



Federal Democratic Republic of Ethiopia



Growth and Transformation Plan

2010/11 - 2014/15



Volume I: Main Text

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Annual Calendar

The Gregorian calendar is used throughout this document. The Ethiopian calendar year 2003 starts on 11 September of the Gregorian year 2010. In government documents the Ethiopian Fiscal Year commences 1st Hamle (Gregorian calendar 8 July) to 30th Sene (Gregorian calendar 7 July). The Ethiopian Fiscal Years for the GTP are equivalent to the Gregorian calendar as follows: Gregorian years 8 July to 7 July 2010/2011 to 2014/15 are equivalent to Ethiopian Fiscal Years 2003-2007.

List of Acronyms

AIDS	Acquired Immune Deficiency Syndrome	ICT	Information and communication technology
BPR	Business process reengineering	IT	Information Technology
BSC	Balanced score card	M&E	Monitoring and evaluation
CMP	Current market prices	MDG(s)	Millennium Development Goal(s)
CPR	Contraceptive prevalence rate	MoFED	Ministry of Finance and Economic Development
CSA	Central Statistical Agency		
CBO	Community based organisations	NGO	Non governmental organisation
ESDP	Education Sector Development Program	o/w	Of which
ETB	Ethiopian Birr	PASDEP	Plan for Accelerated and Sustained Development to End Poverty
FAL	Functional Adult Literacy	PhD	Doctor of Philosophy
FDI	Foreign direct investment	SDPRP	The Sustainable Development and Poverty Reduction Program 2002/03-2004/05
GEQIP	General Education Quality Improvement Package	TB	Tuberculosis
GDP	Gross Domestic Product	TVET	Technical and Vocational Education and Training
GTP	The Growth and Transformation Plan 2010/11 to 2014/15	USD	United States Dollar
HEI	Higher Education Institutions	WTO	World Trade Organisation
HIV	Human immunodeficiency virus		
HRD	Human resource development		

Units of Measurement Used

bln	Bln	km	Kilometre (s)
Gb/s	Gigabyte(s) per second	m	Metre
GWH	Gigawatt hour	mln	mln
ha	Hectare (s)	MSE(s)	Micro and small scale enterprise(s)
hr	Hour	q/ha	Quintals per ha
kg	Kilogram (s)	Qt	Quintal (s)t

Currency Rates

16.6258 Ethiopian Birr (ETB) = 1.00 United States Dollar USD As of November 30, 2010

Foreword

The main development agenda of the Ethiopian government is poverty eradication. All the country's development policies and strategies are, therefore, geared towards this end. Effective implementation of these policies and strategies in an integrated and comprehensive manner at various levels of government administration is key for eradicating poverty and dependence on food aid in a shorter period of time. There is a wide national consensus on the priority agenda of eradicating poverty and the policies and strategies pursued to address such a development priority.

The Ministry of Finance and Economic Development is responsible for establishing a system for the preparation and implementation of national development plans, and in cooperation with the concerned organs, preparing the country's economic and social development plan as well as following up the implementation of the same when ratified. The Ministry had accordingly coordinated the design and implementation of the Sustainable Development and Poverty Reduction Program (SDPRP), which covered the years 2002/03 - 2004/05) and A Plan for Accelerated and Sustained Development to End Poverty (PASDEP), that ran from 2005/06 to 2009/10. During these plan periods remarkable achievements of economic growth, social development and good governance were registered. On the basis of the experiences gained thus far and the national vision, the Growth and Transformation Plan (GTP) has been prepared with clear objectives and targets through wide public participation at both the federal and regional levels. The Council of Ministers and the House of People's Representative have adopted the GTP as the national planning document of the country for the period 2010/11 - 2014/15.

Implementation of the GTP requires huge resources and commitments. To this effect, emphasis will be given to ensuring effective public participation in implementation and monitoring of the plan, efficient and effective utilization of all available capacities of the public, the government and the private sector as well as better coordination and cooperation with the private sector and development partners. In this connection special emphasis will be given to encourage citizens to increase their savings and to strengthen the overall level of domestic savings for productive investment in GTP's priority programs.

It is only when every citizen makes a concerted effort with commitment, and sense of urgency to discharge his/her own responsibility, that the effective implementation of GTP can be realized. This requires a fundamental change of thinking on the part of actors and stakeholders, particularly citizens, professionals, investors and the leadership, with respect to the implementation of the key directions envisaged in the GTP. In this regard, preventing and controlling rent seeking attitude and behaviour, and nurturing developmental initiatives are absolutely critical to realize the MDGs by 2015 and the country's vision by 2020-2023. Hence, we need to firmly stand in unison in this bold and transformational journey of accomplishing the objectives of GTP so as to eradicate dependence on food aid, reduce poverty and create a solid foundation for the renaissance of Ethiopia.



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Introduction

Achieving broad-based, accelerated and sustained economic growth so as to eradicate poverty has been and is a key objective of the Government of Ethiopia. The government has designed, and is implementing, strategies, policies and plans to guide and manage the overall development of the country accordingly. The last five year development plan was the Plan for Accelerated and Sustained Development to End Poverty (PASDEP). PASDEP had a medium term development perspective and aimed, at a minimum, at achieving the Millennium Development Goal (MDG) targets. During the PASDEP implementation period, high and sustained economic growth and significant social and human development results were realised. During the same period the economy grew on average at 11% per annum. By sustaining the current economic growth over the next five year period, the government aims to achieve the MDG targets by 2015, and its longer term vision of being a middle income country by 2020-2023.

The government has formulated the five year Growth and Transformation Plan (GTP) (2010/11-2014/15) to carry forward the important strategic directions pursued in the PASDEP. The GTP envisages that, besides maintaining a fast growing economy, better results will be realised in all sectors. In preparing the GTP the performance of the previous development plans, and the lessons learned during their implementation, were taken into account, within the context of the country's development vision. Development of the GTP has benefited from the many consultative meetings held at the Federal, Regional and local levels with government bodies, private sector organisations, higher education institutions, professional, women's and youth associations, religious and civil society organisations, opposition political parties and development partners. Many issues which are believed to be important for achieving fundamental changes in economic growth, social development and good governance and which will contribute to realising the objectives of the GTP are raised and discussed in the consultations. These concerns are now adequately addressed in the GTP. Issues that were raised and which needed greater elaboration or more emphasis were addressed and are also presented in depth at the sector and sub sector levels described in the GTP.

The Growth and Transformation Plan's main objectives, strategies and targets are clearly set out in the document. During the GTP period special emphasis will be given to agricultural and rural development, industry, infrastructure, social and human development, good governance and democratization. The GTP takes into account two alternative economic growth scenarios: a base case and a high case. The base case scenario assumes that the previous five year's average annual GDP growth rate will be maintained. The high case scenario assumes that the GDP and the Agricultural Value Added achieved in 2009/10 will double by the end of the GTP period, 2014/15.

Development programs that will be implemented in the GTP five year period will have a strong focus on improving the quality of public services provided. Thus special emphasis is given to investments in infrastructure and in the social and human development sectors. It is clear that implementation of the GTP will require mobilisation of considerable financial and human resources, especially for infrastructure development. For this reason, mobilisation of domestic financial and human resources, as well as improvements in domestic savings are considered to be critical.

One of the distinguishing characteristics of the GTP preparation process from the previous development plans preparation was that, a high level macro economic team was established with the responsibility of guiding the overall preparation process. Implementing agencies from the federal up to the regional and local levels have participated in the planning process through their functional linkages with their respective federal institutions. Wide and extensive consultations that are led by senior government officials were held with stakeholders and the public at large both at federal and regional levels. In addition, large media coverage was accorded to the draft GTP, which contributed to raise the public awareness and participation in the process.

During the planning process, strong commitments, and participation of the private sector, development partners, civil society organizations and the public at large are demonstrated at all levels. It has been demonstrated in the consultation forums and the media that there is a strong national consensus and enthusiasm among citizens with regard to GTP and its role in eradicating poverty once and for all.

The plan preparation and approval process has been conducted based on a pre determined time schedule, which is summarised as follows.

September-October/2009: Based on the initial directions from the government, the plan preparation Generic Guideline, incorporating general directions, main objectives, economic growth targets and indicators, was prepared by the Ministry of Finance and Economic Development and circulated to Federal implementing agencies.

November-December/2009: Briefings on the initial ideas and the Generic Guideline were given to senior government officials and directors so that a common understanding was created as to the content and preparation processes of GTP. A circular calling for the preparation of the GTP was then distributed to all concerned federal and regional government institutions.

February-May/2010: Based on the Generic Guideline, preliminary draft plans of key sectors (Agriculture and Rural development, Industrial Development, Education, Health, and Good Governance & Capacity Building etc.) were submitted to MoFED.

June 2010: Based on the macroeconomic framework and preliminary draft sector plans submitted to MoFED, the draft consolidated GTP was prepared and submitted to the high level Macro Economic Team. The Macro Economic Team in turn reviewed and provided feedback on the draft consolidated GTP and its constituent key sector plans.

July 2010: The first draft of the GTP was prepared as per the comments and directions provided by the Macro Economic Team. Discussion paper focusing on major achievements of PASDEP, objectives, strategic pillars and main targets of the GTP was prepared and distributed to the pertinent regional and federal bodies who participated in the consultation forums. At the same time, a preliminary draft of English version of the GTP document was prepared.

August - September 2010: Country wide consultation forums were conducted on the draft plan to refine the draft further, and create awareness among citizens, actors and stakeholders so as to encourage their active participation not only in the preparation of the plan but also in the subsequent implementation of the GTP. The participants in the consultations include civil servants and government officials, elected people's representatives at different levels, representatives from universities and professional associations, the private sector, associations of women, youth and the disabled, civil

society organizations, development partners and opposition political parties. Many useful comments and suggestions were received during the consultations. All consultations were led by senior government officials both at the regional and federal levels while the final federal level consultations were headed by the Prime Minister.

October 2010: Further refinements on the draft GTP document and checking for its internal consistency were completed by incorporating the comments and feedbacks from the regional and federal consultations.

November 2010: The GTP document was then submitted to the Council of Ministers, which then endorsed it together with comments and directions to be included in the final plan. After a five day debate by the House of People's Representatives, the document was endorsed with motion of thanks as the Official National Plan of the country for 2010/11 to 2014/15.

The GTP is presented in ten chapters. Chapter 1 presents the progress and achievements of the PASDEP. Chapter 2 contains the objectives and strategies of the five-year Growth and Transformation Plan (2010/11-2014/15). Chapter 3 provides the macroeconomic framework for the GTP and Chapter 4 describes the costs of and financing for the GTP. Chapter 5 describes the strategic directions, objectives and targets for the four main economic sectors: agriculture and rural development, industry and trade, mining and infrastructure. Chapter 6 describes the strategic directions, objectives and targets for the two main social sectors: education and training, and health. Chapter 7 describes strategic directions, objectives and targets for good governance and capacity building. Chapter 8 presents strategic directions, objectives and targets for nine cross cutting sectors. Chapter 9 describes the opportunities, risks and challenges in implementing the GTP. Chapter 10 presents the monitoring and evaluation framework of the GTP.

CHAPTER 1. ACHIEVEMENTS AND CHALLENGES UNDER PASDEP

The development policies and strategies pursued during the three year Sustainable Development and Poverty Reduction Program (SDPRP) (2002/03-2004/05), together with the vision expressed in and achievements realised by the SDPRP, were the foundation for the design of the PASDEP. The PASDEP was implemented during the five year period 2005/06-2009/10. It was prepared based on MDG targets and the government's vision for Ethiopia's development. Its main objectives were ensuring accelerated, sustained and broad based economic development as well as preparing the ground for the full achievement of Ethiopia's MDG targets by 2015. To achieve these objectives the PASDEP was built on eight strategic pillars. These were

1. Building all-inclusive implementation capacity,
2. A massive push to accelerate economic growth,
3. Creating the balance between economic development and population growth,
4. Unleashing the potentials of Ethiopia's women,
5. Strengthening the infrastructural backbone of the country,
6. Strengthening human resource development,
7. Managing risk and volatility, and
8. Creating employment opportunities.

Based on these strategic pillars, two alternative economic growth scenarios were considered. In the base case scenario, it was considered that to achieve the MDGs an average economic growth rate of 7% per annum was necessary. For the high case scenario, which aimed beyond achievement of MDGs targets, a 10% annual average economic growth target was set so as to lay the foundation for the realization of the development vision of the country.

1.1. MACROECONOMIC PERFORMANCE

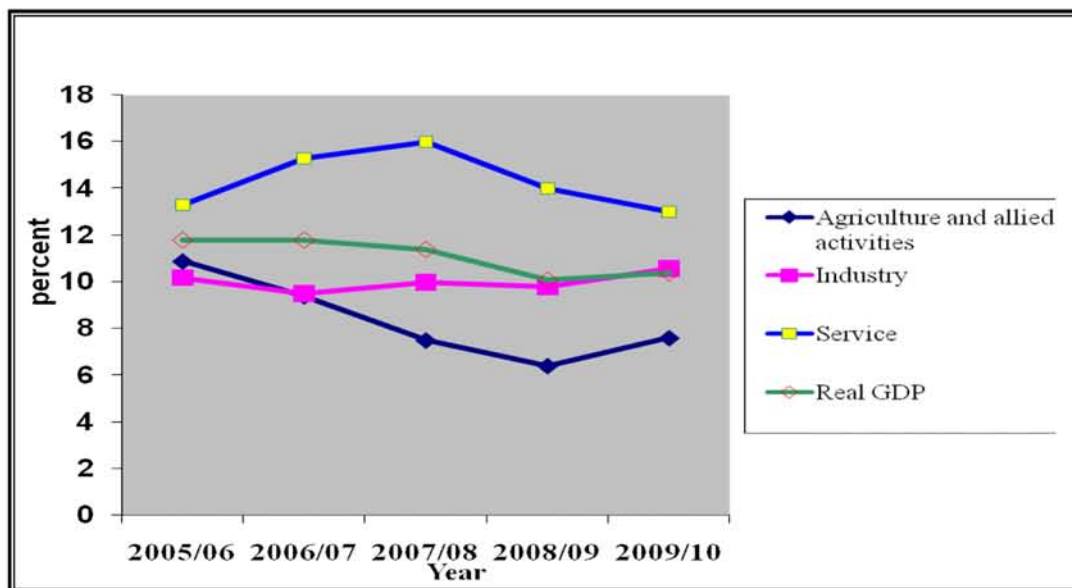
The Ethiopian economy has shifted to a higher growth trajectory since 2003/04. This has been sustained, and during the last five years, overall real GDP has grown rapidly at an average of 11% per annum (See Table 1. and Figure 1. below.). Agriculture, Industry and Services have registered an average annual growth rate of 8.4%, 10% and 14.6%, respectively.

Table 1. Growth in Gross Domestic Product and Main Sectors Share as Percent of GDP

Sector	Average growth target planned (2005/06-2009/10)		Average growth achieved (2005/06-2009/10)	Percentage share of Real GDP (2009/10)
	Base Case	High Case		
Real GDP	7.0	10.0	11.0	100
Agriculture	6.0	6.4	8.4	41.6
Industry	11.0	18.0	10.0	12.9
Services	7.0	10.3	14.6	45.5

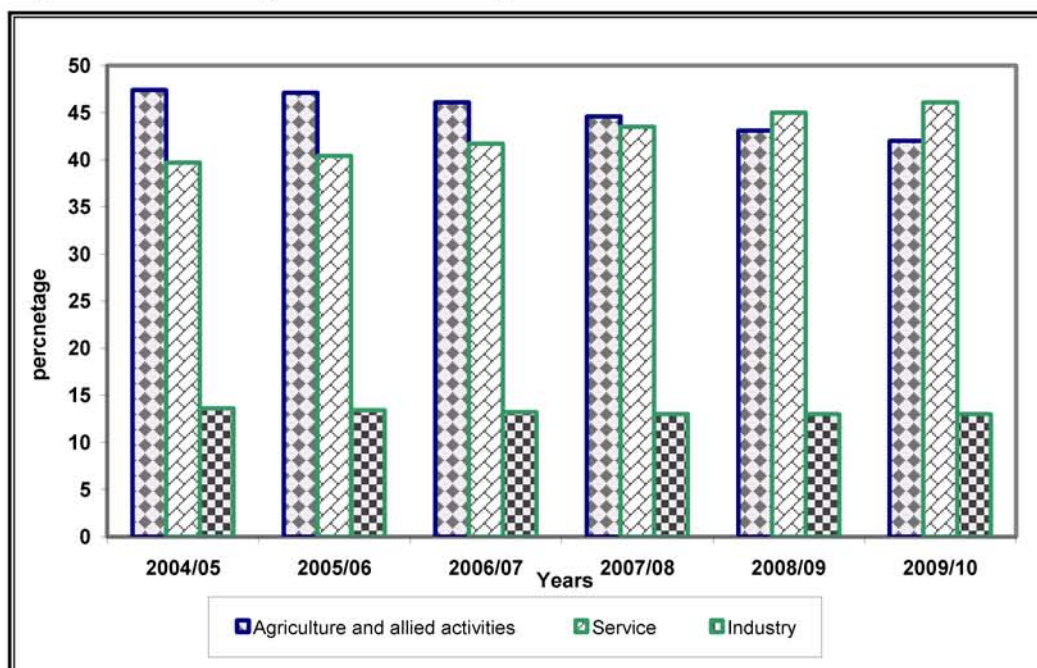
Table 1 above illustrates that, with the exception of the industrial sector, the over all and sectoral performances achieved were well above the targets set in both the base case and high case scenarios. This has been particularly pronounced in the service sector. Although the growth rate in the industrial sector is below the planned target, the sector achieved a significant average growth rate.

Figure 1. GDP Growth by Economic Sector (%)



The contribution (percentage share) of each of the three sectors (agriculture, industry and service) to overall GDP at the end of the plan period was 41.6%, 12.9% and 45.5%, respectively (See Figure 2).

Figure 2. Percentage share of GDP by Economic Sector



The planned targets were 43.9%, 16.5% and 39.6% for agriculture, industry and services respectively. The actual shares were not as planned, as services achieved a higher, and industry a lower share of GDP than planned. In terms of structural change the PASDEP assumed that a decline in the agricultural sector's share of GDP would be taken up by the industrial sector. However, underperformance of the industrial sector was more than compensated by increased growth in the service sector, indicating that the structural shift was not, as yet, in the desired direction.

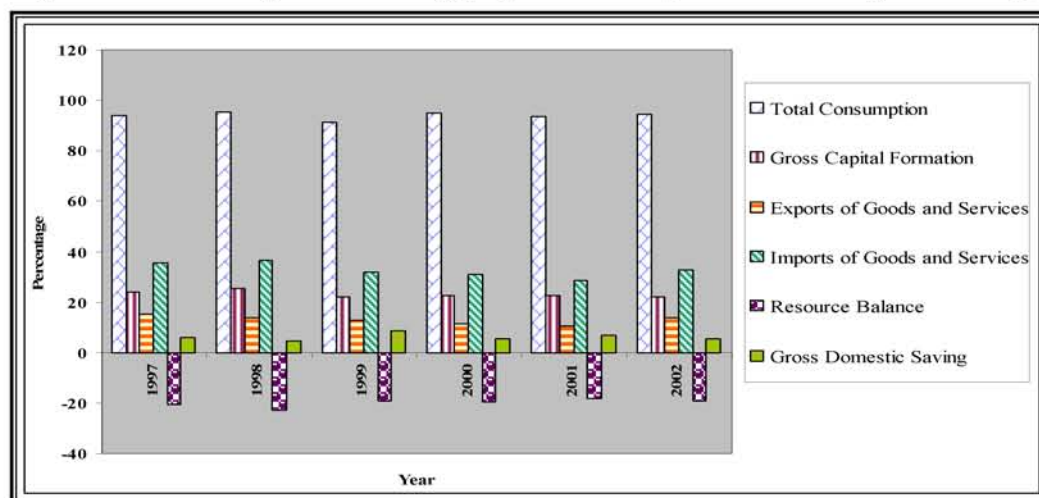
From the demand side, GDP at current market prices has increased by about 29.6 percent per annum during the PASDEP period. At the same time, gross capital formation, total exports and total imports, registered an annual average growth rate of 28.3, 27.1% and 27.6% respectively.

Table 2. Percentage Share of Aggregate Consumption & Savings to GDP @CMP

Item	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Total Consumption	94.1	95.4	91.3	94.8	93.6	94.4
Gross Capital Formation	23.8	25.2	22.1	22.4	22.7	22.3
Exports of Goods and Services	15.1	13.8	12.7	11.4	10.5	13.6
Imports of Goods and Services	35.5	36.5	32	30.8	28.7	33
Resource Balance	-20.4	-22.7	-19.3	-19.4	-18.2	-19.3
Gross Domestic Saving	5.9	4.6	8.7	5.3	6.7	5.5

Owing to the increased pent up consumption demand, the domestic saving rate remained lower than the PASDEP target. The domestic saving rate was 5.9% at the beginning of the PASDEP period and remained at 5.5% in 2009/10. Likewise, consumption remained at much the same level throughout the PASDEP period leaving no room for growth in saving. This suggests that greater efforts are needed to increase the rate of domestic saving in order to meet the growing investment needs of the country.

Figure 3. Percentage Share of Aggregate Consumption and Savings to GDP @CMP



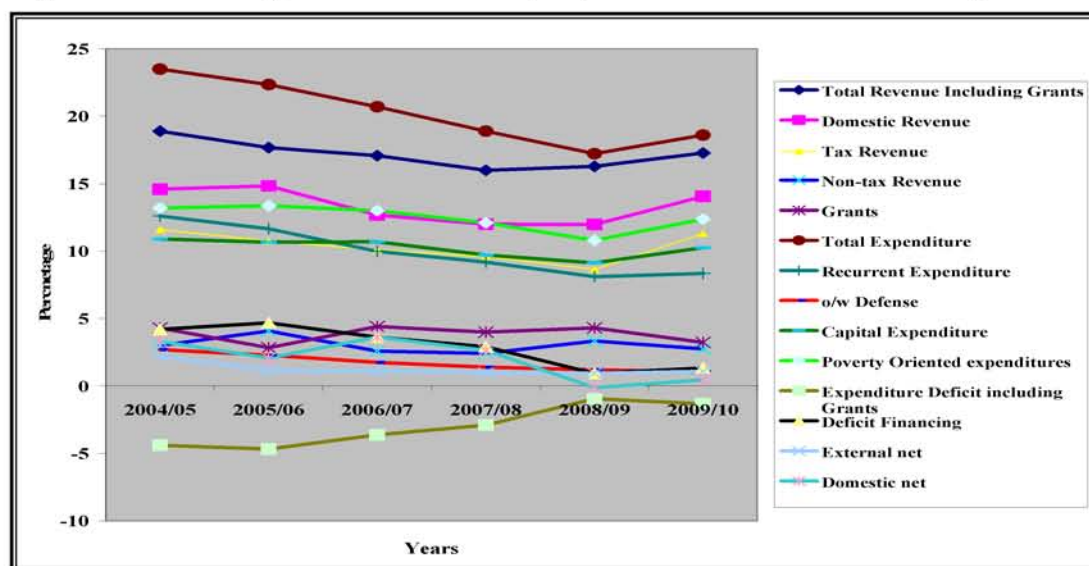
A number of policy and administrative measures were taken to improve domestic tax revenue collections during the PASDEP period. These included strengthening the capacity of tax collection agencies, expanding the tax identification number system throughout the country, strengthening the value added tax system, increasing tax compliance and taking

stringent legal measures against tax evasion. As a result, domestic revenue achieved an annual average growth rate of 26% surpassing the PASDEP target of 20%. However, domestic revenues as a share of GDP has marginally declined during the same period. As Table 3 below illustrates, total revenue as a share of GDP fell from 18.9% to 17.3% over the plan period, with domestic revenue marginally falling from 14.6% to 14.0% over the same period.

