGOs with which SC works in Ethiopia, analysing the opportunities and disadvantages of establishing criteria for concentration in the framework of the CSP. In these meetings, there was a clear consensus as to initiating the process of geographical concentration, likewise delimiting the establishment of a transition period for its implementation. The four **criteria defined** with the NGOs for prioritising regions (considered of equal importance) were: (i) areas where NGOs funded by SC accumulate more experience; (ii) areas where less international development agents work (donor agencies, NGOs or UN agencies) with respect to the population (no. of inhabitants); (iii) more remote and underprivileged zones with greater needs and chronic food insecurity; and (iv) availability of Regional/Local Authorities to initiate this line of action with NGOs. The three regions best complying with these criteria were Somali, Oromiya and Afar, pending the initiation of institutional dialogue.

SC will advance gradually in the process of concentration and pay attention to the demands of cooperation partners as well as the initiatives carried out from the donor harmonisation fora. In this sense, the DAG and the EU have postulated the convenience of mapping out the geographical distribution of activities financed by all Cooperation Agencies, there being to date no exact and detailed knowledge of their locations, making it difficult to make informed decisions in this regard. SC will be able to modify its geographical priorities for the next five years depending on the new analyses and requirements coming from its partners.

The contributions made through pooled funds and the support for the national programmes are distributed equitably (vertically) to all the regions in the country based on a formula agreed upon between the Ethiopian Government, Parliament and the development partners, taking population and poverty index into account. This formula is currently under revision.

2.2. STRATEGIC DECISIONS AND RESULTS FOR DEVELOPMENT BY SECTOR

The following pages analyse the following questions by sector:

- *Type of partnership.*
- *Identification of the results for development to contribute to.*
- *Indicators, baselines and verification sources for monitoring.*
- *Principal interventions and instruments defined.*

Each section is also accompanied by the matrices of results summarising their main contents. The greater part of the baselines used are those figuring in the matrix of GTP results, obtained from the final analysis of PASDEP 2005-2010 implementation. The greater part of the goals presented are those goals for 2015 proposed in the GTP. The means of verification for annual monitoring shall be the annual reports of the sector ministries, with data collected by their M&E units, the MoFED, and the CSA, along with the periodic reports of programmes, projects and agreements. The results for development to which SC seeks to contribute in Ethiopia were selected from the matrix of GTP results.

2.2.1. PRIORITY SECTOR: BASIC SOCIAL SERVICES.

The PBS Programme is currently the principal harmonised funding instrument for basic services and is decisive to the reduction of poverty in Ethiopia, both in terms of impact, since it entails an addition to the regional budget in the basic sectors, and in terms of harmonisation and dialogue between the Ethiopian Government and the principal donors. It is considered by both Government and Donors as a modality of general budget support.

Apart from basic services access in all corners of the country, all its sub-programmes and components have contributed to transparency and accountability on the federal, regional and district levels, systematically and progressively improving the management of public funds, and to civic accountability.

The second phase of the programme is under implementation. This will end in 2013; hence, the process of analysis between the donors and the government regarding the need to prepare a phase 3 of the programme or to advance in the sense of general budget support has begun.

The programme uses the national systems of service procurement, financial management, purchase, etc., and has four sub-programmes:

- Sub-programme A: Support for providing basic services on the sub-national level
 - o Component A1: Support to basic services (federal tax transfers) (Taxpayers: WB, AfDB, Austria, EU, KFW, Ireland, Great Britain, Spain)
 - o Component A2: Local pilot investments (capital investment in the five sectors) (Taxpayers, WB, EU, KFW, Spain)

- Sub-programme B: Health and the MDGs. This includes the purchase and distribution of medicine and equipment. This component will disappear, to be integrated into the MDG health sector Performance Fund in 2011. (Taxpayers: WB, Canada, Italy, The Netherlands).
- Sub-programme C: Transparency and accountability.
 - o Component C1: Management of public funds on the decentralised level (trusteeship reinforcement activities related to the management of public funds and the acquisition of goods and services) (Taxpayers: WB, AfDB, United Kingdom).
 - o Component C2: Social accountability (supports activities of social transparency and the institutionalisation of capacities in social accountability). (Taxpayers: Canada, United Kingdom, Ireland, KfW).
- Sub-programme D: Monitoring and evaluation (supports the reinforcement of national and sector monitoring and evaluation systems). (Taxpayers: WB, United Kingdom, EU).

The AECID supports component A1, through which tax transfers are made from the federal level to the regions and districts for the funding of basic services: health, agriculture, water and sanitation, education and basic infrastructures (this could be considered general budget support on the decentralised level). In 2010, the AECID also contributed to component A2 for local investments in pilot districts with funds from the debt conversion programme.

The donors participating in the PBS are: the World Bank (which spearheads the fund), the African Development Bank, Germany (KfW), Austria, Canada, the European Union, Ireland, Italy, The Netherlands, Spain and the United Kingdom.

This corresponds to **pillars 5 and 4 of the GTP**.

Type of partnership: Active, with priority participation in component A1 and the Spanish contribution progressively increasing. Participation in component A2 through debt swaps, where such possibilities exist. Priority programme for the AECID in Ethiopia.

During the implementation period of the Strategic paper, programme continuity options shall be analysed, advancing towards PBS Phase 3 or participating in general budget support.

a. How will Spanish cooperation globally support the increased access to basic services contemplated in the GTP?

There being no general budget support, the overall focus to support the country in the implementation of one of its priorities of increasing access to and the quality of basic services is to contribute to the funding of basic social services, currently over the existing Protection of Basic Services (PBS) Programme.

The programme consists of a trust fund (managed by the World Bank) to which the donors transfer funds, which are transferred to the regions and districts. Apart from supporting the process of providing and accessing basic services in education, health, agriculture, water and sanitation, rural roads for the poorer population, and the process of decentralisation initiated, the PBS puts emphasis on transparency and accountability in the management of public funds.