Table 3. Percentage Share of Revenue, Expenditure and Deficit to GDP @CMP

Items	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Total Revenue Including Grants	18.9	17.7	17.1	16.0	16.3	17.3
Domestic Revenue	14.6	14.8	12.7	12.0	12.0	14.0
Tax Revenue	11.6	10.8	10.1	9.6	8.6	11.3
Non-tax Revenue	3	4.1	2.6	2.4	3.3	2.8
Grants	4.3	2.8	4.4	4.0	4.3	3.2
Total Expenditure	23.5	22.4	20.7	18.9	17.2	18.6
Recurrent Expenditure	12.6	11.6	10.0	9.2	8.1	8.4
o/w Defence	2.7	2.3	1.7	1.4	1.2	1.0
Capital Expenditure	10.9	10.7	10.7	9.7	9.1	10.3
Poverty Oriented expenditures	13.2	13.4	13.0	12.1	10.8	12.4
Expenditure Deficit including Grants	-4.4	-4.7	-3.6	-2.9	-0.9	-1.3
Deficit Financing	4.2	4.7	3.6	2.9	0.9	1.3
External net	2.2	1.1	1.1	1.0	0.9	1.1
Domestic net	3.3	2.1	3.6	2.6	-0.1	0.5

Figure 4. Percentage Share of Revenue, Expenditure and Deficit to GDP @CMP



On the expenditure side, the government has been prudent in its fiscal management by closely monitoring revenue performance and adjusting its spending in line with its development priorities during the PASDEP period. In 2004/05 the share of total and poverty oriented expenditures as a percent of GDP were 23.5% and 13.2%, respectively. By 2009/10 the figures for each expenditure item are 18.6% and 12.4%. Further, the

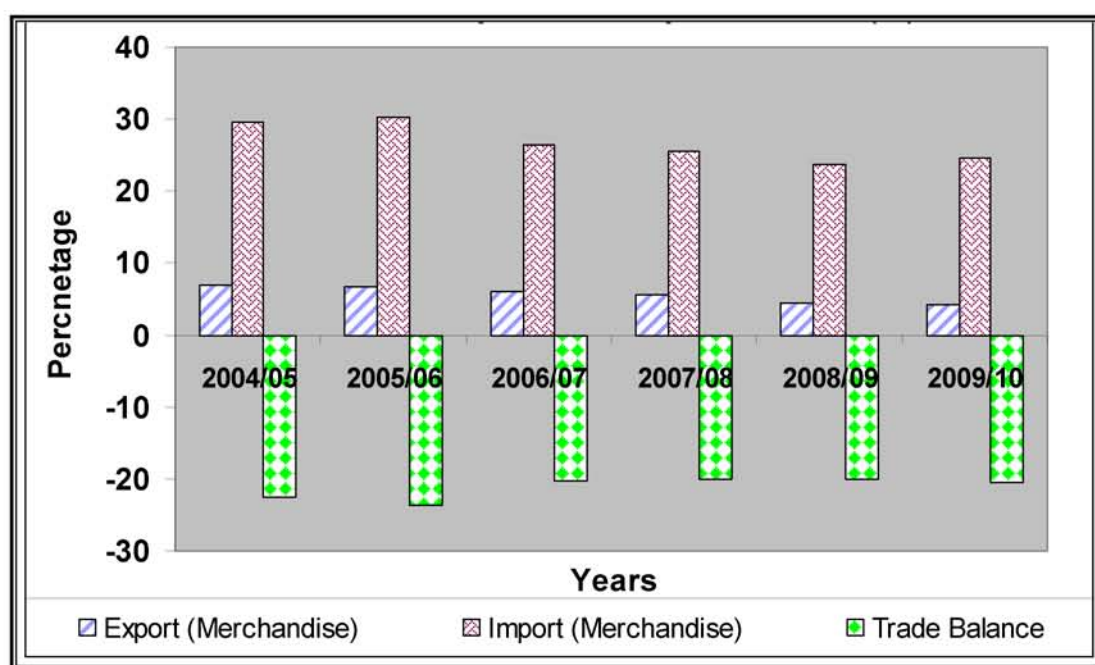
proportion of budget deficit, including grants, to GDP had declined from 4.2% in 2004/05 to 1.3% by the end of 2009/10.

Although, exports have increased during the PASDEP period, the trade balance did not improve as desired. The trade deficit widened during the period because of a significant increase in imports, an increase necessary to sustain the high economic growth levels achieved. (See Table 4 and Figure 5)

Table 4. Import and Export trade share of GDP (%)

Item	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Average
Export (merchandise)	6.9	6.6	6.1	5.5	4.5	4.0	5.4
Import (merchandise)	29.5	30.3	26.3	25.5	23.8	23.3	26.1
Trade balance	-22.6	-23.7	-20.2	-20.1	-20.0	-19.3	-20.9

Figure 5. Export and Import Growth (%)



In terms of monetary policy, the main objective was to achieve and maintain price and exchange rate stability. During the last five years the government has taken measures that curb inflationary pressures and increase the country's foreign exchange reserves. Fiscal and monetary policy measures as well as administrative ones were used to reduce inflation to single digit. For example, the National Bank raised the commercial banks' reserve requirement first from 5% to 10% and then to 15% of net deposits, and raised the minimum deposit rate from 3% to 4%.

1.2. PERFORMANCE OF ECONOMIC AND SOCIAL SECTORS

1.2.1. Agriculture and Rural Development

Crop production: In 2004/05 the total land covered by the three main crops was 9.8 mln ha, by 2009/10 this area had increased to 11.25 mln ha. Total output increased from 119.1 mln qts in 2004/05 to 191 mln qts in 2009/10. Average productivity of these crops increased from 12.1 qt/ha in 2004/05 to 17 qt/ha in 2009/10. To realize these increases in production and productivity it was planned under PASDEP to supply 820,000 tons of chemical fertilizers. The actual amount supplied was 830,000 tons.

Horticulture development: It was planned to develop 419,000 ha of fruit and vegetables by 2010. The achievement at the end of the plan year was 152,600 ha. Besides, it was planned to produce 27.2 mln qts and the achievement was 12.8 mln qts.

Coffee development: It was planned to increase coffee production to 419,610 tons by 2009/10. In the event 341,000 tons was produced, 81.3% of the target.

Livestock production: The PASDEP target was to increase meat production to 837,000 tons; but only 605,000 tons of meat was produced, 72.3% of the planned target. The target was to increase milk production to 3.391 mln tons; and 96.2% of the planned target was achieved with 3.261 mln tons of milk produced in 2009/10.

In terms of animal health services, it was planned that the number of veterinary clinics would be increased to 3,600; the achievement was 2,275, 63.2% of the target. The target for livestock vaccine was to supply 289 mln doses in 2009/10; supply achieved was 96 mln doses, 33% of the target. PASDEP aimed to increase the number of pastoralist and farmer trainees on basic veterinary service delivery to 3,000 and 4,144 trainees (138%) completed this training by the end of 2009/10.

Agricultural extension services: during PASDEP it was planned to train 51,101 graduates in the fields of plant, animal and natural resource sciences and cooperatives development to support the agricultural extension services, at agricultural and vocational training colleges. At the end of the plan period 52,023 graduates had completed training in these areas. During the PASDEP period, it was planned to increase the number of minimum package trainees to 10.39 mln; the achievement was 12.7 mln. Although the aim was to increase the share of women trainees to 30% of the total, the percentage realised was 18.5%. It was planned to increase household family package trainees to 4.5 mln by the end of the plan period and the achievement was 5.4 mln, which is higher than the planned target by 12.5%

It was planned to increase the number of farmers training centres to 18,000; the number actually increased by 9,265 centres, 51.5% of the target. The necessary equipments were also supplied for these newly built training centres.

Agricultural research: Encouraging results have been achieved in agricultural research in the three agro-ecological zones on crop, livestock, soil and water conservation, forest development and agricultural extension practices. Some 409 new seed technologies have been issued in crop development; 99 new breads in livestock and 91 different research outputs were developed on soil and water conservation works.

Natural resource development and utilization: Land right certificates were issued to 12.6 mln rural household heads; 185% above the target of 6.8 mln household heads. It was planned to develop 58,750 hectares by establishing 470,000 water harvesting schemes and

small irrigation systems; by the end of the plan period 122,430 hectares of land were developed by these means. During the PASDEP period, 853,000 ha of land serviced by small scale irrigation systems was developed well in excess of the target of 487,000 ha.

Land rehabilitated by water and soil conservation: The area of land rehabilitated by water and soil conservation works during PASDEP was increased from 0.82 mln ha in 2004/05 to 3.77 mln ha in 2009/10. With regard to forest conservation and management, the country's forest coverage was increased to 8.8 mln ha from 4.1 mln in 2004/05. And at the end of the plan period the country's forest coverage reached 6.1 mln ha.

Food security and safety net programs: Food security interventions aimed to resettle 161,108 voluntary households of which 91,317 (56.68%) households were resettled. **As of 2009/10 a cumulative of 286,920 households were food secure in resettlement areas.** Productive safety net programs benefited 730,494 beneficiaries of the targeted 1.5mln. In 290 woredas the number of farmers and pastoralists who were food insecure and needed assistance was 7.1 mln in 2009/10.

Forest conservation and management: The country's forest coverage was increased to 8.8 mln ha from 4.1 mln. And at the end of the plan period the country's forest coverage was 6.058 mln ha.

Agricultural market: 830,000 tons of fertilizer was supplied during the plan against the target of 820,000 tons. The Ethiopian Seed Enterprise and other improved seed suppliers supplied 527,779 qt (doesn't include the supply by the regions) of improved seeds, against the target of 1.8 mln qt.

Agricultural cooperatives: In 2005/06 there were 20,437 cooperatives with a capital of ETB 822 mln and 3,642,602 members. By the end of 2009/10 the number of cooperatives was 33,636, their capital had increased to 1 bln birr and their membership had grown to 5,899,761. Moreover, 212 cooperative unions with 3,826 member cooperatives and a total capital of ETB 185,472,337 were established during the plan period.

Agricultural exports: The revenue generated from flower exports increased from USD 12.6 mln in 2004/05 to USD 170 mln in 2009/10. In the same period, the revenue generated from fruit and vegetable exports increased from USD 14.07 mln to USD 31.7. 357,000 live animals were exported, a substantial increase on the target of 213,000. 319,647 tons of coffee was exported against the target of 323,000 tons. Overall, 1,225,000 tons of agricultural goods generating USD 1.55 bln were exported in the plan period against targets of 1,183,000 tons and USD 1.517 bln, respectively.

1.2.2. Trade and Industry Development

The Trade Sector

With regard to trade regulation, a trade registration and licensing system was introduced throughout the country, from federal to kebele levels. Generally, measures were taken to ensure competitive trade practices and protect consumers from unfair trade practices. During the PASDEP period a lot has been done in the process of trade partnerships and negotiations to make the country benefit more and hence create new market opportunities and increase foreign direct investment flow. The preparation for the WTO accession process was finalized. Negotiations were conducted to strengthen regional trade partnerships (Inter-Governmental Authority on Development, Sana'a Forum, The Common Market for Eastern and Southern Africa (COMESA) and the COMESA-East African

Community-Southern African Development Community Tripartite). In addition Economic Partnership Agreement (EPA) was reached with the European Union.

The Industry Sector

During the PASDEP period support was given to micro, small, medium and large scale industries and, particularly, to industries that used agricultural inputs and were capable of generating foreign exchange.

Micro and small scale enterprise development: As a part of PASDEP, the government took a number of initiatives to promote and expand micro and small enterprise development in different regions and city administrations. The PASDEP target was to create 1.5 million new job opportunities in the sub-sector which was more or less fully achieved during the plan period. Substantial support was provided including increased supply of credit, training, provision of production and market facilities, technology support and provision of small enterprise information services.

Textile and garment industries: During the PASDEP period textile and garment industries were expected to generate export earnings of USD 500 mln. At the end of the plan period, the sub sector had, however, only generated export revenues amounting to USD 21.8 mln, far lower than the target. The low level of development of the sub-sector at the start of the PASDEP period is one of the main reasons for this under performance. There is a clear need to increase efforts and potential to improve performance of the textile and garment industries.

It was planned during PASDEP to attract investment in new industrial factories worth USD 1.6 bln. As a result a number of investments were made, facilities developed and production contributing to exports commenced. These included: 2 weaving factories with a production capacity of 10,500 tons per annum; 3 factories with a production capacity of 16.5 mln metres of garments per annum; and, 10 sewing factories with an annual production capacity of 9.3 mln items of clothing. Those investments that, at the end of the plan period, had made investments, initiated projects and, in some cases, commenced production included: 4 factories with a production capacity of 8,225 ton trade per annum; 3 factories with the production capacity of 255 mln metre garments per annum; 3 factories producing 33 mln metres of processed garments; and 1 factory with a production capacity of 10 mln items of clothing. Those investments that had finalised the preparation and started the investment process included: 5 weaving factories with a total capacity of 84,875 tons per annum; 4 factories with annual production of 61 mln metre gray garments; 4 factories producing processed garments of 113 mln metres; and 2 factories with a production capacity of over 21.6 mln items of clothing. Other investors showed interest and pre investment processes are underway.

Leather and leather products: Leather and leather products (shoes and other leather products) were expected to generate USD 221 mln in export earnings. In the event USD 75.73 mln was earned by the end of 2009/10. It was planned to upgrade 74 unfinished leather processing factories to production of finished leather products but, in the event only 11 factories were upgraded, produced shoes and exported during the planning period; 14.9% of the target. As part of government's efforts to develop capacity, the Leather Industry Technology Institute offered training in a 10+3 diploma and 1 year certificate diploma program levels and also some tailor made training courses on leather processing, shoe and leather products making technologies based on customers' requests.

Sugar: During the PASDEP period, sugar industry development works included a feasibility study, irrigation and road works, sugar cane plantation development, housing development, construction and expansion of factories, and production of sugar and ethanol. It was planned to finalize the establishment of two new sugar factories in Wonji and Tenedaho and sugar factory expansion works in Metehara and Fincha. However, in Wonji, Tenedaho and Fincha the percentage completion during the plan was 30%, 25% and 40%, respectively. It was planned to establish a new sugar factory capable of crushing 8,000 tons of sugar cane per day and, in this case, the target has been fully achieved. Investment licenses have been granted to plant sugar cane on 20,000 ha of land and 7,200 ha of land was planted. The existing three sugar factories were expected to produce 1,510,683 tons of sugar and 39,697 m³ of ethanol. Actual production over the PASDEP period was 1,468,915 tons of sugar and 30,124 m³ of ethanol.

Cement: The cement industry was expected to produce 4.7 mln tons of cement per year. However, the industry achieved an output of only 1.17 mln tons of cement per annum. This result suggests the need to increase the production and supply capacity of cement in order to meet the needs of the fast growing construction industry. During the early years of PASDEP implementation there was a dramatic increase in the gap between the demand for and supply of cement. This put considerable pressure on the construction sector. To ease the situation, short term and long term intervention plans were designed and implemented. The short term intervention plan involved importation of cement and construction of small scale cement industries. The long term plan involves development of new high capacity cement producing factories. Implementation of this plan is being closely monitored.

Metal & metal engineering: In the metal and metal engineering industries preliminary measures were taken to unleash their full potential contribution to the country's development efforts. To support exporting industries, spare parts were produced locally for four textile and two leather industries. In addition, a system was put in place that allows the production of spare parts locally for sugar and cement as well as other manufacturing industries.

Training has been provided on non-destructive testing, funded by the International Atomic Agency which also supported the purchase of equipment.

Chemical industries: During the PASDEP period, support was provided to chemical industries producing inputs for leather and textile industries measures, to address the challenges they were facing.

Pharmaceutical industries: A strategic plan was developed for pharmaceutical industries to support producers of drugs and pharmaceutical equipment to allow them to import their raw material and other inputs duty free. Steps were taken to ensure that government procurement systems give precedence to local pharmaceutical companies so as to encourage local industry. In some cases technical assistance and consultancy support was also provided to pharmaceutical companies to fulfil international drug producing standards and quality.

Agro-processing industries: During the PASDEP period, an investment proposal was prepared for the government for agro-processing industries such as the sugar industry and for development of rubber tree. As a result, 3 companies created partnerships with foreign counterparts. 16 potential export projects have been designed and an assistance framework developed to help some of the projects start investment; some are now in the preparation process. Lastly, a master plan study for cereal, oil seed and coffee development has been prepared.

1.2.3. Mining

The mining sector realised some significant achievements during the PASDEP period. These include extension of the coverage of country wide geological information, hydro-geological mapping, geophysics (gravity) studies and engineering geology mapping from 38%, 27%, 65% and 6.9% in 2004/05 to 51%, 42%, 80% and 10% in 2009/10, respectively. It was planned to identify and delineate 30 areas of mineral deposits, while 34 such areas were identified and delineated by the end of the planning period. Annual investment in the mining sector increased from ETB 62 mln in 2004/05 to ETB 12.7 bln in 2009/10. Revenue generated by the sector increased from ETB 20 mln in 2004/05 to ETB 50.1 mln in 2009/10. Mining royalty revenues reached ETB 130 mln in 2009/10. Gold and tantalum exports increased from 3,439 kg and 92.5 tons in 2004/05 to 3907 kg and 202 tons respectively in 2009/10.

During the plan period it was expected that 5,000 kg of gold, purchased by the National Bank of Ethiopia from artisan miners, could be sold to foreign markets by the NBE. By the end of 2009/10, 5250 kgs of gold had been purchased by the NBE and USD 129 mln received by NBE from sales. An additional USD 2 mln was generated by sales of 4,500 kg of gemstones to foreign markets.

1.2.4. Road Development

With regard to federal roads, the plan for the 2004/05-2009/10 period was to reinforce 852 km of roads, upgrade 4,039 km, construct 2,769 km and execute temporary or heavy maintenance of 3,660 km of existing roads. Thus the plan was to construct or maintain a total of 11320 kms of federal roads, and overall 96% of these PASDEP targets were realised. In addition, 40 new federal roads were opened for traffic and more than 11,000 km of road length added to the existing network. As a result, the total road length increased from 36,400 km in 2004/05 to 48,800 km in 2009/10. These figures exclude Woreda roads. The proportion of roads assessed objectively as being in good condition increased from 64% in 2004/05 to 81% in 2009/10. The time taken, on average country-wide, to reach all weather roads has decreased from 5.7 hours in 2004/05 to 3.7 hours in 2009/10. In general, the performance of the road sector during the PASDEP period was remarkable.

1.2.5. Rail Network, Dry Port and Transport

Rail Network: For the development of the national rail network, a feasibility study was conducted using latest satellite mapping technology for three rail corridors with a total length of 2,359 kms. In addition socio-economic and environmental studies of the corridors are underway.

Dry Port: The construction of the Mojo and Semera dry ports was completed. A bilateral agreement was reached with the government of Djibouti for a joint freight service to further facilitate export and import of commodities. A cargo terminal has been built on 164,238 m² land made available by the government of Djibouti. The terminal has commenced services and will ease the transit of export and import trade.

Road transport: During 2004/5-2009/10 a road safety council was established; on main transport corridor areas with a record of high accident levels, traffic control was strengthened; measures were taken to ensure that accident victims receive immediate medical attention and a mass media public awareness campaign was conducted during the plan period. As a result of these measures, deaths due to road traffic accidents decreased from 104 in 2004/05 to 52 per 10,000 accidents at the end of the plan period. Private

companies were contracted to ensure technical inspection of vehicles. Moreover to address the transportation challenges facing the capital, Addis Ababa, the possibility of introducing mass transport system has been explored.

Air Transport: A cargo terminal for storage of perishable agricultural products was constructed at Bole International Airport and a master plan for the airport was prepared. During PASDEP it was planned to construct new or expanded airports at seven locations. At Jijiga, Humera and Assosa the air ports' runway construction is completed. At Jima, Jinka, Kombolcha and Semera runway construction works are at different levels of construction and pre-construction phases. Mekele and Bahir Dar airports are operating to International Standards. The PASDEP strategy to increase the number of passengers and the amount of cargo has resulted in an increase of 1.55 mln in 2004/05 to 3.128 mln in 2009/10 of the former and 1.42 bln ton/kilometres in 2004/05 to 2.84 bln in 2009/10 of the latter.

1.2.6. Telecommunications

During the PASDEP period the mobile telecommunications network capacity was increased from 0.5 mln users in 2005/06 to 25 mln in 2009/10. The number of telecommunication customers increased from 0.56 mln in 2004/05 to 6.5 mln in 2009/10. In the Universal Access Program, a CDMA wireless network which covers 90% of the country has successfully been installed and the system enables voice and data service availability to every kebele. The number of fixed line and mobile phone users was 0.62 mln and 0.02 mln, respectively in 2004/05 and these increased to 1 mln and 0.187 mln, respectively in 2009/10. The percentage of the rural population with access (within 5 kilometres radius) to a telephone service increased from 13% in 2004/05 to 62.14% in 2009/10.

To connect the country's main communication infrastructure, about 10,000 km of fibre optic cable (with high level information transmission capacity) was installed and has commenced rendering services. A National Network Operation Centre that enables the central administration of the network was established and the capacity to control service quality standard and management of service failure information was put in place.

1.2.7. Energy

The construction of new hydropower plants, including Tekeze, Gilgel Gibe II and Tana Belese plants, enhanced Ethiopia's hydropower generating capacity. In 2004/05 the total hydropower generation capacity country-wide was 714 MW. The PASDEP target was to increase power generation capacity to 3,270 MW by the end of 2009/10. The power generation capacity actually achieved was 2,000 MW at the end of 2009/10 amounting to 62% of the target. The total power generated in 2004/05 was 3,112 GWH. It was planned to generate 10,907 GWH by the end of 2009/10, however, only 7,689 GWH (71%) was generated. During the PASDEP period, to conserve electric energy, 4.6 mln energy saving bulbs were distributed to customers. It was planned to increase power transmission lines constructed from 8,380 km in 2004/05 to 14,792 km in 2009/10. The total power transmission line constructed was 12,147 km in 2009/10, which is 82% accomplishment of the PASDEP targets. It was also planned to increase power substation lines constructed from 25,000 km in 2004/05 to 136,320 km in 2009/10. By the end of 2009/10, the total power substation lines constructed were 126,038 km, 93% of the target.

During the plan period the rural electrification program aimed to increase the number of towns and rural villages which have access to electric power from 648 to 6,000. Accordingly 5,163 towns and rural villages had gained access to electricity by 2009/10 amounting to a 78% realisation of the PASDEP target. The total number of registered customers of electricity increased from 952,000 in 2004/05 to 2 mln in 2009/10, 77% of the planned target. It was also planned during the PASDEP period to distribute 3 mln improved energy saving biomass ovens and these have been distributed as planned. As a result, it is estimated that about 26,176 ha of forest have been conserved from deforestation and carbon dioxide emissions have been mitigated by about 36,575 tons. About 10,081 rural families have benefited from distribution of home solar systems and 238 Rural Health Stations and First Cycle Schools have been provided with solar electric power. During the plan, the petroleum reserve storage capacity increased from 279,800 m³ to 369,800m³.

1.2.8. Water and Irrigation Development

Water supply: During PASDEP access to potable water increased from 35% to 65.8% in rural areas and from 80% to 91.5% in urban areas. Overall nationally, access to potable water has increased from 36% to 68.5%. The increase in rural access to potable water over the five year period is attributable to the provision of 793 very deep wells, 3,353 medium deep wells, 8,762 hand dug wells, 8,195 water fountain enhancement works, 478 water harvesting ponds, 3,294 rain water collection and, 7 run-off water harvesting systems. The number of malfunctioning water stations was reduced from 30% of the total to 20% in the plan period.

Irrigation: Irrigation development measures were taken during PASDEP to put in place small, medium and large scale irrigation schemes. At the start of 2004/05 it was planned to carry out irrigation scheme pre feasibility studies covering 177,998 ha, detailed studies for 464,051 ha, and initiation of irrigation works over 430,061 ha of land. The achievement by the end of the PASDEP period was 178,000 ha, 462,114 ha, and, 65,243 ha of land for small, medium and large scale irrigation schemes, respectively.

1.2.9. Construction and Urban Development

Urban Development: During 2004/05-2009/10, it was planned to construct 396,000 new houses, establish 10,000 small urban-based enterprises, and create job opportunities for 200,000 urban city dwellers. By the end of the PASDEP period 213,000 houses had been built in various regions and city administrations. In addition as a result of the housing development program, 4,306 small construction enterprises were established, while 176,000 permanent and temporary jobs were created. Of the houses constructed 72,000 were handed over to the beneficiaries and ETB 931 mln was received in pre payment from beneficiaries for the houses.

A program to build capacity for decentralized service delivery was initiated within 18 cities with a total outlay of ETB 142.1 mln. The project completed improvements to 14 city markets as well as drainage and road rehabilitation projects and purchases of vehicles and equipment. Through the Urban Local Government Development Project infrastructure development works with a total outlay of USD 150 mln (funded by the World Bank) were implemented in 19 major cities, including Addis Ababa. As part of this initiative and additional USD 53 mln was provided by regional states and towns and this was allocated to construction of cobble stone interior roads, sewer line construction, small enterprises production and market place facilities, improvement of market places, development of

parks and water supply and sanitation works. A total of Birr 997 million was invested on these infrastructure creating 51,905 job opportunities through this initiative.

Construction industry development: In order to develop the capacity of domestic private contractors providing construction services 752 new contractors were given licenses and provided with training. Financial support and training were provided to these construction companies to enhance their capacity. Capacity building services were provided to 147 experts organised as 43 consulting firms and, as a result, the number of consultants working in the construction industry increased from 177 in 2004/05 to 254 in 2009/10. Permits to import machineries with long term payment modalities were awarded to increase the supply of construction machineries and address transportation problems. During the planning period 1,075 freight transportation vehicles, 1,000 dump trucks, 350 loaders, 100 rollers and 25 low-bed trucks were imported and distributed to domestic private companies on credit modalities. In addition 65 crushers and 125 loaders were distributed to companies of gravel suppliers.

To address the shortage of construction materials and ensure sustainability for the fast growing construction industry, the government imported cement, steel and other construction material, while encouraging domestic production of these items in the medium term. As a result very large quantities of cement and steel were purchased and distributed locally during the plan period. Many micro and small scale enterprises received training, financial and administrative support to increase their role in the supply of particularly local construction materials.

1.2.10. Education

Primary School Education (Grade 1-8): The number of primary schools increased from 16,513 to 25,217 in the PASDEP period. Consequently, the number of classrooms increased from 161,795 to 247,698. The gross enrolment rate for grades 1-8 increased from 79.8% to 94.2% and the primary net enrolment rate increased from 68.5% to 87.9%. The disparity in enrolment rates between male and female students gross enrolment ratio narrowed from 0.75:1 to 0.93:1.

Secondary School Education (Grade 9-12): There were 706 secondary schools in 2004/05 and this number increased to 1,202 in 2009/10. In 2004/05 the gross enrolment ratio for secondary schools (9-10) was 27.3%; it increased to 39.7% in 2010. The Net Enrolment Rate for secondary schools (9-10) increased from 11.8% to 12.6% during the same period.

Education Quality: The primary school (Grade 1-8) student-teacher ratio decreased to 57:1 by 2009/10 and the secondary school student-teacher ratio reached 43:1. The student-class ratio, in primary schools (Grade 1-8), fell from 69:1 in 2004/05 to 62:1 in 2009/10, while in secondary education (Grade 9-12) it fell from 78:1 to 68:1 in the same period.

Technical and Vocational Education and Training: The number of trainees undertaking TVET increased from 106,336 to 717,603 during the plan period. More than 50% of TVET trainees during PASDEP were female. The number of government TVET facilities reached 253 in 2009/10.

Higher Education: The number of undergraduate students in public universities was 78,232 in 2004/05. This increased to 185,788 in 2009/10. The proportion of undergraduate female to male students in the public universities increased from 24% to 29%, and the number of students in graduate school increased from 3,604 to 9,761. The proportion of

female to male students at the graduate school increased from 9% to 11.3%. During the PASDEP period the number of public universities increased by 13, and the total is now 22.

With regard to building the capacity of university teachers, the number of university teachers increased from 4,847 to 11,238 in the plan period. Of these 5,706 (50.8%) hold a first degree, 4,528 (40.3%) hold a second degree and 1,004 (8.9%) hold a PhD.

1.2.11. Health

The main objectives of the health sector component of the PASDEP plan were to reduce child mortality, improve mothers' health and combat the spread and prevalence of HIV/AIDS, TB and malaria. To achieve these strategic objectives and to ensure full health service coverage in all rural kebeles, a health extension strategy was designed and implemented. During the PASDEP period one of its targets was to train 30,000 health extension workers. In the event, 33,819 were trained and deployed in rural kebeles all over the country. The number of health posts and health centres increased from 4,211 and 644 in 2004/05 to 14,416 and 1,787 in 2009/10, respectively. The number of public hospitals increased from 79 to 111 in the plan period.

During the PASDEP period the number of women of child bearing age and using contraceptives increased from 15% to 32%, prenatal service coverage increased from 46% to 63%, postnatal service coverage increased from 15% to 30%, and trained birth assisted delivery increased from 13% to 25% - although the target was to reach 32%. In general the number of deaths of mothers which were related to delivery decreased from 871/100,000 in 2005 to 590/100,000 in 2010. The under-five mortality rate decreased from 123/1000 to 101/1000.

By 2009/10 about 10 mln households living in malaria infested areas had received 2 mosquito bed nets each and by this means the coverage of mosquito net usage has increased from 1% to 100% in the plan period. Also during the PASDEP period, the cure rate for TB increased from 65% to 67% and the incidence of HIV decreased from 0.68 to 0.28. The PASDEP target was to halt the HIV prevalence rate at 3.5% of the population and a better result was achieved with the prevalence rate dropping to 2.4% in 2009/10. In general, the health service coverage increased from 30% to 89% during PASDEP.

1.3. CROSS CUTTING SECTORS

Women and Children: The government has placed strong emphasis on the participation of women in the political, economic and social affairs during the PASDEP period. In this respect, following the enactment of the national policy on Ethiopian women, organizational structures responsible for women's affairs were strengthened at federal, regional, and local levels. The family law and criminal were amended to fully ensure the rights of women.

Efforts have also been undertaken to ensure the benefits of women in economic growth and social development. For instance the participations and benefits of women in agricultural packages were significantly increased. To ensure that equal benefits from land rights accrue to husbands and wives, land utilization certificates bearing both husband's and wife's name are now being issued by regional governments. In food security programs vulnerable children and female headed households were given priorities.

Similarly, in urban areas women were supported to organize themselves under micro and small enterprises so as to enhance their economic empowerment. The integrated housing development project which was launched in 2003/04 gave precedence to female applicants

for 20-30% of newly built houses and for the remaining 70% of houses, women competed equally with males.

Youth and Sports: During the PASDEP period, a total of, 3,435,049 youths participated in various training sessions. More than 708,116 youths received training in management skills and 444,595 youth association organizers received training for the preparation and design of strategic plans, finance management and administration and related subjects.

To organize and support sport associations 200 leaders were trained, 11,193 sport associations were established from national to kebele level of which 26 were established and registered at national level. To expand and strengthen sport and fulfil communities' training and public sport ground needs, 7,567 different sports grounds were created in suitable locations.

Culture and Tourism: During the PASDEP period, the average annual number of tourists visiting Ethiopia was 324,666 and they generated annual average revenues of ETB 1.61 bln. This achievement represents an increase in the annual average number of tourists and revenue generated of 21% and 16.3%, respectively. Specific initiatives undertaken during the five year period included strengthening of wild life conservation areas, expanding infrastructure and tourist facilities, improving national parks management and control, and giving particular attention to community tourism. These initiatives resulted in the establishment of facilities for national parks at Alateshi, Borena Sainte, Maze, Chebera Churchura, Kafeta Sheraro and Gerale. Border demarcation of wildlife control areas was completed for Simien Mountains National Park, Bale Mountains National Park, Senkele rhino shelter, Shigesha and Tulu lodge. At the Simien Mountains National Park 147 households were voluntarily resettled to a pre-arranged settlement site. Two investors have built lodges at Awash and Simien mountains national parks that contribute to expansion of the available facilities and create an encouraging environment for more tourism. At Senkele a rhino shelter recreation centre has been built and, in schools which are close to wildlife conservation areas, nine natural resources conservation clubs have been strengthened and given awareness creation training related for wildlife development and protection.

Science and Technology: The national science and technology policy document was reviewed, revised and presented to government, taking into account the current situation and technological developments. A database was established that identifies science and technology related capacity building requirements. To build national research capacity and support active researchers, training was given to young researchers and research institutions. Weekly radio programs and printed information sheets entitled "*From science and technology archive-kesaynese mahider*" have been distributed to enhance awareness of and develop interest in science and technology issues.

Environment: A woreda environment management planning manual was prepared. The manual aims to improve rural environments, contribute to sustainable development, improve living standards and ensure gender equality. About 1,450 environmental experts received training on environmental management planning based on the manual. During PASDEP the target was that more than 125 woredas prepare an environmental management plan; by the end of 2009/10, 116 woredas had prepared and implemented environment management plans. A dry waste management strategy was prepared and a related proclamation was issued. Awareness creation training on the dry waste management proclamation was given to 65 experts', while 12 environment impact assessment manuals were prepared and made available.

1.4. GOOD GOVERNANCE AND DEMOCRATIZATION

The good governance and democratisation strategies adopted during PASDEP aimed to build the capacity of the civil service to strengthen key public services that support and enable democratic institutions, improve service delivery in the same areas, and continue to strengthen the ongoing democratisation process. The democratic institutions addressed included those created before 2004/05 such as the Ombudsman, Human Rights Commission and Anti Corruption Commission. These organisations were established to monitor the system for administration of justice, provide social accountability and to ensure a sustainable, transparent and accountable public administration.

The main focus of the five year plan was to give woreda administrations increased authority and responsibility and grant city administrations' and mayors' offices an appropriate right for self administration. Within an overall objective of ensuring delivery of public services of high quality to the people, the focus has been to enhance the PASDEP implementation capacity at the local administrative level, address the shortage of skilled manpower, and improve the rural communication infrastructure. The governments' strategies to fight corrupt practices, among citizens and public servants show encouraging signs of improvement in terms of identifying corrupt persons, practices and organisations and bringing them before to the courts.

Awareness creation sessions were provided for those people engaged in the PASDEP preparation and monitoring with the aim of building public support and confidence through citizens' participation in the PASDEP preparation and implementation initiatives. A business process reengineering exercise was carried out by every government agency, as well as by woreda and kebele administrations, to improve public service delivery and ensure transparency of operations and good governance.

Extensive capacity building programs have been implemented to strengthen the efficiency and accountability of the justice system with significant achievements during the planning period. Awareness creation workshops were conducted to address problems within the justice system. A conflict prevention and resolution strategy was designed and implemented. A number of measures were also undertaken to strengthen relations between regional governments so as to build a strong and stable federal democratic system. Cases related to human rights and administrative biases were given precedence in the decision making process so that appropriate solutions could be quickly put in place.

1.5. CHALLENGES AND GOOD PRACTICE IN IMPLEMENTING THE PASDEP

1.5.1. Major Challenges Encountered

Implementation capacity: There were capacity constraints among leaders and public servants, at different administrative levels, involved in key aspects of PASDEP implementation. To address this challenge during PASDEP, the government launched a number of process reengineering and training programs to improve skills and ensure appropriate implementation capacity.

Finance mobilisation: Low mobilization of domestic financial resources was another implementation challenge encountered during PASDEP. Of course domestic revenue and particularly tax revenue have been increasing over the years following the reform and administrative measures taken by the government. Yet they remain low compared to the requirements of the development programs of the country. A related constraint that contributed to difficulties in mobilising adequate resources was the low level of domestic

savings needed to support the huge demand for investment required for the country's accelerating growth and development.

Inflation: A major challenge encountered during the implementation of PASDEP was a significant increase in inflation. This was a potentially serious challenge to maintaining the macroeconomic stability. The government reacted in time with effective fiscal and monetary policies as well as administrative measures to reduce inflation to single figures.

Rain: In some areas of the country, delayed arrival of rainy seasons, early withdrawal and poor distribution of rain were challenges from which important lessons have been gained.

Industrial sector: The under performance of the industrial sector was due to inadequate technical and managerial skills in the sector, foreign exchange shortages to import essential raw materials, spare parts and other inputs, power disruptions, constraints of access to efficient and effective credit services, and power disruptions..

1.5.2. Good Practices Learned

The lessons drawn from the implementation of PASDEP and which formed one of the inputs to the design of the 2009/10-2014/15 Growth and Transformation Plan (GTP) are the following.

Leadership, management and organisation: Many useful experiences have been gained during PASDEP on leading and managing the economy, on how to coordinate and mobilize the public at large, the private sector and non government organizations for accelerated and sustained growth.

Agricultural productivity, production and scaling-up 'best practices': During PASDEP, a number of model farmers who registered very high levels of productivity and production have emerged. The "best practices" of these model farmers have been analysed and documented for scaling up to the rest of the other farmers during GTP period. This is expected to increase productivity and production of most of farmers, and bring them closer to the performance of the model farmers.

Mobilising domestic resources: Significant experiences are gained during PASDEP as to how best to mobilize domestic resources and as to how to use domestic capacity most effectively to accomplish developmental interventions. These experiences are now integrated into the strategies and programs of the GTP for the next five years.

Good governance: The introduction of the good governance package in the PASDEP resulted in a range of key interventions that contributed significantly to human development, democratization, enhancing peoples' participation, building well integrated institutional capacity building and ensuring transparency and accountability. The next five year plan will build on and expand the good governance initiatives.

Industrialisation: As there was not significant growth in the industry sector and more specifically in the manufacturing sub-sector, the lesson is taken onboard that, in the next five years, more must be done to increase the percentage share of the industrial sector in GDP.

Social sector and infrastructure: Remarkable achievements have been realised in the PASDEP period with regard to significantly increasing access to infrastructure and social services, particularly education and health services. Thus consolidating the achievements gained so far in terms of expanding infrastructure and social services and improving the quality of social services and infrastructure have stood out as one of the pillar strategies of GTP.

CHAPTER 2.

BASIS, OBJECTIVES AND STRATEGIC PILLARS OF THE GTP

2.1. BASIS OF GROWTH AND TRANSFORMATION PLAN

The country's vision, the achievements of PASDEP, and the lessons drawn from its implementation, were the basis for formulation of the next five year (2010/11-2014/15) Growth and Transformation Plan (GTP). Factors which constrained growth and external shocks were taken into account in the formulation of the GTP.

Ethiopia's vision which guides the GTP is:

“ to become a country where democratic rule, good-governance and social justice reign, upon the involvement and free will of its peoples, and once extricating itself from poverty to reach the level of a middle-income economy as of 2020-2023.”

The country's vision specifically on economic sector includes:

“building an economy which has a modern and productive agricultural sector with enhanced technology and an industrial sector that plays a leading role in the economy, sustaining economic development and securing social justice and increasing per capita income of the citizens so as to reach the level of those in middle-income countries.”

From 2003/04, the economy shifted to a higher growth trajectory and the growth momentum was sustained during the PASDEP period. Infrastructure development and social services have expanded. The participation of private investors and the community in general was very substantial. Domestic resource mobilization increased the capacity of the country to finance development projects itself. The process of laying-out a foundation for democracy and good governance was given due attention in reform programs undertaken during the PASDEP period.

Among the major challenges encountered during the PASDEP implementation period were the high inflation pressures on the balance of payments; the inadequate levels of, and constraining factors in, both official development assistance and a lower level of domestic revenue collection than expected, (which led to difficulties in mobilizing financial resources to meet the growing development needs of the country); and the unpredictability of rainfall.

The GTP will contribute to achievement of Ethiopia's vision and to sustaining rapid and broad based economic growth. The experiences gained in resolving challenges that arose during, and lessons learned from, the implementation of the PASDEP were a starting point for formulation of the GTP. In summary, the overall objective of the GTP, over the five year period, is to sustain broad based, fast, and equitable economic growth so as to eradicate poverty in due course.

2.2. OBJECTIVES OF THE PLAN

The GTP has the following major objectives.

1. Maintain at least an average real GDP growth rate of 11% and attain MDGs;
2. Expand and ensure the qualities of education and health services and achieve MDGs in the social sector;
3. Establish suitable conditions for sustainable nation building through the creation of a stable democratic and developmental state; and
4. Ensure the sustainability of growth by realizing all the above objectives within a stable macroeconomic framework.

2.3. STRATEGIC PILLARS

Ethiopia's objectives and strategies for sustaining rapid and broad-based economic growth path are dependent on the following GTP's strategic pillars.

1. Sustaining rapid and equitable economic growth,
2. Maintaining agriculture as major source of economic growth,
3. Creating conditions for the industry to play key role in the economy,
4. Enhancing expansion and quality of infrastructure development,
5. Enhancing expansion and quality of social development,
6. Building capacity and deepen good governance, and
7. Promote gender and youth empowerment and equity.

Each of the strategic pillars is elaborated as follows.

2.3.1 Sustaining rapid and equitable economic growth

In order to achieve the vision of the country and, in due course, eradicate poverty and so improve the livelihood of citizens, it is imperative to sustain the higher economic growth of the last 5 years and beyond. For this reason, investments in growth enhancing sectors such as infrastructure and social sectors will continue at a larger scale. Economic growth is central in creating growing employment opportunities and Ethiopia's transformation into a middle income country.

The agricultural sector will continue to be the major driver of economic growth. Industrial growth will be given particular focus. Rapid growth of an industrial sector that increases the competitiveness of Ethiopia's exports and results in import substitution will be encouraged. This approach is expected to result in the rapid and broad based economic growth that will provide a foundation for structural transformation. The government's efforts to eradicate poverty and create employment will be pursued by sustaining rapid and broad based economic growth in a more coordinated and structured manner.

2.3.2 Maintaining agriculture as a major source of economic growth

The experiences gained from the agricultural development program, and lessons drawn from implementation of the PASDEP, were an input to the GTP agricultural development strategy. This strategy will support strongly the intensified production of marketable farm products for domestic and export markets, by small farm holders and private agricultural

investors. Fundamentals of the strategy include a shift to production of high value crops with a special focus on potential high productivity areas, intensified commercialisation, and support for development of large-scale commercial agriculture, where feasible. The commercialisation of smallholder farming will continue to be the major source of agricultural growth. Concerted support will be given to increase private investment in large commercial farms too. A range of public investments will be undertaken to scale-up the successes realised so far. Further strategies include development of a more transparent and efficient agricultural marketing system and increased investment in marketing infrastructure.

To ensure that agriculture becomes the main source of growth for the next five years the key strategy that will be pursued concerns scaling up of best practices of model small holder farmers. Thus the best technologies and practices of the model farmers will be scaled up for use by all other farmers during the GTP period. This will in turn increase agricultural productivity and production. It is very essential also to strengthen the government structures at all levels so as to provide effective services that increase agricultural productivity. Although the emphasis will be on scaling up the best technologies and practices of model farmers, new technologies will also be developed and disseminated to farmers and pastoralists.

In addition to promote multiple cropping, better adaptation to climate variability and ensure food security, the GTP will intensify use of the country's water and natural resources. Expansion of small scale irrigation schemes will be given priority, while attention will also be given to medium and large scale irrigation. Concerted efforts will be made to expand water shade management and to carry out effective water and moisture retaining works. Apart from improving productivity and living standards of the rural communities, these activities will help to cope better with the challenges of climate change. Strengthening the conservation and management of natural resource is another focus area. The conservation and management of natural resources will mainly rely on the farmers and government capacities.

Commercial horticulture will involve intensive farming and high value commodity production. It will extensively use labour and hence is likely to concentrate in highland areas and closer to the major cities of the country. It will be integrated with the surrounding small holder farming. In addition, given the expansion of infrastructure and services through out the country large scale extensive commercial farming are likely to be encouraged to grow. The other element of the agricultural development strategy is the promotion of private large scale commercial farms in areas that are not occupied or utilized by people.

During the GTP period, agriculture will shift to a high growth path in order to meet the food security needs of the country, to curb inflationary pressures on agricultural products, and broaden the export base of the country. The sector will serve as a spring board for structural transformation in the long run by adequately supplying inputs necessary for industrial growth.

2.3.3 Creating favourable conditions for industry to play a key role in the economy

Ethiopia's narrow industrial base is a major constraint on the nation's ability to generate foreign exchange and create job opportunities for its growing labour force. In the GTP period, the industrial sector will receive the highest level of support for export oriented and import substituting industries.

In the industrial sector, the government will focus in particular on strengthening micro and small-scale manufacturing enterprises, because they are the foundation for the establishment and expansion of medium and large scale industries, and open opportunities for employment generation, expansion of urban development and provide close support for further agricultural development. The role MSEs play in scaling up agricultural sector productivity is irrefutable and for this reason appropriate support will be provided to strengthen vertical and horizontal linkages between agriculture and industry.

The growth of MSEs and their integration with TVET system development will be instrumental in providing the necessary skills and education for technological transfer. This is an important part of the effort to support MSEs, as is the provision of capital for MSEs' operations through saving and credit institutions in a more transparent and accountable manner. To solve the production facility problems of MSEs and those linked to identifying market opportunities, efforts will be made by regions and city administrations to provide production and marketing facilities at an affordable cost. Entrepreneurial as well as saving attitudes and behaviours will be widely promoted among micro and small business operators in particular and among the public in general.

Major support will also be given to establish and expand medium and large scale industry. It is believed that these industries will encourage technological transfer, bridge the link between micro and small enterprises and improve the competitiveness of domestic resource based large-scale industries. Medium and large scale industries will also serve well the domestic market and produce value-added products for the export market. Measures to support selected strategic import substituting industries, both within the public and private domain, will be strengthened and this will help increase the foreign exchange earnings and lay the basis for more rapid industrial development.

As is clearly stated in the Ethiopia's Industrial Development Strategy, the value that can be added by the private sector is an important engine of the sectors' development. The business environment has over the years been conducive to investment and the trade and investment framework has improved rapidly, thus attracting both domestic and foreign investment. The government will continue providing all the necessary facilities and support to realize the GTP's industrial sector growth objectives.

2.3.4 Enhancing expansion and ensuring quality of infrastructural development

The expansion and maintenance of economic infrastructure such as roads, power and water supply, should be seen from the stand points of enhancing and sustaining pro-poor growth through job creation and promotion of industrial development and, by these means helping to realize poverty eradication. Even though large investments have been made over the previous plan period, the infrastructural backbone of the country has not yet reached the quantity and quality desired because of the low threshold of economic infrastructure in 2004/05. Constraints that have arisen to date in achieving the desired level of development included limited local human capacity and the large capital investments needed, combined with the high foreign currency component of those investments. During GTP period therefore emphasis will be put on both expansion and ensuring quality of infrastructure development.

The experience in implementing previous initiatives, the challenges encountered, and the unanticipated opportunities that arose, have all contributed to lessons learned that have improved the strategies adopted in the GTP. For instance, improvement in gross domestic savings is a policy initiative adopted by the GTP, in order to mobilise resources to fund

investments and promotion of import substituting industries. Investment in development of roads, railway networks, energy, irrigation and telecommunication will receive due attention during GTP period. A major effort will be made to increase investment in infrastructure by: increasing domestic savings and promoting import substitution of materials that are necessary for the infrastructure development.

In the plan period, the road networks will be expanded. Every rural kebele will be connected to an all weather road and thus to the main road network. Railway lines connecting various parts of the country will be developed. To meet the country's growing energy needs efforts will be made to increase use of alternative energy sources such as wind, geothermal and hydro energy. The ongoing telecommunication infrastructure expansion program will be concluded and good quality and efficient services will be provided by fully utilizing this countrywide and affordably priced infrastructure.

In view of the role of urbanization for economic and social development, building the necessary urban infrastructures will be given emphasis to ensure rapid and equitable growth of urban centres. The development of these urban infrastructures will be implemented in a manner that they will contribute for MSEs development and employment creation. Adequate attention will also be given to improve urban sanitation amenities to create suitable living and working environment. A comprehensive regulatory and capacity building framework will also be implemented in order to promote the development of a more productive and competitive domestic construction industry.

2.3.5 Expansion of social development and guaranteeing their quality

Improving citizens' living standards and development of their human potential, is a key strategic pillar of the GTP. The government will take various measures to improve peoples' health, productivity and skills. Among other benefits, these measures will increase the potential for government's policies, strategies and programs to realize their objectives. The main initiatives that are expected to ensure that this strategic pillar is realized are improved access to good quality higher and adult education, very wide access to good quality primary health care, better access to safe water and sanitation facilities, halting the spread of HIV/AIDS and other key infectious diseases, improving food security and nutrition, and improved housing conditions.

Education and training: The progress to date has been encouraging. In order to sustain this level of progress, the government will increase its efforts to develop the country's human resources by improving the access to and the quality of education in the next five years. To improve access to education, efforts will be made to address issues that hinder students', especially female students', enrolment. Appropriate importance will also be given to pre-primary and functional adult education. To improve the quality of education, measures will be taken to address existing shortcomings by increasing the number of teachers and schools. The government will expand and improve the initiatives taken to date in its General Education Quality Improvement Program.

Higher education: The key priority in the higher education system during the five year GTP will be to ensure the systems' quality and relevance. To this end, the management and administration of universities will be improved and strengthened. Efforts will be made to ensure the Higher Education Strategic Centre and the Higher Education Quality Assurance Agency fulfil their missions. The performance and implementation capacity of technology institutes will be developed further. Adequate supply of university teachers will be ensured through the implementation of a full fledged teacher development program. The revised curricula will be implemented taking into account crucial issues such as instructional

processes, assessment and examinations and student achievement. The government will launch a big push to strengthen science and technology in higher education.

Child care, special needs and adult literacy: The early childhood care and education system will be made cost effective and more participatory and be expanded in both formal and non formal education delivery mechanisms. The education strategy for children with special needs will be fully implemented. A functional adult literacy program will be expanded across the country.

Technical and vocational education & training: The TVET system will continue to be an instrument for technological transfer, through the development of occupational standards, accreditation of competencies, occupational assessment and accreditation, and the establishment and strengthening of the curriculum development system. TVET institutes will serve as the centres of technology and skill accumulation for micro and small enterprises (MSEs). Rigorous and regular monitoring and evaluation of TVET institutes will be carried out. The TVET program will be part of the government's capacity building program to strengthen engagement with, and productivity of MSEs, as a key instrument for creation of employment opportunities.

Health Services: The GTP will focus on improving the health of the population through provision of primary health care services that will be supported by the health extension program. In addition measures will be taken to ensure quality hospital services and better supply of medical drugs. The government will strengthen the measures it takes to improve the number, skills, distribution and management of health workers, through enhanced training of physicians (specialists and general practitioners). New systems of health care financing will be explored and implemented to overcome the existing bottlenecks. An incentive package will be developed to encourage domestic production of pharmaceutical products.

To increase the contribution of the private sector to health services, efforts will be made to improve and extend the delivery of services and their quality. Lessons will be drawn from other countries and integrated in the initiatives to be taken to improve the private sector's contribution to the health system. Mobilisation of external finance, together with domestic finance, in order to fund GTP health sector initiatives, will receive major attention. Private pharmaceutical factories will also be encouraged to sustainably produce and deliver quality pharmaceuticals. Generally GTP aims to fully achieve the MDG targets for the sector.

2.3.6 Strengthening good governance and capacity building

Strengthening institutional capacity is critical to implement the GTP policies, strategies and programs and thereby achieve satisfactory results. Apart from other existing, structural and institutional constraints, the country's economic growth and social development are hindered by organisational capacity constraints. Government has designed national programs, policies, and strategies that strengthen and sustain the country's implementation capacity, institutionally and organisationally. This is a vital contribution to the on-going process of democratization. For example, during the GTP period, the implementation of Civil Service Reform Program and Good Governance packages will be strengthened to ensure efficiency, effectiveness, transparency and accountability at all levels. The capability of civil servants, at federal, regional and local levels will be strengthened. Concerted efforts to improve information and communication **systems** will be made that contribute to the socioeconomic transformation process.