The added value of the PBS above the other interventions may be summarised in the following six characteristics:

- *it is decisive to the reduction of poverty in Ethiopia in terms of impact, since it entails an addition to the regional budget in basic sectors and attends to the poorest.*
- *it is the most harmonised funding mechanism for basic services in the country.*
- *it is crucial to carrying out joint constructive dialogue between the international partners, the Ethiopian Government and other agents.*
- *it lays emphasis on transparency, accountability to society and mutual accountability between partners.*
- *it uses the national systems of service providing, financial management, purchase, etc., which it reinforces, and is thus the system for channelling aid that is preferred by the Government (Channel 1)*
- *it reinforces the decentralisation process in the country, training local authorities (regional and district authorities) to plan and execute plans efficiently.*

Spanish Cooperation will contribute the following to Sub-programme A: Support for providing basic services on the sub-national level. Within Sub-programme A, support will be given to both Component A1 – local transferances to districts to increase the current budget – and Component A2 – local transferances to the districts to increase budget capital (pilot programme in some selected *woredas*).

Likewise, there will be active participation in the monthly meetings of the PBS and the Monitoring and Evaluation Sub-group, where monitoring shall be carried out on the matrix of indicators to measure the results achieved and coordinate the studies and evaluations funded by the programme.

The PBS Programme (Phase 2) is projected to finish in 2012, whereby a new phase (Phase 3) of the Programme is being prepared, which SC intends to continue supporting.

b. To what results is it sought to contribute?

Supporting the GTP through the PBS seeks to contribute to the following results in 2015:

- Crude primary schooling rate (MDG 2) to reach 100%.
- No disparity between boys and girls in primary education schooling rate (MDG 3)
- Maternal mortality (MDG 5) reduced to 267/100,000.
- Drinking water coverage (MDG 1) raised to 100% in urban areas and 98% in rural areas.
- Agricultural productivity (MDG 1) raised to 22 quintals per hectare.

- Reduction of the average duration to reach an asphalted road to 1.4 hours.

c. What indicators will be used for monitoring?

The GTP has selected 85 goals that are expected to be reached by 2015 in all macroeconomic and sectorial aspects. In the PBS, it selects the principal goals of the *Framework of Results and Indicators* for monitoring every six months, with data provided by the Central Statistical Agency and the studies and evaluations funded with Sub-component D for Monitoring and Evaluation. The 6 principal goals have been selected below, each corresponding to a sector (health, education, gender, agriculture, roads and water) and bearing directly on the MDGs.

<p>Crude schooling rate (grades 1-8) <u>Baseline and target:</u> from 87.9% in 2010 to 100% in 2015.</p> <p>Ratio girls/boys in primary school <u>Baseline and target:</u> from 0.93:1 in 2010 to 1:1.</p> <p>Maternal mortality <u>Baseline and target:</u> from 590/100,000 to 267/100,000.</p> <p>Drinking water coverage <u>Baseline and target:</u> Rural zones from 65.8% in 2010 to 98% in 2015. Urban zones from 91.5% to 100%.</p> <p>Agricultural production <u>Baseline and target:</u> from 17 quintals per hectare in 2010 to 22 quintals per hectare in 2015.</p> <p>Average time to an asphalted road <u>Baseline and target:</u> from 3.7 hours in 2010 to 1.4 hours in 2015.</p>

2.2.2. PRIORITY SECTOR: HEALTH

The Federal Ministry of Health (FMoH) assumes the clear leadership of the sector, which is oriented by HSDP IV, the fourth strategic development document of the health sector for the next 5 years, which was prepared in a particularly participative manner, including representatives from the regions, Ethiopian civil society organizations and international NDGOs, and in which the AECID office in Ethiopia actively participated.

Sector support through a pooled fund, the MDG PF, is operative, to which several donors contribute to finance the Plan. As of the present, the pooled fund receives contributions from the United Kingdom, the WHO, Ireland, the UNFPA and Spain. In the current year (2011) Italy, the GAVI Alliance, Australia, the European Commission and the World Bank are studying the possibility of joining the fund.

This corresponds to **pillar 5 of the GTP**.

Type of partnership: Active donor and sector leader, particularly among the EU partners, among which Spain has the highest score in the analysis of comparative advantages, contributing to the MDG

Performance Fund for the sector and increasing the proportion earmarked for it through this instrument to 100% of its funding volume. Spain would be ready to advance in implementing delegated cooperation.

Considering that the MDG PF is intended to finance the principal components of the HSDP in primary healthcare, the FMOH has proposed complementary support to the hospital component of the Health Reform to SC, which is fundamental for improving the quality of healthcare services, and in which it considers that Spain has a significant added value. Spanish health institutions and associations are considered priority partners in supporting this component, analysing possible forms of collaboration as well as the Inter-university Cooperation Programme (ICP).

The Spanish Cooperation health programme proposed for the next five years (2011-2015) is set and developed in line with the Spanish Cooperation Master Plan (2009-2012), the Spanish Cooperation Health Strategy, the AECID Special Action Plan in Health, the Ethiopian national development plan (Growth and Transformation Plan, or GTP 2011-2015), the Ethiopian national health plan (Health Sector Development Program, HSDP 2011-2015), the International Health Partnership (Compact signed in 2008), the Paris Declaration, and the Accra Action Agenda.

The AECID proposal for the next few years is to principally support two components established in both the GTP and the HSDP: (i) Improvement of access to healthcare services in order to achieve MDGs 4, 5 and 6, and (ii) Improvement in the quality of healthcare services through compliance with standards on the part of all health establishments.

1. Improvement of access to basic healthcare services.

a. How will Spanish Cooperation support this objective?

MDG Performance Fund: The most harmonised mechanism existing to support the implementation of the national health plan (HSDP IV) and the national health system shall be funded to increase the population's access to primary healthcare. Currently, it is the instrument that best meets the principles of effectiveness, being a pooled fund called the "MDG Performance Fund" because it gives priority to funding those activities aimed at achieving the MDGs.

b. To what results is it sought to contribute?