In order to facilitate the strengthening of the stable, democratic and developmental state that creates an enabling environment for development, major emphasis will be given to strengthening democratic institutions, building up the capacity of civil service and civil society organisations and establishing a system for citizens' access to information. Public participation will be strengthened at all levels to ensure better transparency and accountability in public decision making. In addition, the effectiveness of the justice system will be improved and laws will be amended to ensure that implementation and interpretation is in conformity with the constitution. The independence, transparency and accountability of courts and the judicial system will be ensured. Law enforcement institutions will be strengthened by improving the knowledge and skills of the human resources' employed and by providing the equipment required. Finally, the public's understanding and awareness of constitutional issues will be increased and the custom and tradition of peaceful resolution of disputes improved.

Another critical element of this pillar strategy concerns ensuring transparency and accountability in public decision making, as well as preventing and controlling corruption. In this regard, the focus will be on radically improving the tax and land administrations of the country. At the center of such reforms are improving the registration and information systems of income, property and land. In addition, public education and awareness creation that bring about attitudinal and behavioural changes, as well as effective enforcement of laws will be pursued. The establishment of reliable and uniform vital statistics and identification system of citizens will also be undertaken during the plan period.

2.3.7 Empowering women and youth and ensuring their benefits

Women and Youth: The objectives of the GTP can only be achieved when the multidimensional problems faced by women and youth are addressed. To this end, the government will scale up its efforts to implement its Women's and Youth Policies and Programs. These policies contain essential initiatives that will contribute to the participation and effective utilization of the untapped potential of these key social groups.

During the GTP period, women and youth initiatives will aim to ensure equitable socio-economic and political participation by and benefits directly for, women and youth in our society. Unleashing the potential contribution of youth and women to national development will have a profound effect on the speed, equity and sustainability of the country's overall growth and development.

Over the last few years major efforts were made to increase the enrolment of girls in school, expand coverage of female health services, and increase extension services to women farmers in rural areas. These efforts included also legislative and institutional reforms to protect the rights of, and open opportunities for, women. Although, progress has been made there are still challenges relating to changes in attitudes and traditional malpractices. Government is committed to speeding up the pace of change through education, by increasing the participation of women in public life, and by strengthening women's membership in gender based organizations.

Children: Relative to other sections of the community, children's vulnerability to manmade and natural disasters is higher. Efforts to date to minimise children's vulnerability will be increased during the plan period. Primary targets included in the GTP are to ensure equitable benefits to children from development initiatives, support vulnerable children, minimise harmful traditional practices that affect children, and protect children's rights and safety.

CHAPTER 3. MACROECONOMIC FRAMEWORK OF THE GROWTH AND TRANSFORMATION PLAN

3.1. MACROECONOMIC OBJECTIVES

Macroeconomic policy objectives for the five year GTP period 2010/11-2014/15 are the maintenance of macroeconomic stability so as to encourage savings and investment by adopting appropriate policies designed to promote rapid and broad based economic growth. Fiscal and monetary policies will be managed in a manner consistent with these macroeconomic objectives.

3.2. MACROECONOMIC POLICIES AND GOALS

The macroeconomic goals of the GTP are synchronized with the overall policy objectives of maintaining the growth momentum witnessed during the PASDEP period, Ethiopia's vision of becoming a middle income country, and meeting its MDG targets at a minimum.

3.2.1. Economic Growth, Savings and Investment

The Ethiopian economy has registered an average annual real GDP growth rate of 11% during the five years 2005/06 to 2009/10. The lesson learned during PASDEP and SDPRP periods, is that sustainable, rapid and equitable growth is essential to the GTP. It is growth that will help create employment and raise income, eventually eradicating poverty.

Two growth scenarios are considered in the GTP: Base Case and High Case Scenarios.

a) Base Case Scenario

Under the base case scenario, Ethiopia's economy is projected to grow at an average annual growth rate of 11.2%. This is the average growth rate attained during PASDEP and the GTP intends to maintain this growth momentum. Under the base case scenario, it is assumed that the economy will be able to grow provided that the same stable policies and strategies are followed at macroeconomic and sectoral levels as adopted previously; that prudent monetary and fiscal policy ensures that inflation remains at single digits; and that tax collection and administration systems are strengthened so as to increase domestic revenue substantially. All MDG targets will be met under the base case scenario.

Table 5. Real GDP Projection Annual Growth Rate (%)

Sector	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average
Agriculture & Allied Activities	7.6	8.5	8.5	8.6	8.6	8.7	8.6
Industry	10.6	14.0	17.9	21.4	23.0	23.7	20.0
Services	13.0	12.5	11.5	10.5	9.5	9.0	10.6
Real GDP	10.4	11.0	11.1	11.3	11.2	11.4	11.2

As shown in Tables 5 above, growth is expected to be broad based; agriculture is expected to grow on average by 8.6% per annum while industry and services are expected to show average annual growth of 20% and 10.6%, respectively.

Table 6. Projected Trends in the Structure of GDP by Industrial origin (% share)

Sector	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average
Agriculture & Allied Activities	41.6	40.6	39.7	38.7	37.8	36.9	38.8
Industry	12.9	13.2	14.0	15.3	16.9	18.8	15.6
Services	45.6	46.2	46.3	46.0	45.3	44.3	45.6

To bring about structural transformation in the economy, it is expected that the industrial sector's share of GDP will grow 12.9% to 18.8% and the agricultural sector's share will decrease from its current 41.6% to 36.9% at the end of the plan period. The service sector's share of GDP is projected to decrease from 45.6% to 44.3%. Achievement of these targets will provide an enabling environment for economic growth by balancing demand and supply of agriculture and industry sectors.

Looking at demand side of GDP, there are two macroeconomic balances to be considered, namely the resource gap between savings and investment and the trade balance between exports and imports (the export/import gap). In the GTP period prudent macroeconomic management will be adopted to maintain these macroeconomic balances.

A single digit inflation rate is targeted to prevail throughout the GTP period. During 2010/11 to 2014/15, GDP at current market prices is forecasted to grow at a rate of 17.2% on average, which is lower than the rate of growth during the PASDEP period. By the end of PASDEP, the share of total final consumption expenditure to nominal GDP was expected to decrease, but, it remained unchanged at around 94%. At the end of the GTP period total consumption is forecasted to reach 85% while domestic savings are targeted to increase from 5.5% in 2009/10 to 15% of GDP in 2014/15 and the five year average will be 11.9%.

Gross domestic investment is forecasted to average 27.5% of GDP during the plan period. In 2014/15 gross capital formation is projected to take a 28.2% share of GDP, rising from 22.3% of GDP in 2009/10. During the GTP period, the savings and investment gap is expected to narrow and reach 13.1% at the end of the plan period, from its present level of 19.4%. This is a reflection of the government's intention to raise domestic savings towards the investment financing requirement. In order to effectively raise domestic savings macroeconomic stability and measures that ensure an enabling environment, such as increasing financial sectors accessibility and diversifying their services, will be taken during the plan period. (See Table 7 below)

Table 7. Demand Side GDP as Ratio to GDP @ Current Market Prices (%)

Item	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average (2010/11-2014/15)
Total Consumption Expenditure	94.5	92.6	89.6	87.6	85.6	85.0	88.1
Gross Domestic Capital Formation	22.3	25.3	27.2	28.1	28.9	28.2	27.5
Exports of Goods and Non-Factor Services	13.6	16.6	17.7	19.2	20.8	22.5	19.4
Imports of Goods and Non-factor Services	33.0	34.5	34.5	34.9	35.3	35.7	35.0
Resource Balance	(19.3)	(17.9)	(16.8)	(15.7)	(14.5)	(13.1)	(15.6)
Gross Domestic Saving	5.5	7.4	10.4	12.4	14.4	15.0	11.9

To ease the pressure on the balance of payments, policy and administrative measures that promote growth and diversification of exports will be undertaken. At the end of the plan period, the share of exports to GDP is expected to reach 22.5%, a rise from 13.6% in 2009/10. High value products such as horticulture and other new export items will receive major support from the government. Combined with these initiatives, support will be provided for import substituting industries so as to ease the shortages of foreign exchange the country is experiencing. The share of imports of goods and services to GDP at current market prices is forecasted to reach 35.7% (See Table 7 above).

b) Higher Case Scenario

The basic assumption for the high case scenario is the doubling of agricultural value added, by scaling up the level of productivity of smallholder farmers and pastoralists to the productivity levels of existing best (model) farmers. This places the economy on a higher growth path than the base case scenario. Because of the potential of multiplier effects of the smallholder farmers, the increase in agricultural supply will stimulate growth of other economic sectors. Under the high case scenario, it is assumed that the possible upward shift of demand, caused by the doubling of agricultural value added by the end of the GTP period, will be stabilized by increased supply of agricultural sector goods that will keep the inflation rate in single digits.

An annual average GDP growth rate of 14.9% is targeted under the high case scenario. Agriculture, industry and service sectors are expected to grow on average by 14.9%, 21.3% and 12.8% per annum, respectively (See Table 8 below). At the end of the plan period the percentage share of agriculture, industry and service sector are expected to be 41%, 16.9% and 42.1%, respectively. (See Table 9 below)

Table 8. Projected Trends in the Structure of GDP growth by Industrial origin (%)

Sector	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2010/11-2014/15 (Average)
Agriculture & Allied Activities	7.6	9.5	13.5	16.1	17.1	18.4	14.9
Industry	10.6	14.8	19.4	20.8	23.7	27.9	21.3
Services	13.0	14.6	13.8	12.9	11.8	10.9	12.8
Real GDP	10.4	12.5	14.4	15.3	15.6	16.6	14.9

Table 9. Projected Trends in the Structure of GDP by Industrial origin (%share)

Sector	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average (2010/11- 2014/15)
Agriculture & Allied Activities	41.56	39.9	39.5	39.8	40.3	41.0	41.2
Industry	12.87	13.1	13.7	14.3	15.4	16.9	14.8
Service	45.58	47.0	46.8	45.8	44.3	42.1	44.0
Real GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The GTP five year average of total consumption expenditure, gross domestic capital formation, total export and import as a percentage share of GDP is forecasted to reach 88.9%, 22%, 19.7% and 30.5%, respectively. The gross domestic saving as a percentage of GDP will reach 17% at the end of the plan period, up from 5.5% in 2009/10, resulting in a projected resource gap of 4.1%.

Table 10. Projected Trends in Structure of GDP from the Demand Side High Case Scenario (% share in GDP)

Items	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average (2010/11-2014/15)
Total Consumption Expenditure	94.5	93.9	91.9	89.2	86.4	83.0	88.9
Gross Domestic Capital Formation	22.3	22.6	22.4	22.1	21.7	21.2	22.0
Exports of Goods and Non-Factor Services	13.6	15.5	17.5	19.5	21.7	24.0	19.7
Imports of Goods and Non-Factor Services	33.0	32.6	31.7	30.6	29.4	28.1	30.5
Resource Balance	(19.3)	(17.0)	(14.2)	(11.0)	(7.7)	(4.1)	(10.8)
Domestic Savings	5.5	6.1	8.1	10.8	13.6	17.0	11.1

3.2.2. Prospects for Growth, Wellbeing and Poverty

Macroeconomic indicators are used to understand the linkages between growth and poverty reduction efforts. Understanding poverty and wellbeing indicators and analysis of poverty enables the causes of poverty to be identified. The results of poverty analysis are important in designing policies, developing strategies and in identifying measures to be taken by the government. Analysis of poverty also helps to evaluate the success of ongoing policies and strategies, and their implementation.

Poverty analysis is multifaceted. The cost of basic needs approach is used to measure the income or consumption expenditure aspects of poverty. Consumption is preferred as an indicator of welfare, as opposed to income, because consumption better captures the long-run level of welfare than current income. Consumption also reflects better the households' ability to meet basic needs and it reflects the extent of households' access to credit and ability to save when their income is higher. For these reasons, consumption indicators make a better measure than income, because they reflect actual household living (or welfare) standards. For consumption to be an accurate indicator of households' welfare it has to be adjusted to take account of the difference in the calorie requirements of different household members; for age and gender of adult members for instance. This adjustment can be made by dividing real household consumption expenditure by an adult equivalent scale that provides a proxy measure of the nutritional requirement of each family member. The adult equivalent scale will, therefore, vary for different age groups and with the gender of adult household members. For the reasons described, many of the poverty analysis instruments, such as the head count ratio, use consumption indicators rather than income indicators.

'Total poverty' refers to an aggregate measure of poverty that takes into account both the food and non-food requirements. At this point it is worth noting how poverty lines are established. The most widely used method of estimating poverty lines is the cost of basic needs method (minimum expenditure approach). This method is applicable because the indicators used are more representative and the threshold will be consistent with real expenditure across time, space and income groups.

Following from the above justifications for, and definitions of, the methodology adopted, the food poverty line is defined by selecting a bundle of food that is typically consumed by the poor. The quantity of the bundle of food is determined in such a way that it supplies a

predetermined minimum calorie requirement level (2,100 kilocalories). This measure enables us to establish a consistent poverty line for Ethiopia. On this basis, the Food Poverty Line is determined by the minimum per capita expenditure required to acquire the bundles of food which provide 2,100 kilocalories. In addition to this measure, the total minimum per capita expenditure for basic needs (food and non-food) is used to determine the Poverty Line. Using this methodology the Central Statistical Agency carried out studies in 1995/96 that determined that the poverty head count was 45.5% and the number of people under the Food Poverty Line was 49.5%.

It is clear that, in Ethiopia, economic growth is crucial for the eradication of poverty over time, for citizens to enjoy fast growing living standards. This economic growth has to be rapid, sustainable and fair. Failure to realize such type of economic growth will place considerable constraints on the poverty eradication agenda. It is for these reasons that Ethiopia's development policies in general, and the GTP policies and strategies in particular, place great focus on ensuring sustained, rapid, broad based, poverty reducing and fairly distributed economic growth. Such economic growth will result in jobs being created, as a result citizens' earnings will rise and their living standards improve and this will lead to the country breaking out of the poverty trap.

The recent study conducted by the Ministry of Finance and Economic Development, "Dynamics of Growth and Poverty in Ethiopia (2008)" (based on three wide ranging studies, the Household Income Consumption And Expenditure Survey, Welfare Monitoring System and the Participatory Poverty Assessment) shows that a 1% per capita GDP increase will result in a 1.7% decrease in the poverty head count index. Based on the identified relationship between economic growth and its elasticity to poverty, it is calculated that the poverty head count ratio and the food poverty ratio have declined to 29.2% and 28.2% at the end of the year 2009/10, respectively. An updated calculation of the linkage between economic growth and poverty reduction will be determined when the current Household Income Consumption Expenditure study is completed. It is expected that the current HICE study will reveal that the poverty head count ratio, and the percentage of people living below the food poverty line, will be less than the current estimates because actual economic growth has been higher than projections for the last several years. For this reason the GTP boldly aims to achieve the MDG target of halving extreme poverty and hunger by 2014/15.

3.2.3. Fiscal policy

The medium-term fiscal policy objective is aimed at maintaining the deficit at a sustainable level. This requires inflation to be contained at single digit levels while simultaneously increasing public spending on pro-poor sectors. Among the major objectives of the fiscal policy are to strengthen domestic revenue generation capacity, finance major investment projects with own revenue, mobilize external grants, arrange external borrowing according to the borrowing policy of the country, and to mobilize domestic borrowing in a way that does not adversely affect macroeconomic stability.

On the revenue side, implementation of the on-going tax reform program will be enhanced by strengthening tax administration and collection. During the GTP period, efforts will be geared towards promoting compliance and equipping tax collection agencies with adequate enforcement powers. These strategies will further boost revenue mobilization at federal and regional levels. The government will accelerate the pace of implementation of the tax reform program by strengthening the capacity of tax collection agencies, implementing the Tax Identification Number system throughout the country,

improving the presumptive tax system, developing and implementing an audit program to cover all taxes, and improving the administration of the Value Added Tax.

Efforts will also be made to improve the tax base and bring new businesses into the tax net, particularly where they were beneficiaries of tax incentives (tax holidays). As a result of these measures, it is calculated that, by the end of the GTP period, the share of total domestic revenue and tax revenue to GDP at current market prices will reach 17.1% and 15%, respectively. The share of budget deficit including grants to GDP at current market prices will be maintained at about 2% on average so as to maintain macroeconomic stability (See Table 11 below).

Table 11. Fiscal Projection As a Percentage of GDP at @CMP (Base case Scenario)

Items	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average (2010/11-2014/15)
Total Revenue Including Grants	17.3	17.8	18.4	19.2	20.4	20.4	19.2
Domestic Revenue	14.0	14.1	14.2	15.3	16.8	17.1	15.5
Tax Revenue	11.3	11.7	12.1	13.2	14.7	15.0	13.3
Non-tax Revenue	2.8	2.4	2.1	2.1	2.1	2.1	2.2
Grants	3.2	3.7	4.3	3.9	3.6	3.3	3.7
Total Expenditure	18.6	20.5	20.2	21.1	22.3	23.7	21.6
Recurrent Expenditure	8.4	8.9	8.6	8.8	9.1	9.3	8.9
Capital Expenditure	10.3	11.6	11.6	12.3	13.3	14.4	12.6
Poverty Oriented expenditures	12.3	13.5	13.7	14.8	16.1	17.3	15.1
Expenditure Deficit including Grants	(1.3)	(2.7)	(1.7)	(1.9)	(1.9)	(3.3)	(2.3)
Deficit Financing	1.3	2.7	1.7	1.9	1.9	3.3	2.3
External net	1.1	1.0	0.8	0.8	0.8	0.6	0.8
Domestic net	0.5	1.6	0.9	1.1	1.2	2.7	1.5

On the expenditure side, resource allocations have been guided by the government's pro-poor growth policy whereby the lion's share of available resources are allocated to priority infrastructure and services that enhance pro-poor economic growth and social development. This policy will be applied more vigorously during the GTP period. Accordingly, the highest percentage share of total spending will be allocated to pro-poor sectors where capital expenditure as a percentage share of GDP is forecasted to reach 14.4% at the end of the plan period. (See Table 11).

3.2.4. Monetary Policy, External Sector and Financial System

Monetary Policy

Ethiopia's monetary policy will continue to focus on maintaining price and exchange rate stability so as to create a macro economy that is conducive for rapid and sustained economic growth. Inflation will be held at single digits during the GTP period (2010/11-2014/15). Measures will be undertaken so that growth of money supply will not be in excess of nominal GDP growth. During the GTP period a stable foreign exchange rate is envisaged, which will not only encourage export growth but also import substitution. These in turn would facilitate stable economic growth and significantly minimize foreign exchange constraints by strengthening hard currency reserves.

To implement the GTP both direct and indirect monetary instruments will be used as appropriate. The government will develop and implement initiatives to encourage domestic

saving and investment. In this regard real interest rates will be maintained above zero ,while non-traditional sources of revenue mobilization such as bond sales to citizens at home and the Diaspora will be put in place. The contribution and coverage of social security services will be improved, while policy measures that encourage domestic savings for machinery and housing investment will be introduced.

Financial system

In the GTP period the financial sector will be strengthened with the aim of establishing an accessible, efficient and competitive financial system. One purpose of this initiative is to increase domestic saving so as to sustain the fast and sustainable growth required to provide resources for expanding and improving public services. Government will introduce capacity building measures to raise the efficiency of financial institutions and improve banking practices so as to ensure healthy competition, support private sector banks and financial institutions to improve the coverage and quality of the financial services they provide and help them to minimize non-performing loans and improve their profitability.

During the GTP period, greater emphasis will be placed on strengthening modern payment systems, developing regulations to international standards and facilitating access to financial services. It is expected that these initiatives will enable the current level of access to finance of 20% to reach 67% by the end of the plan period.

The National Bank of Ethiopia will strengthen its human resources and information technology infrastructure. The capacity of the Ethiopian Financial Institute will be strengthened. Information technology that supports the bank information exchanges system will be extended to microfinance institutions. The expansion and improvement of modern IT networks, and their effective utilization by financial institutions will ease communication and facilitate the flow of real time money from one corner of the country to another. The introduction and wider application of payments systems that use faster, electronic means, such as cards, mobile or other electronic instruments, will facilitate improved banking services and help to reduce transaction costs.

3.3. SELECTED MACROECONOMIC AND SECTORAL TARGETS

Table 12 summarizes the key macroeconomic and sectoral targets expected to be reached at by the end of the GTP period. These targets are also used to track the progress of the economy and monitor the effectiveness of the GTP impacts as measured by major indicators. Details of targets are presented in the chapters and sections that follow.

Table 12. Selected GTP Targets

Sector/Indicator	Baseline 2009/10	Plan Target 2014/15
The Macro Economy		
Real GDP growth rate (%)	10.4	11.4
Per capita GDP @CMP (USD)	377	482/523
Total consumption expenditure as% of GDP	94.5	85.0
Gross domestic capital formation as% of GDP	22.3	28.2
Gross domestic saving as% of GDP	5.5	15.0
Government Finance		
Domestic revenue including grants as% of GDP	17.3	20.4

Sector/Indicator	Baseline 2009/10	Plan Target 2014/15
Domestic revenue as% of GDP	14.0	17.1
Tax revenue as% of GDP	11.3	15.0
Total poverty-oriented expenditure as% of GDP	12.3	17.3
Total expenditure as% share of GDP	18.6	23.7
Capital expenditure as% of GDP	10.3	14.4
Recurrent expenditure as% of GDP	8.4	9.3
Overall balance including grants as% of GDP	(1.3)	(3.3)
External (Net) as% of GDP	1.1	0.6
Domestic (Net) as% of GDP	0.5	2.7
External sector		
Total exports as% share of GDP	13.6	22.5
Total imports as% share of GDP	33.0	35.7
Resource gap as% share of GDP	(19.3)	(13.1)
Merchandise export as% share of GDP	6.7	15.6
Merchandise import as% share of GDP	26.5	32.0
Poverty & Welfare		
Total Poverty Head Count (%)	29.2	22.2
Food Poverty Head Count (%)	28.2	21.2
ECONOMIC DEVELOPMENT		
Agriculture		
Agricultural and allied activities growth (%)	7.6	8.7
Crop productivity (qt/ha)	17.0	22.0
Flower (mln stem)	2,748	5,859.1
Land covered with multipurpose/versatile trees (thousands ha)	6,058	16,210
Number of extension service beneficiaries (thousands)	5,090	14,640
Coffee exports (Tonnes)	319,647	600,970
Meat exports (000 Metric Tonnes)	10.18	111
Number of households participating in Productive Safety Net program (mln)	7.1	1.3
Industry		
Sugar production (000 tonnes)	314.5	2250
Sugar export (000 tonnes)	0	1,246.3
Export of sugar (USD mln)	0	661.7
Textile and garment industry export earnings (USD mln)	21.8	1000
Leather and leather products industry exports (USD mln)	75.73	496.87
Total cement producing capacity (mln ton)	2.7	27
Metal consumption per capita (kg)	12	34.7

Sector/Indicator	Baseline 2009/10	Plan Target 2014/15
Mining		
Gold export (kg)	3,907	8,700
Gold sold to NBE by artisanal miners associations (kg)	2,866	5,250
INFRASTRUCTURE DEVELOPMENT		
Roads		
Total road length / road network (000 km)	48.8	64.5
Average time taken to all-weather road (hrs)	3.7	1.4
Road density (km/1000 km ²)	44.5	123.7
Road density (km/1000 population)	0.64	1.54
Roads in acceptable condition (%)	81	86.7
Area further than 5 km from all-weather roads (%)	64	29
Construction of new all weather road that connect all rural kebeles with main roads (Km)	0	71,523
Railway		
Railway network (Km)	-	2395
Energy		
Electricity service coverage (%)	41	75
Power generating capacity(MW)	2,000	8,000
Reduce transmission lines power losses (%)	11.5	5.6
Increase number of new customers (mln)	2	4
Length of distribution lines construction (Km)	126,038	258,038
Rehabilitation power transmission lines (Km)	450	8,130
Telecommunication		
Fixed line telephone density (%)	1.36	3.4
Mobile telephone access/distribution (%)	8.7	45
Rural population telecommunication service access within 5km radius (%)	62.14	100
Fixed telephone subscribers (in mln)	1.0	3.05
Mobile telephone subscribers (in mln)	6.52	40
Internet service subscribers(in mln)	0.187	3.69
Water		
Overall potable water coverage (%)	68.5	98.5
Urban population with access to potable water within 0.5km (%)	91.5	100
Rural population with access to potable water within 1.5km (%)	65.8	98
Land developed for medium & large scale irrigation schemes (%)	2.5	15.6
Construction and Urban Development		
Jobs created to reduce urban unemployment rate in towns under integrated housing development (000)	176	182

Sector/Indicator	Baseline 2009/10	Plan Target 2014/15
Job created through MSEs (mln)	-	3.0
Provision of housing and basic services (number of housing units)	213,000	370,000
Reduction of slum areas (%)	60	30
Road constructed with cobblestone (km)	-	3738
SOCIAL DEVELOPMENT		
Education		
Net primary enrolment rate (1-8) (%)	87.9	100
Primary school girls to boys ratio	0.93:1	1:1
Primary school pupil text book ratio	1.25:1	1:1
Adult education participation rate (%)	36	95
Total number of undergraduate students in government higher institutions	185,788	467,445
Total number of TVET students	717603	1,127,330
Health		
Primary health services coverage (%)	89	100
Under five mortality rate (per 1000)	101	68
Infant mortality rate (%)	77	31
Maternal mortality rate (per 100,000)	590	267
Contraceptive prevalence rate (CPR) (%)	32	66
Births attended by skilled health personnel (%)	25	60
Under one year penta 3 immunization coverage (%)	82	96
Percentage of households in malaria prone areas with insecticide-treated bed nets (%)	100	100
Reduce incidence of malaria	0.7	<0.7
HIV/AIDS incidence rate (%)	0.28	0.14
Increase TB case detection rate (%)	36	75

CHAPTER 4.

FINANCING THE PLAN

Financing social and economic development programs is essential for the realization of the objectives stated in the GTP. Allocation of finance is based on the medium term Macro Economic Fiscal Framework, an instrument used by the government to frame resource expectations from domestic and external sources and allocate resources to key sectors in line with the overall development objectives of the country. The process of preparing the Macro Economic Fiscal Framework begins by identifying the overall resource envelope in the period from 3 to 5 years.

During the GTP five year period, allocation of development finance will aim to support the overriding objective of poverty eradication - within the country's financial capacity and within the maintenance of stable macroeconomic conditions. Based on these objectives, a larger share of total government spending will be allocated for development of pro poor and growth enhancing sectors. Government recurrent expenditure will be fully financed from domestically generated revenue whilst, capital expenditure will be financed by domestic revenue and external sources.

Projections of government revenue, allocation of resources to government's priority sectors, estimates of budget deficit, and financing under the base case scenario are presented in the following sections.

4.1. GOVERNMENT REVENUE

Domestic revenue will be mobilized mainly from tax and non-tax sources. Estimates of revenue collected from taxes for the five year period 2010/11 to 2014/5 assume full implementation of GTP initiatives, including on-going tax reform, improvement in efficiency of tax administration, and broadening the tax base in line with the economic growth anticipated and the potential resources that can be mobilised. Non-tax sources of revenue will be mobilized from the dividends and proceeds of public enterprises.

Other initiatives to raise financing for the GTP include encouraging private savings and investment, scaling up external development assistance and increasing Foreign Direct Investment (FDI). There are sources of development finance that do not appear in government's budget. These include off-budget financing by NGOs, local government expenditures using their own resources, and own source spending by public enterprises.

During the five year GTP period, domestic revenue, including grants, is expected to reach ETB 173 bln by the end of the plan period, up from ETB 66.24 bln in 2009/10, out of which, ETB 145.3 bln will be mobilized from domestic sources and the remaining ETB 27.7 bln ETB from external sources. (See Table 13 below).

Table 13. Projected GTP Revenue Requirements Under Base Case Scenario (in mln ETB)

Items	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total (2010/11-2014/15)
Total Revenue Including Grants	66,237	79,806	96,941	118,281	147,524	173,040	615,591
Domestic Revenue	53,861	63,315	74,585	94,119	121,660	145,299	498,978
Tax Revenue	43,315	52,534	63,588	81,228	106,460	127,212	431,022
Non-tax Revenue	10,546	10,781	10,997	12,891	15,200	18,087	67,956
Grants	12,376	16,491	22,356	24,162	25,864	27,741	116,613

4.2. GOVERNMENT EXPENDITURE

Government developmental expenditure is determined by the financial capacity of the country where the finance is collected from tax, non tax sources of revenue and official development assistance. Government recurrent expenditure during the GTP will be based on the base year (2009/10) spending, the growth prospects of the country in the coming years and the assumption of a stable macro economy. Capital expenditure during the GTP period prioritizes the financing of ongoing projects and investments on pro-poor sectors (such as agriculture and rural development, food security, water, education, health, roads, rural electrification, etc) that will help realize development policies and strategies set by the government and described in the GTP.

By the end of the plan period, it is expected that total government spending will reach ETB 201.1 bln, up from its ETB 71.3 bln in 2009/10. ETB 78.9 bln of the expected 2014/15 expenditure will be allocated to finance recurrent expenditure and ETB 122.2 bln to finance capital expenditure. By the end of the GTP period, expenditure on poverty-oriented and growth enhancing sectors will reach ETB 146.8 bln.

Table 14. Projected government Expenditures, Base Case Scenarios (mln ETB)

Items	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total (2010/11-2014/15)
Total Expenditure	71,334	92,049	106,125	130,187	161,452	201,146	690,959
Recurrent Expenditure	32,012	40,046	45,224	54,383	65,477	78,924	284,054
Capital Expenditure	39,322	52,003	60,901	75,804	95,975	122,222	406,905
Poverty Oriented Expenditures	47,251	60,682	72,165	91,131	116,245	146,837	487,060
Agriculture and Food Security	6,998	9,518	13,123	15,905	20,302	25,699	84,547
Education	16,870	21,703	24,562	29,579	36,354	44,025	156,223
Health	4,547	6,260	7,027	8,796	11,121	13,894	47,098
Road	14,601	17,304	21,752	28,762	36,581	45,898	150,296
Water	4,235	5,897	5,701	8,088	11,888	17,321	48,894

In general, in order to meet the GTP objectives, a total of ETB 690.90 bln is required, out of which, ETB 406.90 bln will be used to finance capital outlays and the remaining ETB 284.0 bln will be allocated to finance recurrent expenditure. In other words of the total

finance required during the plan period 58.5% will be spent on capital outlays and 41.5% on recurrent expenditure. (See Table 14 above)

4.3. FINANCING

In 2009/10, the total government revenue was ETB 66.2 bln and the total expenditure was ETB 71.3 bln. The budget deficit, including grants, of ETB 5.1 bln was financed through borrowing from both domestic and external sources. The budget deficit of ETB 28.11 bln at the end of the GTP period is expected to be financed from domestic (ETB 22.9 bln) and external borrowing (ETB 5.2 bln). During GTP period a total of ETB 75.4 bln budget deficit will be financed from domestic (ETB 50.6 bln) and external borrowing (ETB 24.4 bln).

Table 15. Projected Budget Gap During GTP, Base Case Scenario (in mln ETB)

Items	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total (2010/11 -2014/15)
Total Revenue Including Grants	66,237	79,806	96,941	118,281	147,524	173,040	615,591
Domestic Revenue	53,861	63,315	74,585	94,119	121,660	145,299	498,978
Tax Revenue	43,315	52,534	63,588	81,228	106,460	127,212	431,022
Non-tax Revenue	10,546	10,781	10,997	12,891	15,200	18,087	67,956
Grants	12,376	16,491	22,356	24,162	25,864	27,741	116,613
Total Expenditure	71,334	92,049	106,125	130,187	161,452	201,146	690,959
Recurrent Expenditure	32,012	40,046	45,224	54,383	65,477	78,924	284,054
Capital Expenditure	39,322	52,003	60,901	75,804	95,975	122,222	406,905
Poverty Oriented expenditures	47,251	60,682	72,165	91,131	116,245	146,837	487,060
Expenditure Deficit incl. Grants	-5,097	-12,243	-9,184	-11,906	-13,928	-28,106	-75,368
Deficit Financing	5,097	12,243	9,184	11,906	13,928	28,106	75,368
External net	4,131	4,520	4,201	4,974	5,490	5,220	24,405
Domestic net	1,758	7,356	4,983	6,932	8,438	22,886	50,595
Privatization		366					366

Projected expenditures presented in table 14 and 15 are based on the estimates of the medium term Macro Economic Fiscal Framework. In contrast, Table 16 presents expenditure requirements presented by implementing agencies. Thus, an amount of ETB 756,066 bln expenditure is estimated by the implementing agencies which exceeds by ETB 65.1 bln compared to the estimate of the Macro Economic Fiscal Framework. This budget will be allocated in alignment with the government's fiscal policy and based on the sectors' annual plan and budget. The budget deficit from the perspectives of the resource need of the sectors during the five years period will be ETB 140.47 bln. (See Table 16 below)

Table 16. Resource need by Implementing Sectors, Budget Deficit and Financing (in mln ETB)

Items	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total (2010/11- 2014/15)
Total Revenue	66,237	79,806	96,941	118,281	147,524	173,040	615,591
Total Expenditure Required	71,334	92,048	126,827	145,434	174,842	216,915	756,066
Recurrent Expenditure	32,012	40,046	54,046	61,975	74,507	92,436	323,010
Capital Expenditure	39,322	52,002	72,781	83,459	100,335	124,479	433,056
Poverty Oriented expenditures	47,251.6	60,682	86,243	101,802	124,139	156,179	529,045
Agriculture & Food Security	6,998	9,518	15,683	17,768	21,680	27,334	91,983
Education	16,870	21,703	29,354	33,043	38,823	46,826	169,749
Health	4,547.6	6,260	8,398	9,826	11,876	14,778	51,138
Road	14,601	17,304	25,995	32,130	39,065	48,818	163,312
Water	4,235	5,897	6,813	9,035	12,695	18,423	52,863

4.4. OFF BUDGET FINANCING OF INFRASTRUCTURE AND INDUSTRIAL PROGRAMS

As shown in the following tables, the total financing requirements of infrastructure and industrial development programs which will be undertaken off government budget are forecasted at ETB 569.19 bln. The financing arrangements of these programs will be 30% from own sources of development enterprises and 70% from domestic and external borrowing. Domestic borrowing will be effected within the framework of the government's monetary policy and a stable macroeconomic situation. External borrowing will be undertaken following the national borrowing policy. Of overall financing requirement indicated above, ETB 315.43 bln (55.42%) is required in foreign currency as indicated in the following tables.

Table 17. Off Budget Financing Requirement of Infrastructure and Industrial Development Programs

In mln ETB

S.N.	Sector/Subsector	2010/11	2011/12	2012/13	2013/14	2014/15	Total
1	Industrial Development	16,229.67	51,954.59	56,728.13	42,056.96	26,591.73	193,561.08
1.1	Textile and Garment Industry	1,386.5	2,447.1	3,611.6	3,484.6	5,015.6	15,945.4
1.2	Metal Engineering Industry	32	1,454	5,780	9,600	3,600	20,466
1.3	Agro-Processing Industry	488.6	647.5	862.5	888.1	460	3,346.7
1.4	Chemical, Pharmaceutical and Cement Industries	473.9	8,740.1	12,658	7,895.4	4,826	34,593.4
1.5	Fertilizer Complex Industry	75.99	3,282.45	3,384.33	3,290.24	3,172.01	13,205.02
1.6	Leather and Leather Products Industry	532.9	2,569.4	2,129.1	1,487.8	15	6,734.2
1.7	Micro and Small Scale Enterprises	2,909.4	3,354.3	336.4	0.00	0.00	6,600.1
1.8	Management and Privatization of Public Enterprises	1,155.7	4,962.2	5,510.7	4,256.7	3,210.1	19,095.4
1.9	Sugar and Associated Products Industry	9,174.68	24,497.54	22,455.5	11,154.12	6,293.02	73,574.86
	Sugar Industry	9,008.61	24,265.7	22,273.58	10,964.28	6,269.25	72,781.42
	Resident houses of sugar industry	166.07	231.84	181.92	189.84	23.77	793.44
2	Transport	35,088.3	43,223	41,795.4	30,550.1	11,047.7	161,704.5
2.1	Rail	16,647	31,036	31,304	24,516	7,293.1	110,796.1
2.2	Ethiopian Airports Enterprise	740	866.4	1,689.5	2,174.3	728	6,198.2
2.3	Ethiopian Airlines	14,942.76	8,425.74	6,246.00	1,307.43	220.41	31,142.35
2.4	Ethiopian Marine Transit Service	775	1050	1,290	1,569.1	1,981.6	6,665.7
2.5	Ethiopian Dray Port Service	886.5	1,237.8	671.2	336.7	143.7	3,275.9
2.6	Ethiopian Shipping Line	963.6	610.8	552.4	529.7	530.3	3,186.8
3	Communication	6,580	1,900	13,190	0	0	21,670
3.1	Ethio-Telecom	6,580	1,900	13,190	0	0	21,670
4	Energy	36,234	52,966	29,219	29,658	29,658	177,735
5	Addis Ababa Resident Houses Construction Project	2,640	2,640	3,080	3,080	3,520	14,960
	Grand Total (1+2+3+4+5)	96,638.53	152,687.33	143,970.23	105,228.20	70,666.84	569,191.10
	Foreign Currency Requirement (%)	62.85	53.32	54.01	53.42	53.46	55.42

Table 18. Off Budget Foreign Currency Requirement of Infrastructure & Industrial Development Programs

In mln ETB

S.N.	Sector/Subsector	2010/11	2011/12	2012/13	2013/14	2014/15	Total
1	Industrial Development	7,246.19	22,582.26	25,297.96	21,873.89	14,659.71	91,660.01
1.1	Textile and Garment Industry	826.4	1,458.5	2,152.5	2,076.8	2,997.4	9,511.60
1.2	Metal Engineering Industry	15.8	718.3	2,855.3	4,742.4	1,778.4	10,110.20
1.3	Agro-Processing Industry	293.2	388.5	517.5	532.9	276	2,008.10
1.4	Chemical, Pharmaceutical and Cement Industries	499.4	6,244.4	8,967.4	5,657.4	3,524.1	24,892.70
1.5	Fertilizer Complex Industry	60.79	2,625.96	2,707.46	2,632.19	2,537.61	10,564.01
1.6	Leather and Leather Products Industry	316	1,523.7	1,262.6	882.3	8.9	3,993.50
1.7	Micro and Small Scale Enterprises	2,880.3	3,320.8	333	0	0	6,534.10
1.8	Management and Privatization of Public Enterprises	777.8	3,339.6	3,708.7	2,864.8	2,160.4	12,851.30
1.9	Sugar and Associated Products Industry	1,576.5	2,962.5	2,793.5	2,485.1	1,376.9	11,194.50
	Sugar Industry	1,186.9	2,548.6	2,484.1	2,228.5	1,376.9	9,825.00
	Resident Houses of Sugar Industry	389.6	413.9	309.4	256.6	0	1,369.50
2	Transport	26,485.36	28,247.14	26,781.7	18,478.63	7,254.91	107,247.75
2.1	Rail	9,488.8	18,621.6	17,217.2	13,483.8	4,011.2	62,822.60
2.2	Ethiopian Airports Enterprise	37	22.7	964.5	1,430.3	453.5	2,908.00
2.3	Ethiopian Airlines	14,942.76	8,425.74	6,246.00	1,307.43	220.41	31,142.35
2.4	Ethiopian Marine Transit Service	750.6	6.4	1,286	1,565.9	1,960.8	5,569.70
2.5	Ethiopian Dray Port Service	422.6	671.8	547.4	195.3	84.7	1,921.80
2.6	Ethiopian Shipping Line	843.6	498.9	520.6	495.9	524.3	2,883.30
3	Communication	4,700	1,360	9420	0	0	15,480.00
3.1	Ethio-Telecom	4,700	1,360	9420	0	0	15,480.00
4	Energy	22,271	3,0717	16,256	15,853	15,853	100,950.00
5	Addis Ababa Resident Houses Construction Project	34.2	26.6	9.5	9.5	9.5	89.30
	Foreign Currency Requirement (mln ETB)	60,736.75	82,933.00	77,765.16	56,215.02	37,777.12	315,427.06
	Overall Financing Requirement (mln ETB)	96,638.53	152,687.33	143,970.23	105,228.20	70,666.84	569,191.10
	Foreign Currency Requirement (%)	62.85	53.32	54.01	53.42	53.46	55.42

4.5. THE ROLE OF THE PRIVATE SECTOR AND THE PUBLIC

As pointed in the previous chapter, many development programs and projects are undertaken by the government and other development actors. Previous experience shows that the participation of the private sector, non-government organizations and the public at large in the development process has been significantly increasing. Accordingly, in the next five years, the private sector, the public and non-government organizations are expected to play a more active role and thereby significantly contribute to the success of the GTP. The contribution of the private sector, the public and non-government organizations is therefore included as one critical element of the country's overall capacity to finance the GTP.

CHAPTER 5.

ECONOMIC SECTORS DEVELOPMENT PLAN

5.1. AGRICULTURE AND RURAL DEVELOPMENT

5.1.1 Strategic Direction

Main focuses for agriculture and rural development are increasing the capacity and extensive use of labour, proper utilization of agricultural land, taking account of different agro-ecological zones, linking specialization with diversification, integrating agricultural and rural development, strengthening the agricultural marketing system and effective implementation of the scaling up of best practices in the sector. Bearing these strategic directions in mind, the Agricultural Development–Led Industrialization Strategy emphasises that small holder farmers and pastoralists need to use efficiently available modern agricultural technologies that increase productivity and production. In addition, the private sector will be encouraged to increase its share of investment in agriculture. The remarkable growth that has been registered to date will be further strengthened in the GTP period. In order to expand Ethiopia’s export markets, initiatives will be put in place to increase penetration of international markets.

During the GTP period, a key strategic direction is to ensure smallholder agriculture becomes the main source of agricultural growth by scaling up interventions based on the experience gained, and identification of successes achieved in the previous plan period. Experience to date has shown that it is possible to increase the productivity of smallholder farmers within short period of time by better utilizing smallholders’ labour, land and by using improved but less capital intensive agricultural practices and technologies. It is also the case that there is a growing demand for agriculture products because of growth in population, growth in per capita GDP, increasing international demand and growing demand for agricultural products as raw materials inputs to the growing industrial sector. These national and international realities justify the need for increased investment in agricultural sector to increase productivity and production.

The results realised to date show that it is possible to transform subsistence agriculture to more market led production. The key drivers of this change will be improvements in farmers’ productivity and production. Thus, to lay the foundation for industrial development, to use agricultural inputs for the industries, to produce sufficient food crops and high value products for international market, agriculture will continue to play a leading role in the GTP period.

a) Smallholder Agriculture Development

Smallholder agriculture development will focus on the following three strategic directions.

Scaling up of best practices: The productivity of most average farmers is two to three times lower than that of best farmers. Scaling up of best practices to bring up the productivity of most average farmers closer to those of best farmers is the first strategic direction to be pursued during the GTP period. To realize this strategic direction, public capacities at all levels, the agricultural extension services system and the skills of development agents will be strengthened. Although the key direction is efficiently and effectively utilizing available technologies and practices adopted by model farmers through scaling up strategy, continuously building technological capacities is also important. Thus intensifying use of good agricultural practices, adoption of new technologies by farmers and pastoralists will be encouraged. To ensure agricultural growth is sustainable, capacity to adopt and utilise new and proven technologies will be continuously strengthened. New technologies will be

developed and tested and, where results are encouraging, will be disseminated to farmers and pastoralists.

Expand Irrigation Development and Improve Natural Resources Conservation:

Accelerated and sustainable agricultural growth will be secured by natural resources conservation, development and improvement of water utilization, and expansion of irrigation coverage. These areas will remain focus areas during the five year plan period and will include development of underground and surface water, irrigation development and natural resource conservation. These in turn entail capacity building for farmers and of government support structures.

Production of high value crops: A further implementation strategy is a focus on improving the incomes of farmers and pastoralists. Farmers and pastoralists will be encouraged to shift gradually from production of low value to high value products. This strategy will be implemented gradually and will take account of geographic differences on specializations and existence of favourable market and infrastructural factors.

b) Pastoral Development

Activities implemented in pastoral areas mainly focus on livestock resource. In that sense priority is given to water development adequate both for the local community and livestock. This activity will be implemented in relation to the improvement of pastoral land irrigation development. Activities related to food security will be implemented mainly in connection with infrastructure developments.

In areas convenient to irrigation development, resettlement of pastoralists on voluntary basis will be another task to be undertaken. Identifying, selection and dissemination of improved livestock breeds will be strengthened, and improved mobile veterinary services will be given. At local levels, emphasis will be given to increasing the number of professionals and strengthening their capacity so as to enable them give support to pastoralists.

To benefit the pastoralists from their livestock wealth, marketing system will be improved. Thus standard livestock centers will be built, pastoralists will be encouraged to organize themselves into cooperatives. To implement these activities close support will be given by the government. Extension systems will be strengthened; research centers will be expanded in a way to adopt appropriate technologies that give solution to local problems. Generally all possible measures will be facilitated to expand the extension system integrated with the pastoralist livelihood.

c) Private Sector Agricultural Development

Agricultural development policy explicitly states that private investors can participate in the nation's agriculture development endeavours. As a result of the efforts exerted to implement this policy success has been realised in the floriculture. The participation of private investors has been minimal in areas where extensive agriculture could be practiced, but where physical infrastructure is weak and, as a result, the government has been investing more in basic infrastructure in these areas. Where infrastructure has been expanded in rural areas the increase in private sector investment has gradually increased. The increase in demand for raw agricultural inputs for the growing industrial sector has also encouraged private investment in the sector. Infrastructure improvements have increased interest in investments in agriculture from abroad and domestically. In the five year plan period, more effort will be made to improve and increase the role of the private sector in the agriculture sector, in lowland areas where land for large scale commercial farming is in demand. In addition, in the highlands and areas close to major cities, private investment will be steered towards high value horticulture

products that can be produced on limited land, using abundant labour (thus generating significant employment) as well as increasing supply of produce for export. This type of private investment will require considerable expansion of basic infrastructure and a plentiful supply of labour. These investments will be integrated with smallholder agriculture and help to provide sustainable markets for smallholder farmers.

5.1.2 Objectives

The broad objective of agriculture and rural development in the next five-years is to achieve accelerated and sustained growth that contributes to poverty eradication and achievement of MDGs. The excellent results of, and experiences gained from, the implementation of earlier as well as ongoing programmes will support the attainment of agriculture and rural development sectoral objectives and of MDG targets by 2015.

During the plan period natural resources and soil conservation, enhanced use of appropriate technologies and practices as well as market oriented production will serve as the instruments to ensure rapid agricultural growth. A focus on export led production will compliment increased productivity and ensure accelerated development of the sector. Agriculture will continue to be the major source of economic growth while small holder farming will be the major source of agricultural growth. The private sector's role in the sector will also be promoted in order to secure sustained agricultural and rural development.

5.1.3 Major Targets

Major targets for agriculture and rural development are indicated in the following table.

Table 19. GTP Targets for Agriculture and Rural Development

Description of Targets	2009/10	2014/15
Cultivated land		
1. Total cultivated land utilised by major food crops (mln ha)	11.25	12.17
2. Production of cereals (mln ha)	9.1	9.6
3. Cereals productivity (qt/ha)	17	22
Coffee production and productivity		
4. Cultivated land by smallholder farmers (ha)	462,000	815,000
5. Coffee production (tons)	341,000	831,000
Livestock development		
6. Cattle feed production (qts)	50,000	145,000
7. Improved cattle breeds (%)	10.3	37
8. Production and distribution of improved livestock gene (mln dose)	0.35	2
9. Proportion of livestock vaccinated (%)	40	65
10. Proportion of low grade hides and skins (%)	50	15
11. Production of improved animal fodder seeds (qts)	50,000	145,000
Agricultural inputs supply		
12. Supply of improved seeds (mln qts)	0.56	3.6
13. Supply of chemical fertilizers (both DAP and Urea) (mln tons)	0.83	1.66
Agricultural extension		
14. Number of beneficiaries of agricultural extension services (mln.)	5.09	14.64
15. Of the beneficiaries of agricultural services proportion of women and youth (%)		40

Description of Targets	2009/10	2014/15
Improving soil fertility		
16. Areas under Vertisol development (mln ha)	0.60	3
17. Acidic land treated with lime (ha)	2210	37850
Natural Resource Conservation Program		
18. Area of land rehabilitated (mln ha)	3.21	10.21
19. Land developed under community based water shade development program (mln ha)	3.77	7.78
20. Total area of land subjected to soil fertility research (mln ha)	0.894	2.82
21. Total area of land covered with forest and with forest master plan (mln ha)	0.70	2.20
22. Area of land covered with multi-purpose trees (mln ha)	6.06	16.21
23. Forest coverage (mln ha)	13	18.23
24. Increase multipurpose trees (ha)	5062	10154
25. Natural resources conservation activities in pastoral areas (ha)	200,000	350,000
Small Scale Irrigation Program		
26. Land developed under small scale irrigation (mln ha)	853	1850
Food security		
27. Number of households participate in safety net programs (mln)	7.1	1.3
28. Food reserve (mln tones)	0.41	3
Agricultural Marketing		
29. Coffee export (tons)	172,210	600,970
30. Coffee export earnings (mln USD)	528	2037
31. Increase export earning of oil seeds (mln USD)	358	1120
32. Increase export earning of pulses (mln USD)	129.86	882
33. Increase the export of oilseeds (tons)	299,198	724,216
34. Increase the export of pulses (tons)	225,446	1,120,981
35. Increase the live animals exported (no.)	333,743	2,353,000
36. Meat export (tons)	10,180	111,000
37. Live animals and meat export earnings (mln USD)	125	1000
38. Earning from flowers export (mln USD)	170	535
39. Earnings from export of vegetable, herb and fruits (mln USD)	31.7	948
40. Earnings from export spices (mln USD)	18.57	30
41. Export of spices (tons)	15,594	34,240
42. Export of gums and incense (tons)	4,370	10,233
43. Export earnings from gums and incense (mln USD)	12.68	33.43
44. At the end of the plan period it has been planned to generate USD 6.58 bln from the agriculture sector export market by exporting 3.81 mln ton of agricultural products, 5859 mln flower cuts and 2.35 mln live animals.		
Cooperative Development		
45. Number of primary cooperatives	33,636	56,904
46. Number of cooperatives unions	212	546
Agricultural Research		
At the end of the plan period new technologies development in cereals, livestock, soil, forest development and agricultural mechanization will reach 265, 140, 41,219 and 836, respectively		

Description of Targets	2009/10	2014/15
Private Investment in the Agricultural Sector		
47. Production coffee and tee and other export crops (mln tons)	0.251	1.81
48. Transfer nearly 3.3 mln ha land to commercial farming investors in transparent and accountable manner		
Horticulture Development		
49. Land area under flowers production (ha)	1,586	3,000
50. Flower production (mln cuts)	2,748	5,859.1
51. Land under the production of vegetables, fruits and herbs (ha)	2,472	33,000
52. Production of vegetables, fruits and herbs (tons)	58,400	979,600

5.1.4 Implementation Strategies

a) Small holder agriculture

The major implementation strategy for agriculture and rural development in the GTP five year period is to scale up the best practices identified to date. Agricultural technologies that proved to be viable and beneficial, when tested by model farmers, will be transferred to other farmers as quickly as possible and the design and capacity building activities necessary to implement this strategy will be undertaken.