These activities seek to contribute to the following results by 2015:

- Maternal mortality reduced to 267/100,000 (MDG 5).
- Child mortality reduced to 31/1,000 and under-5 mortality to 68/1,000 (MDG 4)

Underscored as specific results of the Spanish contribution to the MDG PF: contribution to increased access to basic healthcare services through the reinforcement of the Health Extension Programme (preventive and curative community healthcare), improvement of mother-child healthcare quality - emergency obstetric care, access to basic products (vaccines, contraceptives and mosquito screens), creation of primary healthcare units and improvement of human healthcare resources.

c. What indicators will be used for monitoring?

The GTP presents 13 indicators for these results, from which 6 have been selected for monitoring by the AECID:

<p>Maternal mortality <u>Baseline and target:</u> from 590/100,000 in 2010 to 267/100,000 in 2015.</p> <p>Use of contraceptives <u>Baseline and target:</u> from 32% in 2010 to 66% in 2015.</p> <p>Childbirths attended to by specialised staff <u>Baseline and target:</u> from 15.7% in 2010 to 62%.</p> <p>Child mortality <u>Baseline and target:</u> from 77/1,000 in 2010 to 31/1,000 in 2015.</p> <p>Under-5 mortality <u>Baseline and target:</u> from 101/1,000 in 2010 to 68/1,000 in 2015.</p> <p>PENTA 3 vaccination coverage <u>Baseline and target:</u> from 82% in 2010 to 96% in 2015.</p>

2. Improvement of healthcare service quality.

a. How will the AECID support this objective?

Interventions in support of the hospital reform will be reinforced in accordance with the Hospital Reform Implementation Guidelines and other official manuals to improve the operation of reference hospitals, and hence to strengthen the role that they play in healthcare services - spearheading processes and supervising lower units, particularly in the reference system. Thus, a crucial contribution will be made to improving the quality of healthcare services on all levels. Upon the request of the Ministry of Health and other Ethiopian entities, Spanish Cooperation will support this component in three ways:

(i) accompaniment, training and technical assistance from different Spanish national institutions and/or associations as well as Spanish universities (ICP) to support increased healthcare quality, healthcare unit and reference system management, and specialised medical and nursing training in a harmonised way, in accordance with the needs identified by Ethiopian institutions. Likewise, the pooled fund currently being managed by UNICEF shall be financed for technical assistance to the Ministry of Health. Technical assistance shall be provided on the federal and regional level, always in close collaboration with the Ministry and the Regional Health Bureaus, under their leadership, advancing in the participation of harmonised technical assistance. Special emphasis shall be given to basic specialised training.

(ii) specific financial support to certain regions for regional and district hospital reinforcement and healthcare quality improvement, focusing on pilot experiences to replicate good practice. In an initial stage, work will be continued in the region of Amhara, and the good practices extracted from this region will be applied to other regions and their corresponding hospitals in a second stage.

(iii) triangular cooperation. Possibilities of triangular cooperation will be explored with added-value third countries in this sphere that can contribute towards improving healthcare quality.

b. To what results is it sought to contribute?

The result expected by 2015 is for quality healthcare services offering the required quality standards to be accessible to the greater part of the population.

c. What indicators will be used for monitoring?

6 indicators have been selected for monitoring by Spanish Cooperation from among the GTP and HSDP-IV indicators:

Number of out-patient visits per capita

Baseline and target: from 0.2% in 2010 to 0.7% in 2015.

Ratio of doctors per inhabitant

Baseline and target: 1 for every 37,996 in 2010 to 1 for every 10,000 in 2015.

Ratio of health extension workers per inhabitant

Baseline and target: to maintain this at 1 for every 2,500 (reached in 2010).

Consumer satisfaction index

Baseline and target: from 50% in 2010 to 100% in 2015.

Increase of bed occupancy

Baseline and target: from 50.8% in 2010 to 85% in 2015.

As advances are made in the activities of specific technical assistance and specific financial support to regions and hospitals, some process indicators and some new results indicators will gradually be defined that will facilitate monitoring and the relationship with the indicators previously mentioned.

2.2.3. PRIORITY SECTOR: RURAL DEVELOPMENT AND FOOD SECURITY

SC has participated actively in this sector in 2008-2010, principally in the component of agricultural development and productivity increase, through the funding of NGO projects and agreements and multilateral projects. It has participated actively in the technical RED&FS sector group since 2009. MoFED has encouraged Spanish Cooperation to work with more harmonisation and alignment, making contributions not using parallel implementation units, as has been the case in 100% of the contributions to the sector up to December 2010, when a contribution of 1 M euro was made to the AGP pooled fund for agricultural development.

Despite the fact that the majority of the agencies participate in the sector, the Ministry of Agriculture (MoA) rates the presence of SC in the productivity sub-component positively, attending to the current priority of supporting the AGP as the pillar of growth in agricultural production, which is a key to obtaining the results of the national development GTP 2011-2015, scarce in funding in comparison with the other pillars of the sector.

Apart from participation in the pooled fund of the AGP, AECID has been asked for support to promote the development of the private sector and the agro-food industry, encouraging Spanish firms to participate in developing Ethiopia with a focus on mutual benefits.

This corresponds to **pillar 2 of the GTP**.

Type of partnership: Active in the pillar of agricultural production, contributing to the AGP pooled fund established for the programme and monitoring the activities undertaken by the fund.

It is proposed to explore measures of support to increase agricultural production by strengthening civil society and the Ethiopian private sector, reinforcing the system of farming cooperatives and supporting the development of small and medium enterprises with the active involvement of Spanish companies and NGOs.

The Spanish Cooperation programme of rural development and food security proposed for the next five years (2011-2015) is structured and developed in line with the Spanish Cooperation Master Plan (2009-2012), the Spanish Cooperation Strategy to Combat Hunger, the Ethiopian national Growth and Transformation Plan (GTP 2011-2015), the policy and investments framework in the agricultural sector within the structure of the CAADP initiative (Agriculture Sector Policy and Investment Framework, PIF 2010-2020), the development strategy of Agricultural Development Led-Industrialization (ADLI), the Agricultural Growth Programme (AGP 2011-2015), the Paris Declaration and the Accra Action Agenda.

The programme shall focus on support to small farmers and livestock breeders to increase their production and improve their conditions of food security and nutrition, increasing their profits sustainably and inclusively with respect for the environment, and support to cooperatives and associations of small producers, contributing to market access for the products and increasing their profits.

The AECID proposal for the next few years will principally support two components enshrined in both the GTP and the AGP:

1. Improvement of agricultural and livestock production and productivity.

a. To what results is it sought to contribute?

- Increased production and productivity of food crops.
- Increased livestock production and productivity.
- Increase in lands cultivated with basic food products.
- Increase in lands cultivated with small- and medium-scale irrigation systems.

b. What indicators will be used for monitoring?

The chosen indicators were selected from the Ethiopian national development GTP and the AGP:

Average agricultural production (quintal / hectare). Annual increase in %.
Baseline: As reflected in the GTP, in 2010, the national general average in agricultural production was 17 quintals / hectare.

Livestock production broken down by basic food product (quantity as per product). Annual increase in %
Baseline: Related projects will conduct measurement prior to the intervention to establish the baseline. The GTP has no general data available in this regard.

No. hectares (ha) in which food products are cultivated. Annual increase in %
Baseline: As reflected in the GTP, the no. of hectares cultivated in 2010 was 11,253,000.

No. hectares (ha) irrigated with small- and medium-scale systems. Annual increase in %.
Baseline: As reflected in the GTP, in 2010, 853,100 has. were irrigated with small-scale systems.

No. of farmers trained in modern production techniques (broken down by gender).
Baseline: 14,081,000 farmers

% of irrigation infrastructures built and fully functional one year after the end of investment.
Baseline: On accounting for newly-built infrastructures, the departure point is "0". The indicator will be used for AGP, NGDO and private sector activities.

2. Improvement of market access for small farmers and commercialisation of food staples. Contribution to the creation of small enterprises of agriculture and livestock product transformation.

a. To what results is it sought to contribute?

- Increase in the number of functional farmers' cooperatives/associations (primary cooperatives, unions) and respective number of members.
- Decrease in the population living below the poverty threshold.
- Increase in the market access of cooperatives and small-scale farmers.
- Contribution to the creation of jobs.

b. What indicators will be used for monitoring?

Indicators selected from the AGP (collected and evaluated every six months by the programme):

% decrease in the time needed by farmers to travel to the nearest market centre.

Baseline: Despite the fact that the initial baseline study of the AGP has not yet been carried out, the estimated figure is 52 minutes (for women and youth the time would be the same).

% of users satisfied with the quality of authorised market centres (broken down by gender).

Baseline: Despite the fact that the initial baseline study of the AGP has not yet been carried out, the estimated figure is 66.2% (in the case of women it would be 62.7%, and for the youth 64.7%).

Number of productive jobs created (contribution).

Baseline: Considered 0.

Indicators established with the help of Spanish and local NGOs to support the strengthening of civil society:

No. and % of heads of family who are members of primary cooperatives / associations of farmers and % of annual increase (broken down by gender).

Baseline: Related projects will conduct measurement prior to the intervention to establish the baseline.

No. of primary cooperative members capable of using basic infrastructures and modern equipment for their farming activities (broken down by infrastructure / equipment type: warehouse, generator, water pumps, tractor, harvester or others). % of annual increase.

Baseline: Related projects will conduct measurement prior to the intervention to establish the baseline.

Income from the sale of beneficiary farmers' products (currency: Ethiopian birr [ETB]). % of annual increase (broken down by gender).

Baseline: Related projects will conduct measurement prior to the intervention to establish the baseline.

c. How will Spanish Cooperation support the sector?

The priority intervention for the next few years is the contribution to the multi-donor fund of the AGP with a programme aid focus, this being the national reference programme to support the communities and small farmers, as per the consensus of donors, Ethiopian public institutions, the private sector and civil society. This intervention is the appropriate coordinated, aligned and harmonised channel with the greatest capacity for producing a significant and equitable impact on the country in view of macroeconomic criteria, revolving around supporting small-scale farmers with a focus that favours the poor, based on the participation of the farmers in generating income and improving profits, generating an economic, entrepreneurial and associative fabric, and bearing in mind the postulates of decent work, as a key intervention for the eradication of poverty and the promotion of social cohesion in the country.

The AGP has solid monitoring and evaluation mechanisms that will enable mutual transparency and accountability to both the Ethiopian and Spanish societies.

In the same way, possibilities to use the refundable microcredit cooperation fund within the framework of FONPRODE will be identified for credit access programmes for small-scale farmers in interventions complementing the AGP, among other possibilities.

NGDO projects and agreements: Interventions will be oriented towards eradicating rural poverty, with priority given to the Ethiopian civil society, basically strengthening and supporting agrarian cooperatives and associations from more underprivileged regions, so as to enable small-scale farmers to access better services and technologies, improving their production and productivity, and likewise supporting their access to the market and the value chains.

Common results and indicators shall be used, applying the Paris criteria to all interventions. Those activities already projected in the district, regional or national plan (through programmes like the AGP) must be aligned and harmonised with the said plans, in joint collaboration with the local authorities concerned.

Public-private alliances, entrepreneurial cooperation with the private sector and the strengthening of value chains in the sector.

During the next five years, progress shall be made in the support to value chains and to the private sector, favouring the transfer of technology and know-how from Spanish to Ethiopian companies, productive investments that strengthen the system of cooperatives, and a sustainable industrialization that will promote the creation of jobs and improve production and transformation in the country's farming and livestock sector.

Efforts will be made towards an adequate coherence of policies in the event that interventions within the framework of the FIEM occur in Ethiopia.

Horizontal priority – Gender: All interventions shall favour the economic empowerment of women, with mandatory priority given to women as regards access to jobs, improvement of income and support to cooperatives. As in the AGP, indicators and results must be broken down by gender, making an effort to favour women as far as possible.

Horizontal priority – the Environment: Account shall be taken of respect for the environment in all interventions, particularly considering the challenges arising from climate change, making efforts to conduct activities of climate change adaptation and mitigation in all interventions.