Crop production and productivity: As a result of the performance in agriculture and rural development, and the experiences gained, many of the conditions that are important to accelerate agricultural growth have been identified. It is possible to increase the productivity of smallholder farmers within a short period of time, by better utilizing smallholders' labour, land and with the efficient use of available technologies as well as introduction of improved agricultural practices and technologies. To ensure in particular effective scaling up of the best practices the extension system will be continuously improved, while the capacity of extension agents will be continuously strengthened.

Adequate moisture areas: In areas with adequate moisture the focus during GTP implementation will be on the scaling up strategy. Successful experiences, such as efficient ways of utilizing rain water and use of beneficial technologies, together with improved agricultural practices, will be expanded to increase crop production and productivity to the highest levels possible.

The core element of the scaling up strategy is to extend those improved agricultural technologies and practices that have been tested and used by model farmers to all other farmers. To put these into practice, and overcome the constraints that arise while doing so, continuously improving the extension system, strengthening capacity building, organisational and support services will be important.

The main mechanism adopted to implement the scaling up strategy will be to bring together best experiences according to technology types. This formulation process will be continuous as additional best experiences emerge during the implementation process. When improved technologies and agricultural practices are identified, training to introduce and improve skills will be provided to development specialists and farmers at farmers training centres and demonstration farms. Where technological problems are identified, appropriate measures will be taken to resolve and replace them with workable solutions. Solving attitudinal and skill related problems can develop a stronger commitment to and demand for technology. For this reason, measures will be taken to have an adequate supply of technology to meet the demand created. Appropriate adjustment measures will be taken to fine tune the system of technology inputs to the scaling up strategy. A transparent, efficient and effective agricultural marketing

system will be put in place in order that market capacity meets increased production following the scaling up strategy.

Implementation agencies and professionals will, at different stages, have to use best/model farmers' in the training process so that practical experiences are shared in a learning process. To ensure the benefit of experience is transferred effectively, the support of specialists will be provided by the extension system. At the end of the plan period, it is expected that, as a result of these measures, of those farmers who participate in the scaling up program, 90% will record productivity results that meet the model farmer benchmark.

In order to increase crop production and productivity, technologies and practices that improve soil fertility will be encouraged. Parallel to an increased use of chemical fertilizers, government will introduce activities to create awareness and develop skills to increase the amount and coverage of organic fertilizer use. In areas where moisture is adequate modern, drainage methods will be introduced in order to get full benefit from Vertisols. Steps will be taken to gradually change the existing blanket fertilizer application system to one based on soil fertility testing that identifies different agro-ecological areas, soils and suitability for major crop types. The aim is for 90% of fertilizer use to be preceded by this type of procedure and thus increase benefits from fertilizer application. In addition, action will be taken to increase distribution and use of organic fertilizers, such as bio-fertilizers, that can easily be used by farmers.

In adequate moisture areas, in order to increase crop production and productivity, improved agricultural practices will be applied. These include: the selection of crop varieties suitable for the soil type, adequate and timely farm preparation, use of the right planting time, the right quality and quantity of the planting input, and modern planting/sowing practices. In order to increase crop production and productivity, implementation of appropriate weeding frequency is considered important. Continuous assessment of pest infestations will be conducted, and measures taken when there is an infestation. Emphasis will be given to harvesting, storing and using matured crops in places and conditions where the crop is not exposed to pests.

While giving appropriate focus to the use of rain water, actions will also be taken to bring about significant change in water use by expanding the area of irrigation schemes. In places where it is easy to access underground water, farmers will be supported to construct hand dug wells, and use them for production of garden vegetables and permanent crops. Special attention will be given to small scale irrigation schemes development. Technologies that improve access to and use of water resources will be widely encouraged and applied.

The combination of scaling up the lessons learned from best farmers with increased irrigation is expected to double agricultural production. Other interventions will be integrated with these implementation activities, such as Vertisol drainage and development of double cropping systems based on Vertisols.

Technology multiplication, supply and distribution: Expansion of the use of technology and of its' supply and distribution systems is crucial to increased crop production and productivity. For this reason, during the GTP period, improved technologies will be applied to ensure the supply of the required quantity and quality of fertilizer, improved seeds, and small farm machineries.

Natural resources management: In areas with adequate moisture, appropriate conservation practices will be scaled up. During the GTP, soil and water conservation works will be implemented using organized community participation, in those areas where such works are required. Forestry development, protection and utilization works will be carried out in a similar way.

Livestock resources development: Livestock development is expected to be promoted alongside the scaling up strategy of crop production in areas with adequate moisture. The focus will be on the expansion of livestock fattening and dairy development technology. Improved technologies for honey production and poultry resources development will also be introduced. The success of these technologies will require strengthening of support for breed improvement, pasture development and animal health.

In the case of cattle breed improvement a strong focus will be given to artificial insemination breeding techniques and the implementation of better local breeds' selection and distribution. Because both improved and existing breeds become more productive when they receive adequate and balanced feed, homestead pasture development, improvement of grazing land, use of forest hacks, and development of pasture crops for zero grazing, will be undertaken.

Focus will also be given to preventative animal health services such as the provision of vaccination services (before incidence of disease), additional capacity for vaccine storage, training adequate animal health specialists, and expanding service delivery facilities, including mobile services.

In adequate moisture areas, based on the principles of specialization, adequate support will be provided to farmers through the extension system to enable them increase the production and productivity of high value products. Extra focus will be given to production of coffee, sesame, cotton, spices, vegetables and fruits. Broad support will be provided for preparation and formulation of packages to scale up outstanding experiences, and for the completion and expansion of these in order to increase the productivity and quality of outputs and to ensure farmers realise increased incomes.

Research-extension-farmers linkage: Strengthening the linkages between research, extension services and farmers is essential to the wider use of improved technologies and practices. Help for farmers' to absorb technology, scaling up use of improved technologies, and support for the technology distribution and operating systems will be further reinforced. The research-extension-farmers councils that are coordinating this initiative at different levels will be strengthened in their capability and capacity to identify technological problems, to promote joint solutions, to identify appropriate mechanisms and to become more results-orientated.

Initiatives to identify, test, produce and disseminate new technologies will be introduced. These initiatives include research on crop, livestock, natural resources and agricultural mechanization. Supply of new technologies will include the importation and adaptation of existing proven technologies and their local production. Another initiative will involve application of modern research techniques aimed at shortening the time it takes to supply technology for irrigation.

Moisture deficit areas: The government strategies for agriculture development interventions in moisture deficit areas will take into account what is necessary for adequate moisture areas. Some of these strategies are to enhance the development agents and farmers' skills, strengthen the organisational capacity of the extension system, and focus on the scaling up of outstanding experiences. The necessary work will be done to multiply technologies suitable for these areas and to supply and distribute the same as well as establish a comprehensive input and marketing system.

Appropriate efforts have been taken earlier to tackle problems related to moisture deficit. These include identification of suitable technologies and practical tests to determine their performance. During the GTP period, the major focus will be to use these tested technologies, where appropriate, more extensively. Where there have been interventions in watershed

development that produced outstanding results, such as soil and water conservation works, these will be replicated. Natural resources interventions will be extended to all moisture deficit areas and can result in rapid rehabilitation, emergence of springs from the watershed basin and use of the resources created for irrigation purposes.

Depending on the agro-ecology, soil type and slope of the area, different technologies will be put in place. These may include various types of stone and soil bunds as appropriate, water retention structures, erosion protection technologies and ridges, enhanced moisture retaining technologies, deep trenches, ponds, tie ridges and flood channels to divert rain water for use on farms. Natural resources development and protection practices are labour intensive and enable activities that use peoples' labour in beneficial and productive ways. When individuals, households or communities contribute labour it will always be on a voluntary basis. The safety net program will be used in these cases, following the approach of common asset development for the watershed development works as designed.

The major beneficiaries of natural resource development and protection interventions will be the people and communities who will also be the owners of the facilities provided and users of the developed watershed in their locality. In particular, implementation will ensure that youth and women are well represented among participants and beneficiaries of such initiatives.

One of the results to be achieved from watershed development in moisture deficit areas is the augmentation of underground and surface water. To this end, the down stream watershed will benefit from irrigation and supplementary irrigation development and use. By this means, moisture deficit areas problems can be solved while, at the same time, practices that increase production and ensure food security are put in place.

In moisture deficit areas, through introduction of various technologies for harvesting and holding rain water, it is possible to produce crops once in a year. To this end, moisture retaining works will be widely implemented. Water retention holes will be dug within and around farm plots to ensure the success of this approach. Adequate production will be ensured by constructing and covering water harvesting ponds using a geo-membrane, making tie-ridges on farms, building water and moisture retaining works. Adequate moisture will be maintained and productive cropping will be enabled by diverting flood water to farms.

In moisture deficit areas, small ruminants, honey bee and poultry development will be widely integrated with the watershed development interventions. In this regard special emphasis will be given to sheep and goat production. Production of feed for these animals will be encouraged together with the watershed development interventions and by selecting from indigenous breeds and using available exotic breeds and multiplying them, productivity will be enhanced. In order to provide health care for these animals, vaccine services will be provided, and control services provided for external parasites and diseases such as midges.

When bee keeping is integrated with watershed development, beekeeping will become a more extensively practice and honey production increased at the household level and through youth and women associations by introducing and supplying modern beehives. Improved poultry breeds will be supplied to farmers to help increase their income.

One initiative for livestock resources development in pastoral areas that will be given emphasis is the selection and distribution of local breeds for breed improvement purposes. Animal health services, including mobile services will be expanded, and the number and capacity of experts to deliver services will be increased. Natural resource management will be an important component of agricultural development in pastoral areas.

The Food Security Program has been implemented in moisture deficit areas known for their food insecurity problems. The program has experience with household asset building, safety net, and settlement programs, as well as with off-farm income generating activities and with the relationships between and integration of these activities. The safety net program will be implemented jointly with the household asset building program. This is because it helps solve natural resource degradation problems, which in turn are a cause of the food insecurity problem, and because it helps to build community assets. For these reasons, efforts will be made to increase the programs effectiveness.

By targeting those safety net beneficiaries who are involved in the household asset building component and by giving them support for business plan preparation, training, technology supply, credit and extension services; the program will be better able to ensure their food security. In the household asset building component, packages of support that are based on the food security strategy will be formulated. The packages will include those which are suitable for moisture deficit areas and that ensure food security in low moisture areas, such as water harvesting. The settlement program component of the Food Security Program was designed to ensure rapid food security. It is carried out on voluntary basis and is an alternative option available to households. In addition, those households that have very small plots, and landless youth and women, will be encouraged to engage in non-farm income generating activities. They will be provided with adequate support to ensure their food security by providing packages of skill and business management training, credit and access to markets.

The early warning system will be strengthened. Early warning of disaster and capacity building for the response to disasters will be key tasks over the GTP period. Ensuring a timely response to disaster will be included as part of agricultural support and economic development strategies and programs. In terms of preparedness for disasters, food and non-food reserves will be increased with storage capacity built to meet the increase, particularly of food security reserves.

b) Pastoral development:

The livelihood of pastoralists is intertwined with livestock resources. Improving pastoralists' livelihood is inseparable from the development of these resources. Consequently, the main emphasis will be given to water resources development for livestock and human consumption. This initiative will be undertaken together with improvement of pasture land and development of irrigation schemes. This approach has been tested and proven successful in Fentalie, and as efforts are already being made to expand the approach to Somali, Afar and SNNP Regional States, it will be widely expanded in the five year plan period.

The Food Security Program, when implemented in pastoral areas, will be introduced such that they bring about complementary community investments and there by promote sectoral development. For example, in areas where there are rivers, undertaking river diversion work or, where there is underground water, drilling boreholes need to be implemented. Water resources released by these investments will be made available for livestock and human consumption, as well as to develop irrigation schemes and improve pasture land. Together with these activities, voluntary resettlement programs will be executed that enable pastoralists' to establish settled livelihoods. Natural resource management will also be an important component of agricultural development in pastoral areas. Breed improvement by extensive implementation of better local breeds' selection and distribution will also be given attention and animal health services will be improved through expanding mobile veterinary service provision, training of adequate animal health specialists and strengthening the institutions.

In order for pastoralists to benefit more from livestock resources, focus will be given to the expansion of livestock marketing system. Adequate livestock markets will be provided and the existing markets improved. Animal transportation systems and market price information systems will be strengthened. The pastoralist extension system and research centers that address the technological needs of pastoralists will be strengthened. Pastoralists will also be encouraged and supported to voluntarily organize in to cooperatives so as to address their marketing and other challenges. Efforts will be made to integrate the mutual benefits realised by pastoralists and domestic investors involved in ancillary services such as stock fattening, abattoirs and cattle trading. In addition, government support will be provided to private investors for investment in pastoral areas in, for instance, slaughter houses and quarantine stations that meet the required standards.

c) Private sector investment in agriculture

Horticultural development: Cluster based development that has developed in selected areas around horticulture export ventures, particularly those supported by greenhouse technology, will be strengthened. Measures will be continuously taken to address the three major problems of the sector: marketing problem, logistical constraints, and transport limitations. These problems will be addressed in collaboration with actors in the sector. New land with basic infrastructure will be identified and held in a land bank for new development clusters. Recognising, the expansion and increasing viability of farms in the vicinity of Addis Ababa, arrangements will be made to encourage similar cluster formation and economic integration around other major cities. In order to minimize initial investment cost, favourable conditions will be put in place to produce green house facilities, irrigation pipes, etc. Efforts will be made to increase the participation of Ethiopian investors in horticulture development and integrate them with farmers engaged in horticulture production in different areas. Actions will be taken, where necessary to encourage livestock breeders and seed suppliers in the country, increase the number of horticulture investors, input suppliers and service providers within the sub-sector, and promote and encourage the aims of these activities.

In the five year plan period, smallholder farmers will be encouraged to participate in an out-growers scheme for production of exportable vegetables, fruits, spices and herbs. The scheme will adopt a rigorous monitoring and evaluation system that includes pre- and post production benchmarks and standards, and include human resources development that provides support from experts with practical skills and knowledge.

Large scale farming development: Large scale farming will be undertaken by private investors in lowland areas where abundant extensive land exists will be expanded and given due attention, in the next five years. The necessary arrangements will be made to increase private investors' participation by identifying areas that are not inhabited but are suitable for agriculture. Exploratory studies will be conducted to determine which forms of agricultural production enterprises are most suitable for each area identified. These areas and the data concerning them will be registered and organised in a land bank. An effective land administration system and implementation agency that ensure transparent and accountable land leasing and land use will be established. The government will encourage investment in suitable areas identified by enabling local and external investors develop using lease system. The necessary support will be given to encourage the participation of Ethiopian investors. Efforts will be made to attract foreign investment in a manner that will be beneficial for Ethiopia's agricultural sector development. In order to make the areas identified suitable for investment, essential infrastructure service will be provided and supply of transport. Labour supply will be mobilized from labour surplus areas. Follow up inspections of land use will be made and investor support services provided.

Every effort will be made to ensure private investors receive efficient services from government. While supporting private investment in large scale farms, government's focus is to ensure that the products from these farms are primarily for export or raw materials for domestic industries. For these reasons, emphasis will be put on cotton, date palm, tea, rubber tree and similar types of crops. Double cropping systems of production will be encouraged.

d) Agricultural Marketing:

A shift in the attitudes and production processes of farmers and pastoralists from subsistence to more market driven production has started to occur. This involves a change in attitude and life style and a new focus on international markets. Farmers and pastoralists will be helped to shift gradually from the production of low to the production of high value products and to ensure that their incomes increase as a result. The transformation of the agricultural sector, especially in terms of rapid agricultural diversification and commercialization, must be complimented by an effective marketing system.

Modern agricultural marketing systems, such as the marketing practiced through Ethiopia Commodity Exchange, will be strengthened. Initiatives that contribute to improving the agricultural marketing system include identifying and expanding best practices of model farmers, improving the quality of agricultural products, strengthening monitoring and support systems at all levels, improving market infrastructure and the agricultural marketing information system, building the capacity of the market actors, and strengthening the capacity and participation of cooperatives. During the GTP period the primary markets will be effectively linked to the Ethiopian Commodity Exchange system so as to create an integrated and efficient marketing system.

To improve the agricultural marketing system a number of initiatives will be taken in GTP period. The experiences of best small scale farmers will be clearly identified and be scaled up from kebele to federal level. Quality control of agricultural products will be put in place and the marketing system established. A strong monitoring and support system from regional to kebele level will be put in place and will serve to ensure the integration and performance of the market. Primary markets will be established and strengthened. Market infrastructure will be provided and market promotion strengthened so as to identify and penetrate new markets and increase the share in existing markets. An agricultural marketing information system will be established so that information can be delivered to users on a timely basis. The capacity of the market actors will be enhanced, agricultural product quality ensured and proper standards set. Cooperatives will be promoted to play a significant role in the marketing system. The focus will in particular be on identifying the problems of existing cooperatives and thereby undertaking measures that enhance their capacities.

The government will work closely with private actors in order to address market problems of particularly certain items. In this regard the government will work closely with all stakeholders to rectify the market, logistics and transport problems observed in horticulture, live animal, meat and other crucial export items.

e) Research-extension-farmers linkage:

Strengthening the linkages between research, extension services and farmers is essential to the wider use of improved technologies and practices. Help for farmers' to absorb technology, scaling up use of improved technologies, and support for the technology distribution and operating systems will be further reinforced. The research-extension-farmers councils that are coordinating this initiative at different levels will be strengthened in their capability and capacity to identify technological problems, to promote joint solutions, to identify appropriate mechanisms and to become more results-orientated.

Initiatives to identify, test, produce and disseminate new technologies will be introduced. These initiatives include research on crop, livestock, natural resources and agricultural mechanization. Supply of new technologies will include the importation and adaptation of existing proven technologies and their local production. Another initiative will involve application of modern research techniques aimed at shortening the time it takes to supply technology for irrigation.

f) Building the capacity of implementers

The scaling up strategy triggered to achieve a meaningful increase in smallholder production and productivity is discussed earlier in this chapter. The initiatives involve improvement of soil fertility, implementing improved agricultural practices, technology multiplication, and improved supply and distribution. To successfully implement these initiatives, building the capacity of all the implementation agencies and individuals is a decisive issue. Support to the agricultural sector will be strengthened in terms of the effectiveness of human resources, operations and organizations, at all levels. The development agents who provide specialized services directly to farmers will be helped to increase their skills and motivation. Clear procedures for how they can access suitable short and long term training will be put in place. To provide for those areas where development agents are not adequate in number, the Agricultural Technical and Vocational Education and Training colleges will train additional development agents in the areas of agriculture development, animal health and cooperatives. In order to increase farmers' motivation, their technological skills and ability to deploy improved agricultural practices will be improved. This initiative will use the outstanding practices of model farmers' via practical training sessions and materials at farmers' training centres. A simple farmers' extension service that enables transfer of model farmers' experiences, such as development groups, will be used as a preferred experience exchange approach. The farmers training centres as one of the agencies that will be responsible for enhancing farmers' skills will be expanded and those which are fully operational strengthened by increased support and equipment provision as well as by setting up organized demonstration farms.

5.2. INDUSTRY

To ensure faster and sustained development of the industrial sector, favourable conditions will be created for industry to play a key role in the economy. To this end, particular emphasis will be given to two main sub-sectors. First the main strategic direction will be to support expansion and development of micro and small enterprises. In addition, efforts will be made to further develop medium and large scale industries.

5.2.1 Strategic Directions

Agricultural Development Led Industrialization is the fundamental building block of industrial development in Ethiopia. To support this key policy, the private sector will be promoted so that it can play a more significant role in sustaining economic growth. The government's industrial development strategy states that ensuring accelerated and sustained industrial development is a fundamental policy direction. To implement this policy, the sector's development strategy focuses mainly on industries that are labour intensive, have broad linkages with the rest of the economy, use agricultural products as inputs, are export-oriented and import substituting, and contribute to rapid technological transfer. In other words the key strategic direction of industrial development will be micro and small scale industrial development.

- a) Micro and small enterprises development: This will be the strategic focus of the industrial development during the GTP period. During the plan period an

environment conducive for the emergence of new MSEs and support that increase the productivity of the existing MSEs will be put in place. This strategic direction will enable the development of broad-based and competent private sector. The expansion of MSEs in urban areas will also result in large scale job creation and thereby poverty reduction. The development of MSEs is also critical for strengthening sustainable rural-urban and urban-to-urban functional and economic linkages. The expansion of MSEs is crucial too for sustaining the rapid growth being witnessed in the agricultural sector.

- b) Medium and large industries development: particular emphasis will be given for the following medium and large scale sub-industries:
 - 1. Textile and garment industry,
 - 2. Leather and leather products industry,
 - 3. Sugar and sugar related industries,
 - 4. Cement industry,
 - 5. Metal and engineering industry,
 - 6. Chemical industry,
 - 7. Pharmaceutical industry, and the
 - 8. Agro-processing industry,
- c) Industrial zones development: based on their feasibility industrial zones that are suitable for establishing medium and large scale manufacturing industries will be developed.
- d) Public enterprises management and privatization: The capacity and management of public enterprises as well as privatization will be enhanced.

5.2.2 Objectives

The development objectives for the industrial sector are to

- 1. Create a broad-based spring-board for competitive domestic industrial and private sector development;
- 2. Create employment opportunities and thereby reduce poverty;
- 3. Support sustainable development of agriculture;
- 4. Increase industrial production and productivity by fully utilizing the existing capacity of industries;
- 5. Promote medium and large industries that use domestic raw materials labour;
- 6. Create a strong foundation for the sector to start playing a leading position in the national economy, employment generation, and foreign exchange earnings and savings;
- 7. Strengthen the sector's capacity to produce locally equipments, machinery and spare parts.

5.2.3 Major Targets

To achieve the objectives described above, the following targets have been set.

a. Micro and Small-Scale Enterprises

MSEs Development is the key industrial policy direction contributing to the envisaged structural transformation of the economy. The overall objective and key government policy direction for this sub-sector is to expand the quantity and quality of micro and small scale

enterprises. Major targets to achieve this objective and implement the policy direction are presented in the following table.

Table 20. GTP Targets for Micro and Small-Scale Enterprises

Description of Targets

1. Provide comprehensive support to micro and small scale enterprises so that they create employment opportunities for about three mln people. Achievement of this target will enhance citizens' income, contribute to a rise in domestic saving, and enhance the benefits of women and youth from the sector so as to reduce unemployment and poverty.
2. Provide Training of Trainers for 10,000 professionals in the sub-sector.
3. Provide capacity building and basic skills training for about 3 mln operators in the areas of entrepreneurship, technical and vocational skills.
4. Prepare and develop 15,000 ha of land for working premises, and construct shade and buildings for MSEs.
5. Provide micro credit and marketing information and work with producers to identify bottlenecks and provide support where solutions are identified.

b. Medium and Large Scale Manufacturing Industries

Brief descriptions of the objectives for each designated industry under medium and large scale manufacturing industries are presented below. The targets during the plan period are presented in summary for all designated medium and large scale manufacturing industries in the table below.

Textile and Garment Industry: The objectives for the textile and garment industry include maximising utilization of existing production capacity, increased export earnings, and increased investment in the sub-sector. This will be achieved mainly through the provision of support and by creating an environment conducive to the industry's development.

Leather and Leather Products Industry: The objectives for the leather industry are to expand production of locally produced products, in terms of both variety and quality, as substitutes for imported leather products, increase foreign exchange earnings, and strengthen the technological capability of the industry. It is expected that these objectives will be met mainly by the establishment of new investment projects, expansion of existing operations and by improving the production and productivity of the industry.

Sugar and Related Products Industry: A key objective for the sugar and related products industry are to produce sufficient sugar production to meet the local demand of sugar production. Sugar and related products production will be expanded so as to support the supply of energy/power and other key economic activities. The contribution of the sugar industry to overall economic development will be increased as will job opportunities. For the effective implementation of the industry's objectives, human resource development, institutional capacity building and relevant research and technological capacity will be enhanced.

Cement Industry: The objectives of the cement industry are to fully satisfy local demand for cement and create capacity to supply cement to the export market.