2.2.4. INTERVENTION SECTOR: GENDER FOR DEVELOPMENT

The new GTP considers that the national development goals cannot be met without the participation of women.

During these years, SC has been working in the gender area through different bilateral and multilateral programmes and NGOs, implementing different activities. Since 2009, it has participated in the Gender Sector Group of the DAG, promoting coordination between donors and institutions as well as other non-government agents.

The recently created Ethiopian Ministry of Women's, Children and Youth Affairs (MOWCYA) is in the process of reinforcing its policy planning and implementation capacity and promoting effective compliance with the laws acknowledging gender equality and punishing violence. For this reason, we consider that, in the strategic paper, SC should centre on institutional support and reinforcement for the Ministry and other state institutions, to improve their capacity to prepare gender equality policies and progress towards knowledge and promotion of compliance with the law.

Hence, Gender shall be considered an intervention sector and shall be a horizontal priority to bear in mind in all activities, particularly as regards the participation of women in the food security sector and its productive activities, as well as in humanitarian action. It will continue to be a sector of activity in which the role of SC will be to actively promote the effectiveness of interventions and coordination within the technical group. To make advances in the concentration and impact of its activities, its efforts shall centre on institutional strengthening to support compliance of the laws and combat gender violence, as well as on disseminating the gender focus in the productive activities of food security and in the early warning, risk prevention and natural disaster mitigation systems, so as to economically empower women.

This corresponds to **pillar 7 of the GTP**.

Type of partnership: Active in the field of bilateral support to the Ministry and Regional Bureaus, as well as in the institutional reinforcement of other Ethiopian agents in the fight against gender violence and the promotion of donor coordination and harmonisation. Active in considering gender a horizontal priority and in the economic empowerment of women within the framework of the sector on rural development and food security.

The Spanish Cooperation gender programme for 2011-2015 takes the Master Plan (2009-2012) guidelines for Gender and Development and the Spanish Cooperation Strategy on Gender for development as its framework of reference, also taking account of the Paris Declaration on Aid Effectiveness, the Accra Action Agenda and the Plan of Action on Gender Equality and Women's Empowerment in Development 2010-2015, as well as the commitments assumed within the context of the Millennium Development Goals (MDGs), the Beijing Declaration and Platform for Action, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and the Cairo Plan of Action.

Departing from this framework, the gender programme is principally based on alignment with the priorities established in the Ethiopian national development Growth and Transformation Plan (GTP) for 2011-2015, which defines *gender empowerment and the equitable enjoyment of benefits for women as*

well as children as one of its seven strategic pillars and mainstream priorities; as well as the results reflected in the Ethiopian Women's Development Initiatives Project 2011-2015 (WDIP-I), a document setting forth the Ethiopian sectorial policy with respect to the promotion of gender equality and women's empowerment.

The principal objectives to be supported are:

- 1. Strengthening of national institutions and mechanisms to fight for gender equality that reinforce the social and political participation of women and promote the creation of public gender policies.**
- 2. Ensuring the active participation of women in the economic development of the country and the creation of women's employment.**

a. How will Spanish Cooperation support these objectives?

Institutional reinforcement of the Ethiopian Ministry of Women's, Children and Youth Affairs (MoWCYA) and the Regional Bureaus of Women's, Children and Youth Affairs (BoWCYA). Institutional reinforcement to improve their capacity to prepare gender equality policies and advance in the knowledge and promotion of compliance with the law and the fight against gender violence. In the field of bilateral support to the MoWCYA, Spanish Cooperation will support the Ethiopian authorities in formulating a better donor platform for assistance to their policies and strategies, thus contributing to the promotion of donor coordination and harmonisation.

Support to the Ethiopian Parliament in the activities projected by the Women's Caucus. This support seeks to reinforce the interventions of Women Parliamentarians in the Ethiopian Parliament to increase women's participation in decision-making and thus also in the formulation and monitoring of laws and policies promoting gender equality, abolishing harmful traditional practices and empowering women in general.

Contributions to Multilateral Funds aligned with the policies, strategies and programmes of the Ethiopian Authorities, such as those funds implemented by UNWOMEN, the UNFPA, the WFP, the UNDP, and other strategic multilateral partners of Spanish Cooperation in the country.

The Spanish Fund for Women Empowerment, NEPAD: In this second open tender of the Spain-NEPAD Fund for women's empowerment, principal priority has been given to 3 intervention areas: economic empowerment, institutional reinforcement, and the strengthening of civil society (CSOs) and community-based women's organizations (CBOs).

NGDO projects, agreements and activities funded by means of Permanent Open Tenders for Spanish as well as Ethiopian NGDOs shall centre fundamentally on areas of women's economic empowerment, with special attention paid to promoting positive initiatives that ensure the inclusion of women in the different stages of productive value chains, as well as the promotion of women's employment through action in the private sector and entrepreneurial support.

b. To what results is it sought to contribute?

- Strengthening of institutional capacity (planning, budgeting, monitoring and evaluation with a gender focus, gender mainstreaming in all sectors that can contribute to eradicating discriminatory attitudes, harmful traditional practices and violence against women and young girls.
- Promotion of women's economic empowerment (business capacities, employment opportunities, access to microcredit and cooperatives and the promotion of economic rights).

c. What indicators will be used for monitoring?

Proportion of women living under the threshold of poverty.
Baseline and target: from 70% in 2010 to 65% in 2015

Implemented processes of legal reform against gender violence and harmful traditional practices. (Revision of the Family Law of 2007)

Proportion of women participating in cooperatives and unions.
Baseline and target: from 17% in 2010 to 40% in 2015

Number of women benefiting from credit and savings services.
Baseline and target: from 1,000,000 in 2010 to 5,000,000 in 2015

Percentage of sectors including matters relating to women and children in their programmes.
Baseline and target: from 15% in 2010 to 60% in 2015

Number of sustainable female jobs created.

Lastly, it should be pointed out that Spanish Cooperation will take account of the concept of gender mainstreaming in its interventions on its priority sectors, and in the sectors and programmes of intervention in Ethiopia, following the principles and orientations established in sector strategies.

2.2.5. INTERVENTION SECTOR: CULTURE FOR DEVELOPMENT

The state institutions, specifically, the Federal Ministry of Culture and Tourism, the Authority for the Research and Conservation of Cultural Heritage, and the regional departments charged with Culture and Tourism assume and exercise the leadership in this sector. In planning for it, consultation projects have been undertaken with all state administrative levels, different civil entities, local and international NGOs, and artisan crafts associations. Said process has resulted in the inclusion of the Culture sector as a mainstream concern in the GTP, the national development plan for the next five years.

Some of the principal goals marked out for this sector in the GTP are, among others: the enhancement of the value of the tangible and intangible Heritage of Ethiopia; achieving the highest professional rating in the sector of artisan crafts; developing and expanding existing tourist destinations, enhancing the value of their cultural and artistic heritage; strengthening the protected areas; and promoting studies about endemic flora and fauna.

There are few donors existing in the sector, although SC as well as other partners financed by Spain (UNESCO - MDG Fund) are aligned with the National Plan and the Culture and Tourism Development Plan. The working areas are within the country's priorities.

This corresponds to **pillar 7 of the GTP**.

Type of partnership proposed for Spanish Cooperation is as an active agent.

In this context, SC shall participate in the Culture for development sector in Ethiopia by supporting the following lines of work, mainly: i) Support for strengthening the institutions, ii) Cultural industries, with special attention paid to the development of artisan crafts, lii) Management, protection and enhancement of the value of Ethiopian Heritage.

On another hand, in the framework of cultural and scientific cooperation, ties of inter-university cooperation between Spain and Ethiopia shall be created and reinforced by means of the ICP.

The Spanish Cooperation culture for development programme proposed for the next five years (2011-2015) is set and developed along the lines of the 3rd Spanish Cooperation Master Plan (2009-2012), the AECID Culture for development Strategy, the Ethiopian National Development Plan (Growth and Transformation Plan, GTP 2011-2015), the Paris Declaration and the Accra Action Agenda.

The GTP contemplates the sector on culture as a mainstream concern, relating it to the tourism sector and establishing specific objectives and goals. The principal strategic line that the plan contemplates for the sector is the strengthening of the role of culture and tourism in the inclusive and sustainable socio-economic development of the country, with the participation and to the benefit of communities, women and youth. The natural, cultural and historical heritage and the values of the country shall be developed to play this important role in its socio-economic and political development. The reinforcement of capacities, support to micro-enterprises and small enterprises, and the improvement of urban planning and management are contemplated.

Spanish Cooperation will principally support three strategic lines that integrate the components set forth in the GTP with the projections of the Third SC Master Plan:

1. Support for strengthening the Ethiopian institutions responsible for Culture and Tourism.

a. How will Spanish Cooperation support this objective?

Spanish Cooperation shall support the Ministry of Culture and Tourism, the Regional Bureaus and other institutions – such as Training Centres for the Culture and Tourism sector – in the preparation and execution of strategies and plans for developing cultural policy. Likewise, support shall be given to initiatives oriented towards the strengthening of technical capacities in the said institutions and the improvement of the statistical systems of cultural information, seeking to complement the activities of the culture for development thematic window of the MDG Fund, providing accompaniment in the processes oriented towards improving coordination between the Ministry of Culture and Tourism and the active sector donors. Likewise, support shall be given to the Universities in the country.

b. To what results is it sought to contribute?

The expected result is the strengthened and improved performance of the public institutions responsible for the sector, particularly in what regard the improvement of planning, management and execution capacities to the benefit of the communities.

c. What indicators will be used for monitoring?

The following GTP indicator will be used:

Revision of cultural policy and no. of plans prepared (No baseline existing).
Number of trainings and technical support (No baseline existing). It will be relevant to gather data on the number and characteristics of the participants in the training processes and the content of these.

2. Support to cultural industries that promote the creation of jobs and the diversification of the economic fabric and contribute to the promotion of Ethiopian culture, in particular, the promotion of artisan crafts.

a. How will Spanish Cooperation support this objective?

Artisan Crafts Development Programme: Support will be given to the establishment and start-up of Artisan Craft Centres that can favour innovation and the introduction of quality standards into artisan craft production, beginning with one in Addis Abeba and another in Harar, promoting greater market access for artisans and an increase in their profits.

Cultural Industries Development Programme: This will promote the holding of cultural activities and events of a public character that enhance the artistic creativity and cultural diversity of Ethiopia and contribute to the creation of artist networks and cultural managers, and to professionalising the culture sector and making it more dynamic. Indirectly, this type of initiatives will contribute to the promotion of Ethiopian culture and to a positive change in the image of the country.

b. To what results is it sought to contribute?

The expected result by 2015 is the increase in the contribution of the cultural sector to the economic growth of the country and to a greater knowledge of the cultural wealth of Ethiopia outside its boundaries.

c. What indicators will be used for monitoring?

Number of operative new artisan crafts centres focusing on innovation, quality and marketing (MoCT and AECID Programme)
Baseline 2010: 0. Target 2015: 2

Number of artisans making use of the new Artisan Crafts Centres.
Baseline and target: from 0 in 2010 to 500 in 2015

Co-organized and/or co-financed cultural events.
Baseline 2010: SICCE Programming (15 activities)

Cultural festivals supported.
Baseline 2010: 4

Cultural programmes and research supported.
Baseline 2010: 3 in ICP

3. Contribution to the protection, conservation, management and enhancement of the value of Ethiopian cultural heritage

a. How will Spanish Cooperation support this objective?

Ethiopian initiatives oriented towards the reinforcement of public policies to promote local development through the sustainable exploitation of the cultural heritage, contributing to improve technical capacity and specialised training, shall be supported over the Heritage for Development Programme, and support shall be given to rehabilitation, conservation and the enhancement of heritage assets. Consciousness-raising and the dissemination of knowledge about Ethiopian cultural heritage shall be encouraged.

b. To what results is it sought to contribute?

It is sought to improve the conservation, management and exploitation of the cultural heritage of Ethiopia as a resource for economic and social development.

c. What indicators will be used for monitoring?