Metal and Engineering Industry: The objectives of the metal and engineering industry are to enhance the industry's production, quality and productivity, substitute imported products, build-up the design and manufacturing capacity of the industry as well as supporting other manufacturing industries.

Table 21. GTP Targets for Medium and Large Scale Manufacturing Industries**Description of Textile and Garment Industry Targets**

1. Raise the gross value of production of the textile and garment industry to USD 2.5 bln by the end of the plan period.
2. Scale up the production capacity of the textile and garment industries by an additional 90% during the plan period.
3. Raise foreign exchange earnings from the textile and garment industry, by the end of 2014/15 to USD 1.0 bln.
4. Create new employment opportunities that contribute to the reduction of unemployment, for about 40,000 citizens during the plan period.

Description of Leather Industry Targets

5. Create an annual production capacity, in existing and new tanneries of 60.2 mln square feet of finished leather.
6. Through the importation of hides and skins, pickle, wet blue, and crust, solve raw leather supply problems so as to upgrade the production capacity of tanneries to 90% of full capacity.
7. Raise the foreign exchange earnings from the export of leather and leather products from USD 75.73 mln in 2009/10 to USD 496.5 mln by the end of the plan period.

Description of Sugar and Related Products Industry Targets

8. Raise annual production of sugar and ethanol to 2.25 mln tons, and 304,000 m3, respectively, and also generate 607 MW of electric power, by the end of the plan period.
9. Develop an additional 200,000 has of land planted to sugar cane.
10. Generate USD 661.7 mln foreign exchange earnings from the export of 1,246,000 tons of sugar, of which 623,000 tons is raw and 623,000 tons is white sugar.
11. Raise sugar cane productivity to 155 tons per ha, by the end of the plan period.
12. Create additional employment opportunities for more than 200,000 citizens.

Description of Cement Industry Targets

13. Raise the country's total cement production capacity to 27 mln tons (a day, month, annum) by the end of the plan period.
14. Achieve an annual cement per capita consumption of 300 kgs.

Description of Metal and Engineering Industry Targets

15. Increase the gross value of domestic products of the industry to ETB 101.4 bln.
16. Raise the capacity utilization of the industry to 95%.
17. Improve annual per capita metal consumption to 34.72 kgs
18. By improving the production and technological capacity of the industry increase local production capacity of manufactured parts and components for selected major manufacturing industries., namely leather, textile, sugar, cement, agro-processing, construction and vehicle body industries to 90%, 35%, 85%, 85%, 75%, 95%, 85%, respectively.

Chemical Industries

Brief descriptions of the objectives for each designated industry under chemical industries are presented below. The targets during the plan period are presented in summary for all designated chemical industries in the table below

Fertilizer Industry: The objective for this industry is to produce sufficient fertilizer, using domestically available raw materials, so as to meet the local demand for the product.

Caustic Soda and Soda Ash Industries: The objectives for these industries are to establish the basic chemical manufacturing industries, using locally available raw materials, sufficient to supply and satisfy the input needs of other export oriented and prioritized industries.

Soap and Detergent Industry: The objective of this industry is to create sufficient local capacity to wholly substitute imported soap and detergent products with local products.

Paper and Paper Products Industries: The objectives for the pulp and paper industry are to create the capacity to substitute imported products with local products sector.

Plastic and Related Products Industries: The objective of the plastic and related products industries is to substitute imported plastic products with locally produced products.

Rubber Tree Industry: The objective of the rubber tree industry is to create the capacity to manufacture natural rubber locally so as to substitute wholly for imports of the product.

Table 22. GTP Targets for Chemical Industries

Description of Targets	
1.	One Fertilizer Industry complex will be established to partially fulfil local demand.
2.	Caustic Soda and Soda Ash Industries Establish a caustic soda manufacturing plant that can produce 50,000 tons of caustic soda per annum to meet fully the product's local demand
3.	Caustic Soda and Soda Ash Industries Establish a soda ash producing plant that can produce 35,000 tons of soda ash per annum to meet fully the product's local demand.
4.	Soap and Detergent Industry Establish new factories that can produce 166,000 tons of soap and detergent products.
5.	Soap and Detergent Industry By the end of 2014/15, raise the capacity utilization of soap and detergent factories to 90%.
6.	Paper and Paper Products Industries Establish the capacity to produce 410,000 tons of paper and 315,000 tons of pulp through new investment, by the end of the plan period.
7.	Paper and Paper Products Industries By the end of 2014/15, raise the capacity utilization of the existing paper producing factories to 98%.
8.	Plastic and Related Products factories. One plastic factory will established to partially fulfil the local demand and substitute for imported plastic inputs and products.
9.	Rubber Tree Industry The target is to: Establish cultivation of 3,000 has of commercial rubber trees, and produce and supply 10,000 tons of natural rubber latex per annum with the involvement and ownership of Rubber Tree Development National Nucleus Project, farmers, and investors.
10.	Rubber Tree Industry Establish a processing plant producing 6,700 tons of technically specified rubber (TSR) annually.

Pharmaceuticals Industry

The objectives of the pharmaceutical industry are to create the capacity to produce essential pharmaceutical products that substitute for imported products and also supply export markets. This will be achieved by improving the utilisation of existing capacity and the establishment of new industries.

Table 23. GTP Targets for Pharmaceuticals Industry

Description of Targets	
1.	To achieve full utilization of the existing capacity of local pharmaceutical and medical supplies manufacturers.
2.	To raise the share of the domestic market held by local pharmaceutical and medical supplies manufacturers to 50%.
3.	To increase the export earnings of pharmaceutical and medical supplies products to USD 20 mln.

Agro Processing Industry

The objectives of the agro-processing industry are to increase the productivity and capacity utilization of the existing industries, support and promote the establishment of new industries so as to increase the sub-sector's production both to local and foreign markets.

Table 24. GTP Targets for Agro Processing Industry

Description of Targets
1. To raise the productivity of the beverage industry by increasing its capacity utilization to 90%
2. To generate USD 300 mln from the export of agro-processed products.

c. Industrial Zones Development

The main purpose of developing industrial zones is to attract more investment and investors by providing land with essential infrastructural services and creating an attractive environment for investors. The initiative contributes to the overall economic development and poverty eradication by creating employment opportunities, enabling increased exports and foreign currency earnings, and providing local goods that substitute for imported goods. Accordingly the GTP target is to establish at least 4 feasible industrial zones by implementing the following strategies.

1. Solve the problems developers encounter in acquiring basic infrastructure services such as land, power, telecom, road, customs, etc, in a timely manner.
2. Expand and strengthen training centres and institutions so that developers have access to a plentiful supply of skilled and competent human resources.
3. Assist developers and attract foreign investment to the industrial zones.
4. Cover 30% of the cost of providing basic infrastructure services such as water, telephone, power, roads, etc.

d. Public Enterprises Management and Privatization

A main objective of public enterprises management and privatization is to improve the operational performance of public enterprises and thereby increasing their competitiveness and effectiveness. In addition, the reform with regard to public enterprises management and privatization aims to increase export earnings. A high level of corporate leadership and management will be ensured. Feasible projects in areas the private sector is unable to finance will be established so as to rectify market failure and there by foster economic development.

Table 25. GTP Targets for Public Enterprises Management and Privatization

Description of Targets
1. To raise the value added amount from public enterprises to USD 5.32 bln and an overall growth rate of 19%.
2. For all public enterprises to achieve 100% capacity utilization.
3. To increase the profitability of public enterprises, before tax, to ETB 5.25 bln - an annual growth rate of 21%.
4. To increase export earnings of public enterprises to USD 140 mln.

5.2.4 Implementation Strategies

Micro and small-scale enterprises: One of the strategies to be pursued in promoting MSEs development would be strengthening of the regulatory and policy environment such that the environment nurtures entrepreneurship and competitiveness. The promotion of MSEs

development will take into consideration the different stages of development of the enterprises. Accordingly, the support provided will vary depending on whether the enterprises are at starting, growth or maturity stages of development. Yet the strategy will particularly encourage enterprises that display entrepreneurship, and that are becoming more and more competitive in the market. The second implementing strategy concerns promotion of savings. Training and complementary support will be provided to encourage savings and increase the capital of MSE employers and employees. The micro credit support system centers around the use of own initial capital and savings to start up a business. To supplement this however, an accountable, efficient and transparent mechanism will be put in place to enable the provision of credit to MSEs. In addition, mechanisms will be put in place to help MSEs with access to production and marketing premises to ease their capital problems.

Continuous training and awareness creation initiatives will be delivered to MSE owners to nurture their entrepreneurship. There will be further expansion of the industrial extension service in urban areas to improve the productivity and competitiveness of MSEs. The TVETs will serve as skill and technology centers that support MSEs through technical skill and entrepreneurship training, technology transfer and improvements, and business counselling. The TVET will support MSEs by ensuring a good supply of skilled labour that will be integrated with the industrial development extension system. Government's development programs will be designed in a supportive manner, to develop and improve capacity of MSEs. Government will put in place supportive market mechanisms such as export incentives, linking MSEs to medium and large scale manufacturing industries and access to agricultural outputs for MSE production inputs.

Medium and large scale manufacturing industries: Here too, one of the strategies is to strengthen the policy and regulatory environment for private sector development. By increasing transparency and eliminating rent seeking attitudes, Ethiopian entrepreneurs will be encouraged to increase their investments in, and thus the productivity of, medium and large scale manufacturing industries. An environment conducive to increasing the contribution of the manufacturing sector to the economy will be created by building the capacity of Ethiopian investors to collaborate with foreign investors. To increase the pool of adequately trained human resources, focus will be given in higher education and in TVET to supply of the human resources with the knowledge and skills required by manufacturing industries. The research institutes will be further strengthened to support the productivity of manufacturing industries. Foreign technical support will be reoriented towards strengthening leadership and to enhance technology transfer and build capacity of professionals.

With regard to land supply and services, an efficient and effective system will be put in place to provide serviced land at an affordable price for investment in manufacturing. Serviced industrial zones will be developed. Industries that produce for the export market and produce goods that substitute for imports will be especially encouraged through provision of better access to credit and other incentive mechanisms.

The efficiency of the privatization process will be further strengthened so as to transfer those state owned enterprises identified to the private investors. Strategies will be put in place to ensure state owned enterprises operate in a way that minimise inefficiency and improve profitability. Human and capital resource capacities of domestic investors will be enhanced to support expansion of industrial and infrastructures development and pave the way for an increase in competent domestic investors and attracts foreign investors. Other activities will aim to attract foreign investors to increase their investment in key industries. Performance identification mechanism will be in place to identify those investors that perform well and are productive. A mechanism will be put in place to ensure the cross cutting sector issues in the development plan are integrated in the industry.

5.3. TRADE

5.3.1 Strategic Directions

The trade sector plays a significant role in sustained economic growth in market-oriented economic system. In the coming five years, raising the efficiency and competitiveness of the sector, strengthening domestic and foreign investment and trade, eradicating rent seeking behaviours, establishing a favourable environment for productive investors, promoting a competitive and efficient domestic trade and distribution system, ensuring consumers' rights, strengthening consumer's cooperatives, and strengthening the transparency, fairness and accountability of the legal framework for trade activities will be the main strategic directions of the sector.

5.3.2 Objectives

The main objectives, for the sector are to ensure modern and fair trading practices, to improve the transparency and fairness of the institutional and organisational framework for trade operations. Emphasis will also be given to intensifying international trade and improving domestic marketing systems by strengthening consumers' cooperatives and supporting access to viable market opportunities.

5.3.3 Major Targets

Introduce fundamental change to improve trade registration and licensing services: At all levels of trade administration, a uniform and harmonized system of trade registration and licensing will be established to international standards. The trade registration and licensing system will ensure fair and transparent transactions, easy access to services and focus on the professional efficiency and competency of services provided to the business community.

Support consumers' rights and security by improving the regulatory framework for trade: To provide an effective and enabling regulatory framework for trade, appropriate controls will be put in place that improve the role that the business community plays in ensuring fair competition and identify solutions to prevent harmful practices.

Increase the benefits accruing to Ethiopia from international systems governing trade relations and negotiations: The aim is to better integrate Ethiopia into the multilateral trading system so as to broaden the benefits from market opportunities and increase investment flows.

Strengthen the marketing system for domestic products: The target aims to increase production and export diversification; establish an integrated domestic marketing system and strengthen export development through creation of an integrated marketing system.

Strengthen the capacity of cooperatives: The target will aim to strengthen the institutional framework and improve the human resource capacities of cooperatives.

5.3.4 Implementation Strategies

Introducing fundamental change in trade registration and licensing services: By revising the regulations that have been applied to date, a more fair and efficient service will be established. The trade registration and licensing aspects of the new regulatory framework will oblige the business community to give accurate information about their business operations. The information provided will be stored in a digital data base. In addition, criteria governing professional efficiency will be adopted by the public agencies concerned with trade. Proclamations and associated regulations will be prepared and enacted that, among other purposes, provide for the granting of trade permits and facilitation of improved implementation processes.

Ensure consumers' right and security by enhancing trade regulations: Ensuring the existence of fair trade that affirms the consumer's right and benefit will contribute to accelerated economic growth and social development. With this focus, and on the basis of free market principles, a consistent system will be established to ensure fair and efficient trade registration and licensing, and healthy and fair competition among the business community. Where harmful or illegal business practices that damage consumers' health, or reduce their safety, government will continue to act in consumers' interests. To this end, consumers' associations will be organized and supported logistically, with finance, technical support and human resource development; the overall aim is to ensure consumers pay a fair price. These strategies will help to ensure that consumer associations play a positive and beneficial role in regulating prices. On the other hand, the legal and regulatory framework to minimize conflict between the business community and consumers will be established and implemented.

Conditions that would facilitate to ensure benefits from trade relations and negotiations: A key implementation strategy is to integrate the country into the multilateral trading system. This will be achieved by successfully completing the World Trade Organisation accession process and strengthening regional trade integration with the Inter-Governmental Authority on Development, Sana'a Forum, The Common Market for Eastern and Southern Africa (COMESA) and the COMESA-East African Community-Southern African Development Community Tripartite. The purpose of these actions is to transform the trade negotiation process to a higher level of effectiveness. A further task is to conclude the Economic Partnership Agreement with European Union. Finally, bilateral trade relations and negotiations will be improved with all parties where mutual advantages are identified.

Strengthening domestic product marketing system: Implementation activities will focus on integrating domestic product marketing systems, increasing production and exchange coverage and strengthening export development. The domestic product marketing system will be strengthened with the objectives of ensuring fair, transparent, participatory and cost effective transactions as well as fair prices. Support will be given to promote exports, build capacity, develop better use of information technology and develop access to finance and logistics. These activities will be planned and carried out in collaboration with all stakeholders.

Strengthening and supporting cooperatives' capacity: The problems of existing cooperatives, and of establishing new cooperatives, will be thoroughly studied and conclusions implemented. Cooperatives will be supported with capacity building, information technology development, access to finance and logistics developments and strengthening of organisational and man power capacities.

5.4. MINING

5.4.1 Strategic Directions

For the mining sector, the government's main focus is to create a favourable environment for private investors for exploration and development of mineral resources. Among other initiatives, the government will collect, analyse and interpret basic geo-science information for potential investors. Policies, laws and new regulations that create an institutional framework conducive for the development of the sector's contribution to the economy will be put in place during the plan period. Paramount importance will be given to ensuring this institutional framework is enabling, encourages competition and takes account of the international situation and national interests. Increased private investment in exploration and exploitation of high value minerals will increase the opportunities for finding additional deposits and the foreign currency earned by the country.

5.4.2 Objectives

Mineral exploitation holds enormous importance for agriculture, urban development, industrial development, construction, energy and other economic sectors. The core objectives for the sector in the plan period include establishing accurate estimates of and utilising the reserves of minerals that contribute to increased agricultural production through improving soil productivity. An additional area of focus is land exploration, identification and utilization to determine water quality and quantity for domestic consumption and irrigation. Exploration to identify minerals whose exploitation will substitute for imported minerals will be carried out. For construction and industrial sector inputs, exploration for and exploitation of gold, platinum, tantalum and high value gemstones and other minerals will be initiated. These actions will also help increase foreign currency earnings. Exploration and exploitation of clean and renewable geothermal resources will take place. Substitution of mineral imports by increasing the volume and types of minerals produced by large and small scale licensed operators is a key objective. Artisanal miners will be promoted, so as to increase production significantly, by improving the mining methods and facilitating access to mineral markets. Specific objectives for geo-science data and mineral exploration are to improve the geo-science data coverage of the country, provide geo-science data to international standards and that meets the needs of investors.

5.4.3 Major Targets

The mining sector targets for the plan period are presented in the following table.

Table 26. GTP Targets for the Mining Sector

Description of Targets	2009/10	2014/15
1. Increase coverage (of the country) of geological related mapping and studies as follows		
a) Geological mapping coverage at a scale of 1:250,000 (%)	51	100
b) Gravity studies coverage at 1:500,000 scale (%)	80	100
c) Geochemistry & mineral potential map preparation & anomalous areas coverage at a scale of 1:100,000 (%)	2.7	4
d) Air born geophysics data coverage (%)	30	95
e) Geo-hazard studies coverage, at a scale of 1:250,000 (%)	9.6	27.1
f) Hydro-geological mapping coverage, at a scale of 1:250,000 (%)	42.0	83.7
g) Detailed hydro-geological studies (km ²)	3,400	30,400
2. Increase evaluated and delineated areas of potential industrial minerals exploration, at a scale of 1:50,000 (%)	48	77
3. Conduct metallic minerals exploration, evaluate potential at a scale of 1:20,000-1:50,000, and raise delineated potential areas (%)	40	63
4. Detail coal/oil shale exploration and potential evaluation in central Ethiopia, and increase delineated potential areas (%)	12	20
5. Conduct petroleum exploration, at a scale of 1:50,000, in the west Ogaden basin, and increase coverage (km ²)	120,000	165,000
6. Increase pre-deep well drilling geothermal detail study coverage, at a scale of 1:20,000 (%)	6.2	68
7. Complete the shallow depth 3MW geothermal energy exploration in Tendaho (%)	95	100
8. Complete a deep well geothermal exploration, of a site in Tendaho capable of producing 20MW (%)		100%

Description of Targets	2009/10	2014/15
9. Continue exploration of 40 MW geothermal energy source for power supply in Aluto Langano (%)	12.5	100
10. Increase country-wide core drilling (m)	7,000	16,000
11. Increase water well drilling (m)	600	7,500
12. Increase geothermal drilling (m)	10,000	20,000

13. A beneficiation (crushing and separating ore into valuable substances or waste by a variety of techniques) test laboratory will be established between 2010/11 - 2013/14, and after trial tests for 5 selected industrial minerals, a detailed beneficiation test study will be conducted

14. Based on geosciences information collected, a 40 promotional documents will be produced to familiarise investors with potential sites for mineral exploitation in the country, as a result it will increase from 4 in 2009/10 to 8 in 2014/15

15. Achieve 100% ISO/17025 accreditation for the Geosciences Laboratory during the plan period

The targets to be achieved by the end of the plan period for mineral and petroleum investment expansion, artisanal mining and marketing promotion, geosciences and energy sector research and development are presented in the following three tables.

Table 27. GTP Targets for Mineral and Petroleum Investment Expansion

Description of Targets	2009/10	2014/15
1. Increase the volume of mineral investment (mln ETB)	12.7	20
2. Increase revenue from royalties and other licensing (mln ETB)	69	150
3. Increase annual revenue from mining tax (mln ETB)	230	250
4. Increase foreign currency earnings from minerals(mln USD)	108	277.3
5. Increase the production of gold (Kgs)	3,907	8,700
6. Increase the production of tantalum (tons)	202	300
7. Increase exports of marble (m ³)	99.34	140
8. Increase investment in the petroleum sector (mln USD)	238	538.7
9. Increase total number licenses issued to petroleum exploitation sector	22	29
10. Increase number of international extractive industry transparency initiatives member companies	10	310

11. Realise exports of 20 mln litres of mineral water.

12. Realise exports of 1 mln metric tons of potash.

13. Realise foreign currency earnings of USD 1.36 bln from minerals and resources such as base metals and mineral water.

14. Make ready the Calub and Hilala gas fields for development.

15. Enable 300,000 km² of land to be categorised as petroleum provinces by obtaining geological and geophysical data from the existing international companies involved in exploration.

Table 28. GTP Targets for Artisanal Mining and Marketing Promotion

Description of Targets	2009/10	2014/15
1. Increase gold purchased by the National Bank of Ethiopia (Kgs)	2,866	5,250
2. Increase exports of gemstones Kgs)	3,100	4,000
3. Increase the quantity of tantalum marketed (ton)	63	90
4. Increase the number of mining co-operative associations	243	350

GTP Targets for Geosciences and Energy Sector Research and Development

Description of Targets

1. Identify, select and support about eight need based and problem solving research proposals of graduate students.

Description of Targets

2. Establish a national inventory and development database for scientific instruments and laboratories in geosciences and energy.
3. Develop integrated geo-scientific applications and initiate a study of appropriate renewable energy sources for the sustainable development of Addis Ababa and its surrounding areas.
4. Develop integrated geo-scientific applications and initiate a study of appropriate renewable energy sources for the sustainable development of Dire Dawa
5. Build increased capacity in scientific instruments research and laboratory facilities that support the sector where they are needed but not available.

5.4.4 Implementation Strategies

Enhancing of Geo-Science Data Coverage and Quality: In this regard, the plan is to improve the coverage of geo-science data required for development of minerals essential for agriculture, construction, energy, manufacturing and development of precious metals. In order to improve the quality of data investments will be carried out in the organizational, technological capability, standardization and human resource development.

Mineral and Petroleum Investment Expansion: Specific implementation strategies for the expansion of mineral and petroleum investment include encouraging private investment in development of the sector. This will be achieved by improving the existing mining laws to make them more attractive to potential investors, studying national and international minerals markets and providing advice to private investors where higher market demand is identified. Improvements in the coverage and quality of data for mineral and petroleum development are expected to enhance investment in the sector. More importantly, investments in mining and petroleum exploration and development will be guided by a comprehensive regulatory and policy framework that ensure transparency and accountability.

Undertake Artisanal Mining and Marketing Promotion: During the PASDEP five year period, the Ministry of Mines in collaboration with stakeholders, tried to promote artisanal mining and regulate illegal miners and smugglers by introducing new proclamations and directives covering exploitation of precious minerals. Nonetheless, there are still a few miners and smugglers involved in illegal mining and export of precious minerals. Their activities have serious negative social, economical, environmental and political impacts, particularly in the areas where they operate. The government is strongly committed to establishing a working environment conducive for artisanal mining and marketing promotion. As part of this commitment, a new proclamation No. 651/2001, which aims to reduce illegal mining, is currently being implemented. To achieve this, and to promote mineral resource development overall, the government will, in collaboration with all stakeholders, use the experience it gains during implementation, and follow up on its regulatory and promotional strategies for the sector. Skill development, technical support and marketing supports will be accorded to artisanal miners. Women are encouraged and specially supported to participate and accordingly benefit from the sector.

Undertake Geosciences and Energy Sector Research and Development: Implementing strategies for the geosciences and energy sector research and development support the mandate of the Ministry of Mines to establish needs-based research, training institutes and centres of excellence. With this in mind, the Ministry will undertake a research and development program across a broad range of geosciences and energy areas, to introduce cutting edge and appropriate technologies as well as new methods.

5.5 INFRASTRUCTURE DEVELOPMENT

Provision of affordable physical and economic infrastructure, such as transportation, communication and energy makes a crucial contribution to economic growth, employment creation, social welfare and the expansion of the industrial sector. In the years prior to the GTP, a massive capital investment was made to expand infrastructure services. However, significant challenges have hindered faster pace of infrastructure development. In addition to the high investment required, the foreign exchange needs have constrained the provision of infrastructure to the extent desired. Inadequate domestic human and organizational capacity for infrastructure development has led to a dependency on foreign capacity, which has in turn undermined the pace and coverage of infrastructure delivery

In the GTP period, very large investments will be made to further expand infrastructure services, to strengthen the foundation for long-term sustained growth and development, and in doing so, the challenges encountered during the PASDEP implementation will be addressed and resolved. To date financing for capital investment has come from Treasury and Official Development Assistance sources. To increase the financial resources available, emphasis will be given to improving the level of domestic savings and foreign exchange savings through promoting import substitution of imported materials and construction services with domestic products and services. Nevertheless, it is envisaged that domestic resources will still not be adequate to fully finance the infrastructure programs of the GTP. Import substitution of materials and construction services will help, but is not expected to fully address the foreign exchange constraints. Thus, the mobilization of external official development assistance will be important in this regard.

5.5.1 Roads

Strategic Directions

Expansion of the road network is critical to the development of other key economic and social sectors such as agriculture, industry, mining, tourism, education and health. Planning of road infrastructure must be integrated with the objectives, strategies and programs of these sectors. The success of development strategies of sectors depends on the efficiency of the transport sector in general and of the road sub-sector in particular. For these reasons, due emphasis has been given to the development of the road sector in the GTP. The government has recognized the importance of road transport in development of the national economic and social activities and hence attaches a high priority to improving the road infrastructure, as is reflected in the Road Sector Development Program which was launched in 1997.

Objectives

Objectives of the Road Sector Development Program are to expand the road network so as to improve access to rural areas, improve the quantity and quality of the road network overall, and develop the organisational capacity of the responsible road agencies for effective management of road networks. Based on these objectives, road sector policy and strategies in the next five years are directed towards increasing effectiveness of all ongoing road sector development initiatives, improving the rural road network and connecting more or less all kebeles to all weather roads.