The following GTP indicators will be used:

Number of records, inventories or management plans drawn up on moveable and immovable assets and intangible heritage (No existing baseline)

Number of assets enhanced and incorporated into a management plan or strategy of sustainable use (No baseline existing).

2.2.6. FIELD OF ACTION: HUMANITARIAN AID.

Type of partnership: Spain will respond to the humanitarian crises that may occur in Ethiopia in accordance with the objectives marked out by the SC Master Plan, giving necessary priority to fulfilling and promoting the principles of humanity, impartiality, neutrality and independence, and acting in the framework of the AECID strategy for humanitarian action, the 23 principles of GHD (Good Humanitarian Donorship), the European Humanitarian Consensus, the National Policy and Strategy on Disaster Risk Management 2011, and the Hyogo Action Framework. Likewise, it will accord special importance to the respect and promotion of International Humanitarian Law and Human Rights.

2.3. COMMITMENTS OF SPANISH COOPERATION AS REGARD AID EFFECTIVENESS.

For the time being, there is no PAF or donor performance assessment framework in Ethiopia as such. Nonetheless, the DAG (Development Assistance Group) or donor coordination group, in coordination with the MoFED, periodically analyses donor performance with respect to the targets specified in the Paris Declaration and the OECD.

The MoFED has launched the “Aid Management Platform”, which will establish an information system that captures all ODA received by Ethiopia from all development cooperation partner countries and facilitates transparency and accountability.

Likewise, in the framework of the EU, progress is being made in the aid effectiveness agenda and the process of dividing the work among the EU members in Ethiopia, as well as in the preparation of the “European Union Joint Strategy for Ethiopia” now underway.

So as to put the commitments reflected in the strategic documents into practice, a series of indicators has been selected to measure the effectiveness of Spanish Cooperation aid for the next five years. The matrix reflects these principal indicators and targets, as well as the baseline at which Spanish Cooperation was found in 2010. Below are the results for each principle expected in 2015:

OWNERSHIP

The Ethiopian authorities are spearheading the preparation and implementation of their national plans and sector strategies. These processes are also highly participative, inclusive of civil society and the development partners. Some examples of civil society participative mechanisms are the health sector’s Annual Review Meeting, the Community Level Participatory Planning and the evaluation of degree of satisfaction of AGP beneficiaries, the six-monthly Joint Review Meeting of the PBS programme, the Social Accountability Programme in the framework of the PBS, the CAADP process, where civil society signs the commitment, and others. The AECID confirms the validity and consistency of these processes, supports them, and actively participates in them.

ALIGNMENT

The AECID gives notice to the Ethiopian Ministry of Finance and Economic Development (MoFED) of the totality of its contributions to inform the financial authorities. Baseline 2010: 60%.

Programme Aid. 2/3 of Spanish Cooperation funds are channelled through on-budget programme aid (pooled funds, trust funds or budget support), with special emphasis on the sectors of basic social services, health, and rural development and food security (priority sectors). Baseline 2010: 44.76%

Predictability: The AECID has a commitment framework from 3 to 5 years coinciding with the country plans (which shall be revised annually as per funding availability) and disburses 100% of the funds during the tax year projected. Baseline 2010: 0

Parallel Implementation Units: SC does not have isolated projects in the country and makes sure that the UN Agencies and NGOs execute its integrated budget on the existing plans, in coordination with the local authorities. Baseline 2010: 0.

HARMONISATION

Coordination Groups: The AECID participates actively in the DAG (Development Assistance Group), in which 26 bilateral and multilateral agencies are represented, as well as in the sector groups of the PBS (monitoring and evaluation sub-group), health, rural development and food security, and gender. In 2015, the AECID occasionally led some of the groups. Baseline 2010: 6 (DAG, PBS, health, rural development and food security (agricultural production and disaster risk management sub-groups), and gender, with the possibility of leading in health.

Joint Missions: SC has participated every year in the six-monthly joint revisions and field missions of the PBS (JRIS-JBAR), the health sector (yearly) and the rural development sector (semi-annually). Current Baseline: 1.

Joint Technical Assistance: The greater part of the technical assistance provided to the country is channelled through mechanisms harmonised with other donors (UNDP or UNICEF pooled funds). Baseline 2010: 1

RESULTS FOR DEVELOPMENT MANAGEMENT

Use of joint indicators: The national development plans and sector strategies are the SC planning documents in Ethiopia, whereby the Agency measures the progress of the programmes it funds using the joint indicators of these plans, agreed upon and validated by all the agents. Baseline 2010: The new Strategic paper projects to use 75 % of the indicators of the Ethiopian GTP and Sector Plans.

MUTUAL ACCOUNTABILITY

Accountability to the Spanish citizens: The AECID draws up an annual report that presents the Spanish organizations working in the country and makes at least one evaluation of one of the intervention sectors. Baseline 2010: organization of periodic quarterly meetings with the Spanish organizations in the country involved in development cooperation.

External accountability: The AECID in Ethiopia keeps an updated website, reports the Spanish Aid data to the MoFED through the Aid Management Platform, and carries out joint evaluations with other donors regarding the common and internal programmes to improve the effectiveness of its interventions (programme aid evaluation). Baseline 2010: The AECID website in Ethiopia is in the process of finalisation, plus active participation in the preparation of the Aid Management Platform (interviews and training courses) spearheaded by the MoFED to provide trustworthy information on the ODA disbursed by Partner Countries to Ethiopia, as well as the commitment to provide updated data.

2.4. COHERENCE OF DEVELOPMENT POLICIES.

In line with the principle of coherence in development policies that was assumed by Spain through the Law on International Cooperation 23/1998 dated 7 July 1998, which is also reflected in the European Union in the Treaty of Maastricht, the Cotonou Agreement and the European Consensus of 2005, Spanish Cooperation in Ethiopia pursues a clear alignment with the development policies of the country, in terms of both the Growth and Transformation Plan (GTP) and its different sector plans.

On another hand, through the agency of the Spanish Embassy and the OTC, special monitoring is also conducted on the different Spanish agents and policies that do not specifically have to do with cooperation but have an impact on the development of the country, promoting periodic coordination meetings and channelling the diverse interests and the Spanish presence in Ethiopia so as to complement Spanish Cooperation development policies.

Despite the fact that there is no Commercial Office based in the country, the main objective with a view to the next five years is to emphasise the identification and coherence of private sector investments with a clear component of development and corporate social responsibility. The private sector can and should be a strategic development partner, and for this reason, SC seeks to encourage certain private sector business investments that particularly promote the generation of wealth with a sustainable impact on the more underprivileged population. The Embassy as well as the OTC facilitates a fluid and permanent communication link with the agents of the different decentralised administrations present in the country, collaborating with the different missions and agencies of the autonomous communities in identifying possible initiatives and in making contact with Ethiopian institutions.

It may also be underscored that Spain has joined the Joint Programming initiative of the X EDF that the European Commission is implementing in Ethiopia.

The AECID participates actively in the DAG (Development Assistance Group), in the relevant donor sector groups, and with the EU Member States, for the purpose of promoting not only the coherence of Spanish policy in the country, but also the coherence of cooperation policies between donors and their alignment with government policies, particularly those European donors with a presence in Ethiopia.

We consider that, as is reflected in the Master Plan 2009-2012, the position of Spain in international forums and agencies contributes coherently to create the conditions necessary for the development of partner countries. For this reason, work with the principal multilateral agencies and strategic partners of Spanish Cooperation will continue.

Lastly, SC will pay special attention to the directives and guidelines that may emerge in this sense from the dialogue between the different ministries, as well as to the work and opinions that may arise from the Delegated Commission on Cooperation and the Cooperation Council, with special attention to the Policy Coherence Report prepared by the administration itself.

3. RESOURCES

The projection for the resources that Spanish Cooperation allocates to Ethiopia for 2011-2015 is distributed as follows, account taken of the General Objectives of the national development plan and their relationship to the Millennium Development Goals.

It may be underscored that the resources necessary for the activities projected in this Strategic paper will be revised more specifically every year on the basis of funding availability. A favourable scenario is projected which contemplates maintaining the bilateral aid in quantitative terms, although some of the amounts allocated are based on estimates and analysis of the budgets disbursed in previous years.

BASIC SOCIAL SERVICES

The Ethiopian government estimates the amount of € 3,500,000,000 to increase the access and quality of basic services on the decentralised level in the country through the PBS Programme in budget support mode. In this sense, SC projects a contribution of € 50,000,000, which would be equivalent to € 10,000,000 per year.

HEALTH

The objectives in this sector are increasing the access and improving the quality of basic healthcare services. The commitment of the Ethiopian government in this sector is clear, whereby it allocates 10.4% of the annual general state budget to these objectives.

SC has planned support to this sector through contributions to the MDG PF entailing € 25,000,000, and hospital reform and technical support in the amount of € 3,000,000.

RURAL DEVELOPMENT AND FOOD SECURITY

The principal objective in this sector is to achieve an increase in productivity by developing agriculture in the country. The government has decided to earmark 10% of the annual general state budget for this purpose.

SC projects to contribute towards reaching the said objective by directly supporting the AGP with € 10,000,000, financing NGDO projects and agreements with € 15,000,000 and also identifying SC's first private sector support initiatives to the amount of € 2,000,000.

GENDER FOR DEVELOPMENT

The promotion of gender equality shall be supported through two specific initiatives; on one hand, strengthening the institutions of the country working on the subject, both through the Ministry of Women's, Children and Youth Affairs (€ 2,500,000) and Parliament support (€ 250,000).

On the other hand, special attention will be paid to the economic empowerment of women, which shall be supported through contributions to multilateral agencies as well as NGDOs and civil society (€ 750,000).

CULTURE FOR DEVELOPMENT

The Culture Sector has the general objective of Heritage Conservation and the contribution of cultural values to the economic development of the country. It is sought to achieve this objective through the reinforcement of institutions and the operative start-up of artisan craft centres (€ 2,000,000), support to the conservation of heritage and diversity (€ 2,500,000) and the strengthening of economic development through support to cultural industries (€ 1,000,000).

4. ACCOUNTABILITY AND EVALUATION.

The development goals incorporated into the Ethiopian CSP form part of the targets described in the national development GTP, to which SC hopes to contribute. In the same way, the results management framework largely incorporates the results that the GTP aspires to attain by sector.

The Aid Management Platform shall set up an information system that will reflect all the ODA received by Ethiopia from all partner countries, among them Spain, facilitating transparency and mutual accountability.

The SC strategy in Ethiopia for the next 5 years within the CSP shall be presented to the Ethiopian Authorities and the International Community before it is finalised.

During the next 5 years, the development and preparation of a Performance Assessment Framework for the cooperation partners in the DAG (Development Assistance Group) will be promoted.

Advances will be made in the Division of Labour in Ethiopia within the EU, and its monitoring will be carried out participating in the bi-monthly meetings organized by the EU Delegation.

Every year, the Ethiopian Government will make a nationwide Annual Progress Report (APR) on the GTP. SC may analyse the degree of fulfilment of the annual goals proposed in the plan to which it contributes through the different programmes.

Likewise, the multi-donor programmes and pooled funds to which SC is going to contribute throughout the period covered by the CSP carry out annual revisions on the progress of the activities and achievement of the targets proposed:

- PBS Programme: JRIS and JBAR, semi-annually.
- MDG PF: Annual Review Meetings (ARM).
- AGP Programme: JRIS and JBAR, semi-annually.

Likewise, the CSP incorporates some aid effectiveness objectives, which shall be monitored annually.

Advances shall be made in the annual Operational Programming based on the CSP, and yearly monitoring shall be conducted on the fulfilment of objectives and targets.

In the field of internal accountability, the records of initiatives underway in the country shall be periodically updated, the database facilitating the proper information shall be finished, and a website on Spanish Cooperation in Ethiopia shall be made operative, with a periodic updating commitment.

ANNEXES