Major targets

Based on the Ethiopian Roads Authority prioritization criteria, the Road Sector Development Program consists of the following federal road targets: rehabilitation of 728 kilometer of trunk roads, upgrading of 5023 kilometer of trunk and link roads, construction of 4331

kilometer of new link roads, heavy maintenance of 4700 kilometer of asphalt and gravel roads and routine maintenance of 84649 kilometer of road network.

In universal rural access program also construction of 11212 kilometer of new rural roads by Regional Road Authorities and construction of 71523 kilometer of woreda roads by woreda road offices will be undertaken. The government has envisioned connecting more or less all kebeles to the nearby all-weather roads as well as interweaving every major city by increasing investment in road infrastructure.

A summary of major road sector targets for each year of the five-year period are presented in the table below.

Table 29. GTP Targets for the Roads Sub-Sector by Budget Year

Description of Targets	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
1. Federal and regional total road length(km)	48,800	51,636	54,818	58,211	61,771	64522
2. Length of Woredas all-weather road (km)	0	9,568	24,299	40,044	55,790	71,522
3. Kebeles connected to all-weather roads (%)	39	48	63	78	93	100
4. Average Time taken to reach nearest all-weather road (hrs)	3.7	3.0	2.3	1.9	1.6	1.4
5. Area further than 5km from all-weather roads (%)	64.1	57.3	48.7	40.9	34.3	29.0
6. Area further than 2km from all-weather roads (%)	83.7	80.0	75.0	70.0	65.2	61.0
7. Road density (Km/1,000km ²)	44.5	55.6	71.9	89.3	106.9	123.7
8. Road density (Km/1,000 population)	0.64	0.78	0.98	1.18	1.37	1.54
9. Roads in acceptable (Fair + Good) Condition (%)	81	81.3	83.0	84.6	85.9	86.7
10. Number of Project operated/carry out by domestic contractors (%)	58	61	64	67	70	73
11. Average vehicle Km of travel (mln km)	9.6	10.1	10.6	11.1	11.7	12.3

Implementation Strategy

The implementation strategy focuses on restructuring of the implementing agency, capacity development in the road sector, financing and safety measures. Accordingly the regulatory and operational arms of national road management will be split into independent organisations. In addition the institutional framework and organisational capacity of the regional road agencies and woreda road bureaus will be strengthened, by, among other means, human resource development, strengthening integrated road network planning, and improving the effectiveness of road maintenance. Other implementation strategies include actions to increase revenues of the road fund office, build the capacity of local contractors and consultants, introduce and expand use of intermediate equipment technology in road construction, improve equipment maintenance services, use alternative road project facilities, utilize labour-based and labour intensive approaches and technologies, and improve enforcement of axle load regulation. Lastly, improved environmental management systems and HIV/AIDS activities will be mainstreamed in all road projects.

5.5.2 Railway Transport

Strategic Directions

Railway transport is a cost effective and time efficient means of carrying bulk inputs and produce. Given the rapid economic growth in the country therefore construction of a national railway network has become an important task. To support this strategic direction, the capacity of domestic small and medium metal manufacturing and engineering industries to produce sleepers, locomotives and rail spare parts and inputs for the railway network infrastructure construction, will be promoted.

Taking into account the economic advantages of railway transport, in the long term, it is planned to expand the network so as to connect the country with neighbouring countries and different ports. To realize this long term strategic direction, in the short term, government will mobilise and build local capacity (to provide services as well as human resources) to expand the railway network, while also developing partnerships with foreign actors. Key challenges in the expansion and development of the railway network refer to the enormous initial investment, the human and other resource capacity and specialised experience in railway development required. Strategies will therefore be developed and implemented in order to mobilize domestic and foreign financial resources as well as build human and organizational capacity domestically. During the plan period, due emphasis will also be given to the efficient and effective administration of the network and rail services.

Objectives

The objectives for the sub-sector are to build a nationwide railway infrastructure network, develop, and continuously improve local capacities of civil engineering construction companies and metal and electro-mechanical industries, and maximise technological transfer useful to the sub-sector. Integrated within these objectives will, in most cases, be strategies to ensure that development of railway infrastructure is operationally sustainable.

Major targets

The main targets for the railway sub-sector during the plan period are presented in the following table.

Table 30. GTP Targets for the Railway Transport Sub-Sector

Description of Targets
1. Construction of a total of 2,395 km of national railway network, out of which about 1807.9 km will be completed (Addis Ababa-DireDawa-Dewele 656 km; Awash-Woldiya-Mekele 556.2 km; Woldiya-Semera-Galafi 256.4km and Addis Ababa-Ejaji-Jimma-Bedele 339.3 km), while efforts will be exerted to construct the remaining 587.1 km of network (Mojo-Konso-Weyto).
2. Construction of 34 km of light railway network along two corridors (from east to west and north to south) providing the capital city Addis Ababa with a mass transit system. This initiative will involve 40-50 companies working on design and construction of network and more than 20 manufacturing companies producing spare parts and providing metal engineering and electro-mechanical services

Implementing Strategies

To achieve the targets set for the railway sub-sector the key strategy concerns development of local capacities in the railway network development processes. This strategy will include specific help for local metal manufacturing and electro-mechanical companies to produce materials for railway network development. A conducive policy and regulatory environment

will be created for the participation of private sector in the sub sector. A public/private partnership framework and system will be designed for the sub-sector. Adoption of different rail design, construction and management methods is a further strategy, as is implementation of study findings on railway network construction, service delivery and security. The government will adopt approaches and mechanisms that maximise use of the abundant labour available for the construction of the railway network and will create an environment conducive for the establishment of local train maintenance companies.

5.5.3 Energy

Strategic Directions

The strategic directions during the GTP period are development of renewal energy, expansion of energy infrastructure, and creation of an institutional capacity that can effectively and efficiently manage such energy sources and infrastructure. During the GTP period, the gap between the demand for and supply of electricity will be minimised. Per capita consumption of electricity of households is expected to increase during the GTP period. Moreover it is planned to produce sufficient electricity for export. The electric power supply coverage will be increased through the ongoing rural electrification access program. Government will ensure a cost effective, high quality supply of energy, as well as energy efficiency and conservation. The regulatory framework will be effectively enforced.

In order to promote and realize the country's Green Development Strategy, ongoing initiatives to generate electricity from hydro power and other renewable energy sources like bio fuels, solar and wind will remain the strategic directions during the GTP period. In addition new technological innovations will be utilized to ensure that the energy sub-sector's doesn't emit additional carbon-dioxide. To promote and sustain rural alternative energy development activities, efforts will be made to enhance the capacity and knowledge in this regard of regions, producers and consumers. The distribution of wood saving materials and technologies throughout the country will be continued.

Objectives

The major objectives for the energy sub-sector are to meet the demand for energy in the country by providing sufficient and reliable power supply that meets international standards at all times. This objective will be achieved by accelerating and completing the construction of new hydropower electric generation projects, and strengthening the existing transmission lines to provide improved access to rural villages all over the country. An additional objective is to export power to the neighbouring countries. Modernizing the distribution system will also be considered, so as to reduce power losses to international benchmark levels. Development of alternative energy from renewable sources such as wind, solar biomass, etc will be integrated with the country's Green Development Strategy. During the plan period an objective is set also to transform the national capacity in developing and managing energy by radically reforming the national power company such that the electric power supply services reach international standard.

Major targets

The targets for the energy sub-sector during the plan period are presented in the following table.

Table 31. GTP Targets for the Energy Sub-Sector

Description of Targets	2009/10	2014/15
1. Hydroelectric power generating capacity (MW)	2,000	10,000
2. Total length of distribution lines (Km)	126,038	258,000
3. Total length of rehabilitated distribution lines (Km)	450	8,130
4. Reduce power wastage (%)	11.5	5.6
5. Number of consumers with access to electricity	2,000,000	4,000,000
6. Coverage of electricity services (%)	41	75
7. Total underground power distribution system (Km)	97	150

Implementing strategies

The key implementation strategy is capacity building in energy development and management. Thus the national electricity company will go through radical reform such that the national institutional capacity to generate power, construct the infrastructure and efficiently and effectively manage the power and infrastructure shows fundamental improvement. Other implementing strategies that will be employed to achieve the above objectives and targets for the energy sub-sector are strengthening organisational implementation, capacity (the electric power company go through a complete restructuring process), increasing development of electric power generation and access to services, strengthening regulation of electricity providers so as to ensure a reliable service, expanding alternative renewable energy production, increasing emergency oil reserves and ensuring protection of natural resources, and enhancing community development. Gender and HIV/AIDS issues will be mainstreamed in all energy sector activities.

Electric Power Generation Construction Program: Ethiopia has a potential to generate 45,000 MW of hydroelectric power. However, currently only 2000 MW is generated. It is planned to increase this level of power generated by four times. Implementation strategies are to promote a mix of energy sources by developing renewable wind and geothermal resources, prevent power loss and promote proper utilization of energy, reduce unit cost of power generation investments and operations, and provide electricity at affordable prices.

Electricity transmission lines construction: To ensure a reliable electricity supply and transmit the electric power efficiently and economically to consumers, construction of a reliable distribution and transmission networks is essential. To this end, due emphasis will be given in the Universal Electrification Access Program to construct new transmission lines and connect them to the national grid as economically as possible and to reduce power losses. Further implementation strategies are to minimize the cost of construction of transmission lines, improve control of power sources and construct additional transmission substations so as to achieve efficient power distribution.

The Power Distribution and Expansion Program will adopt implementation strategies to modernise the power distribution system with the aim of increasing service delivery efficiency, cost saving and reduction of power losses in the distribution system. Action will be taken to ensure availability of efficient, reliable, high quality and economical electricity services to consumers, improve power supply service quality, provide outreach facilities to new customers, and to reduce power interruptions and losses by expanding the network and maintaining distribution lines.

The Universal Electrification Access Program will adopt implementation strategies that provide access to electricity for rural towns and villages, commercial agricultural production,

and irrigation pumping. The program will be executed in close collaboration with, and ensure participation of, local contractors and manufacturers, technical and vocational school graduates, and other stakeholders. Electricity is an essential part of the rural transformation agenda because it is an important input for businesses and productive enterprises in small to medium sized towns and as an input for agriculture, irrigation pumping, commercial agricultural production and processing. Equitable distribution of services to the rural economy, agricultural and other sectors development has a beneficial effect nationally.

The national regulatory system to ensure conservation of electricity and energy efficiency: Implementation strategies will seek to meet increasing demand for energy by encouraging private investors and government electric utilities engaged in the sector. Actions taken to support this strategy include licensing applicants and granting certificates of competence to potential energy producers. A further approach is to ensure that reasonable tariff structures that are affordable are applied. Energy audit activities will involve establishment of energy efficiency management sections for selected consumers, particularly high energy consuming organisations.

A study of requests for annual tariff revision by developers will be carried out with the aim of establishing an economical and fair for electricity services, while at the same time encouraging investments and its recommendations implemented following agreement and endorsement by the responsible authorities. Energy conservation and mitigation of energy losses will be pursued for each economic sector. The measures to be taken will identify the most efficient energy consumption technologies, establish performance standards, implement and conduct regular inspection activities on electric utilities, prepare reports and taking the corrective measures necessary.

Bio-fuel development: Ethiopia's emissions of CO₂ are very low compared to developed countries. Nonetheless, access to a range of reliable, affordable and clean energy sources is critical for sustainable growth. One of the potential means to realize the shift to more sustainable fuels is the production of bio-fuels and other renewable energy sources, as a part of Ethiopia's green development strategy. As stated in the bio-fuel development strategy, Ethiopia has suitable land for bio-fuel (bio-ethanol and bio-diesel) development. Implementing a bio-fuel development initiative, in line with country's Green Development Strategy, will enable bio fuels to substitute for imported petroleum fuel and even sufficient for export. Moreover, jobs will be created locally at different stages of bio-fuel production process and thus contribute to raising living standards. Action will be taken to expand bio-fuel plantations, introduce use of bio-fuel in households for cooking and lighting, standardize and refine information relating to land, technologies and markets for bio fuel development, and promote knowledge about bio fuel use in each region. Benefits of this initiative include, improvement of the country's carbon sink, reduction in deforestation, and reduction in the time spent on and burden to women and children in searching for firewood. Steps will be taken to involve investors and other stakeholders in bio fuel development processes.

The Bio-fuel Development Program will implement strategies during the plan period to create a network of implementing agencies, research institutes and universities to adapt and promote sustainable development of bio-fuel technology. The network will collect and organize data on bio-fuel land, technologies and markets, coordinate involvement of relevant stakeholders, support and motivate private investors' involvement in the bio-fuel development activities, involve farmers in production and supply of bio-diesel by co-coordinating the work of relevant extension services, and facilitate experience sharing with countries where bio-fuel development is at more advanced stage of development.

Alternative energy development and promotion will develop energy resources and technology by adoption, adaptation or innovation of new designs. This strategy aims to produce prototypes and test the efficiency of energy sources and technologies based on consumer demand. Other alternative energy development and promotion initiatives are to work closely on energy resource identification and technologies with government agencies, NGOs and private companies and provide training for the business sector including manufacturers. Awareness within communities will be created and promoted. Demand for alternative energy technologies will be improved and loans arranged for manufacturers and consumers to install alternative technologies.

Although, Ethiopia is endowed with a variety of energy resources, many of these resources have not yet been exploited. A study of efficient alternative energy resources and usages, and the means to encourage their development will be carried out. Attention will be given in the study to environment protection and conservation. The study will involve collaboration between government, regional states, private sector and other stakeholders. Application of improved alternative energy technologies will help minimize deforestation, reduce indoor air pollution that results in health problems and save the time women and children spend searching, collecting & transporting fuel wood. As a result, families will have more time for other productive work. By building the capacity for regional implementation agents and other stakeholders' alternative energy technologies and resources will become more widely available to users, increase sustainable energy use and benefit communities.

Capacity building: The on-going program to strengthen the technical and vocational skills of school graduates, and of manufacturing industries relevant to the energy sub-sector, so as to build own capacity and reduce foreign currency needs, will be continued.

Strategic petroleum reserve facility development and operation: Being a petroleum importing country, the reliable and consistent supply of petroleum is essential for development of the Ethiopia's economy. It is a strategic necessity for all oil importing countries to secure their access to oil; it must be available continuously and its present and future supply must be secured. A number of facilities have been constructed and made operational in previous years. Currently Ethiopia's strategic petroleum reserve capacity is 369,800m³, which is about a two months supply. During the GTP period, development of the strategic petroleum reserve facility will cover all areas associated with development and operations. These include: the construction of storage capacity, maintenance of facilities for the storage of petroleum, oil acquisition and transfer to storage and operational readiness activities such as distribution of the stock to local commercial distribution systems.

The current strategic petroleum reserve storage capacity will be increased from 369,800m³ to 429,000m³ which provides for 45 days consumption. The current strategic petroleum reserve stock of 87000m³ will be increased to 429,000m³ which, as stated above, covers 45 days consumption. Strategic petroleum reserve facilities will be maintained and the operational readiness of the strategic petroleum reserve ensured. The implementation strategies adopted for the strategic petroleum reserve facility include increasing the size of strategic petroleum reserve storage capacity, increasing the size of strategic petroleum reserve stock, and maintaining the strategic petroleum reserve facilities and the operational readiness capability.

Petroleum downstream operations standards & specifications regulatory program: Ethiopia has been importing crude petroleum oil for many years. Previously, there was no official governmental agency with the responsibility to regulate and manage petroleum downstream operations standards & specifications and provide transparent standards, specifications and management. As a result the country has lost large quantities of foreign currency and petroleum products, and as a consequence suffered contamination and

environmental degradation. Inspection of petroleum downstream usage is a new area for regulation and control. It is intended to raise regulation and control to the international level, and provide effective monitoring and sufficient inspection capability. Serious attention will be given to the addressed and resolve the problems, build, extend and provide an efficient petroleum products supply and utilization system.

The implementation strategies include the preparation of directives, regulations, and technical standards for the inspection and monitoring of petroleum downstream services, so that all the downstream bodies are covered by an integrated law and regulation detailing standards and specifications. The regulatory framework will ensure the quality and reliability of the services provided by petroleum downstream operators. Petroleum products distributor will be inspected to ensure petrol depots, transportation and distribution facilities, including their construction and performance, fulfil international standards. Systems will be put in place to ensure that petroleum products, facilities, storage, transportation and distribution meet proper industry standards.

5.5.4 Telecommunication

Strategic Directions

The strategic directions here are to ensure that the information and communication infrastructure already in place is effectively utilized such that it provides higher qualities of information and communication services. In order to effectively utilize the infrastructure and deliver higher quality services at competitive prices the telecom company will undergo radical institutional reform such that its institutional capacity shows fundamental changes. In addition, ensuring a secure IT system will be a strategic direction of the GTP, while development of the domestic ICT sector will also be accorded due emphasis.

Areas of focus for the telecommunications sub-sector are to upgrade the existing ICT network to accommodate the latest information technologies and improve network quality and expand services. An all inclusive telecommunication service delivery and ICT support where it is a requirement of other development programs will be put in place. The human resource capacity of the sector will be built. Ongoing projects to develop the network will be finalized. IT services available across the country, including high quality integrated telecommunication services packages (converged value added services), will be provided, at a reasonable price.

Fixed line and mobile telephone service provision will be expanded nationwide. To accommodate the latest information communication technologies, all telecommunication infrastructures will be digitized. The internet service expansion program will benefit city governments, woreda cities, academic institutions, including high schools and universities, research institutes, social organizations and the private sector. The ongoing network expansion program will be strengthened by building a high capacity fibre optic transmission line and linking it through neighbouring countries to international marine cables. This initiative will provide the country's global digital gateway.

The ongoing comprehensive Universal Telecommunication Access Program will be expanded and extended to include additional social services apart from its existing calling service. This will enhance the Program's role in the implementation of development strategies and plans of other sectors. Telecom centres will be built and those already operational in rural areas will expand their services and be better integrated with ICT and other programs. Developing and expanding human resources, especially for regulatory tasks in the fast advancing and growing sector, is very important and has been given due attention during the plan period. It is also important to ensure that the telecommunication service is up to international standards and

where telecom resources are limited (for instance national frequency spectrum, telephone numbers, numbers and internet provider addresses) that they are used fairly and economically. A further focus is to ensure the security of the telecommunication service by combating illegal use of the network and transmissions of illicit content.

Objectives

The key objectives are to ensure a competitive (in terms of prices and quality) and secure telecom services, and build a far reaching national capacity in telecom development and management. Emphasis is on finalizing the construction of the on going network infrastructure and applications to expand services. A need based network may also be expanded. The rural universal telecommunication access program will be expanded and the quality of fixed line, mobile phone, internet and data service provision improved and maintained. An environment conducive to use of the latest telecommunication technologies will be created. A fair and economical utilization of national frequency spectrum, telecommunication numbers and internet provider addresses is ensured. Illegal telecommunication activities will be prevented.

Major Targets

The targets to be achieved by the telecommunications sub-sector are presented in the following table.

Table 32. GTP Targets for the Telecommunications Sub-Sector

Description of Targets	2009/2010	2014/15
1. Number of fixed line telephone subscribers (mln.)	1	3.05
2. Fixed line telephone density (%)	1.36	3.4
3. Number of mobile telephone subscribers (mln)	6.52	40
4. Mobile telephone coverage (%)	8.7	45
5. Number of internet service subscribers (mln)	0.187	3.69
6. Rural telecom access within 5 km radius of services (%)	62.14	100
7. Wireless telecom service coverage (%)	<50	90
8. Global link capacity (Gb/s)	3.255	20

Implementing Strategies

Three key implementation strategies are identified. First, the national telecom company will be reformed such that it is transformed to have an institutional capacity that delivers high quality and competitive services. The telecommunications provider will be fundamentally upgraded to meet international standards using the services of reputable foreign companies. The second strategy concerns the establishment and effective enforcement of comprehensive policy and regulatory frameworks to prevent and control illegal activities in the industry. An effective mechanism for control and prevention of illegal telecommunication activities will be put in place to ensure telecommunications security. Finally, all initiatives in the industry will be designed and executed such that they promote the domestic production ICT goods (inputs, components, etc.) and domestic delivery of ICT services during the GTP period.

A human resource capacity building program will be designed and implemented. Steps will be taken to put in place better quality fixed line, mobile and internet services. Telecommunication sub sector implementation strategies include design and implementation

of systems to prevent integrated system failure, and ensure its maintenance and improvement, measure network flow and quality, and customer compliance. The telecom service quality, network capacity and frequency spectrum utilization and control will be strengthened. Monitoring of rural kebeles' telecommunication services will be increased and an administrative assistance strategy provided and disseminated. The quality and traffic capacity of service on international lines will be improved. A strategy to raise additional funding resources for the sector will be developed. A strategy for capturing more customers via outsourcing, marketing and business will be designed and implemented.

5.5.5 Potable Water Supply and Irrigation Development

Strategic Directions

Priorities for water resources management will support overall GTP objectives for integrated and sustainable development. Sub sector specific priorities are to improve utilization of water resources by interconnecting different sectors and users, ensure fair and equitable utilization of water resources taking into consideration existing demand and future generations' needs. The impacts of runoff, drought and other natural hazards will be mitigated.

An integrated approach will be taken to water resources development and utilization that gives due consideration to its security and safety as a resource on the one hand, while also considering fully the parallel needs of resource usage such as water supply, development of irrigation, river basin administration, watershed management and related activities. An integrated approach to water resources management will take into account complementary natural resources and sectors such as agriculture, health, mining and energy, etc. Attention will be given to the contribution the water sub sector must make to achievement of MDG targets. Development initiatives will include water supply, irrigation and drainage development, a hydropower study and design, a surface and ground water study, an integrated master plan study and watershed management.

Objectives

The development objectives, during the GTP period, are to develop and utilize water resources to fulfil social and economic priorities, sustainably and equitably, by increasing water supply coverage, and developing irrigation schemes that ensure food security.

Major Targets

To meet the above objectives, during the GTP five year period, the following targets have been set for potable water supply and irrigation development during the plan period (and for each budget year, in the case of potable water supply).

Table 33. GTP Targets for Potable Water Supply and Irrigation Development

Description of Potable Water Targets	2009/2010	2014/15
1. Urban potable water supply coverage within 0.5 km radius (%)	91.5	100
2. Rural potable water supply coverage within 1.5 km radius (%)	65.8	98
3. National water supply coverage (%)	68.5	98.5
4. Reduce non functional rural water supply schemes (%)	20	10
5. Irrigation Feasibility and design (ha)	462,114	1,208,448
6. Irrigation Construction (ha)	127,242.6	785,582.6
7. Irrigation Rehabilitation (ha)	-	6,570

Description of Targets for Other Parts of the Water Sub Sector	2009/2010	2014/15
8. Pre-feasibility study on multipurpose hydropower projects (MW)	6447	9,227.4
9. Feasibility and detailed design on multipurpose hydropower projects (MW)	1,431	8,398.4
10. Increase the ground water information and knowledge (at 150,000 scale) mapping coverage (%)	3	22.7
11. Increase coverage of national surface hydrology stations (%)	85.6	90
12. Increased integrated river basin management master plan (%)	25	63
13. Rehabilitate degraded and damaged land (ha)		1,000,000
14. Upgrade information provided at the surface hydrology stations to international standard		

It is also estimated that, nationally, a potential of 5.1 mln ha of land can be developed through various irrigation methods including, pump, gravity, pressure, underground water, water harvesting and other mechanisms. Based on this estimate of potential, irrigation development activities, particularly small scale irrigation will be given priority in the plan period.

Implementation Strategies

The implementation strategies for potable water supply are to ensure a dependable and sustainable water supply based on demand and efficiency measures. Sustainable and feasible technologies will be implemented to improve the rural water supply coverage. Active management and operational mechanisms of existing water facilities will be ensured. Water economy measures will be developed and implemented for existing water schemes and, before they are constructed for new schemes. Additional implementation strategies will aim to satisfy water demand at the household level while taking account of the country's capacity. This strategy will use criteria based on socio-economic criteria to assure consumers of an equitable and efficient distribution, and utilization of the water in excess of the basic demand. A strategy will be pursued to prioritize low cost schemes and projects that will be implemented through loans, implement measures such as cost recovery in urban water supply, and build capacity at all levels of water resources management.

The implementation strategies for irrigation and integrated water resources management are, development of new irrigation schemes, construction shallow and deep wells for irrigation in areas rich in ground water, facilitating conditions for medium and large scale irrigation development (building dams and related infrastructure), implementation technologies and mechanisms that improve efficient water use in medium and large scale irrigation schemes, and establishing and integrating meteorology and hydrology services at all levels (from federal to district or woreda). Local resources, skills and knowledge in water resource identification and utilization will be enhanced, studies and research into traditional and alternative low cost technologies will be conducted, and appropriate technologies developed.

5.5.6 Transport Services

Strategic Directions

Other than development of road transportation infrastructure, strategic directions that will be pursued will include increasing the effectiveness of the transport system so that the cost of transportation decreases. The private sector's capacity and role in service provision will be increased. The sub sector will be restructured and be operationally improved so that transportation services are more flexible, competent and provide overall a more efficient

service. The time rural people spend travelling will be reduced by providing all weather roads, thus giving them more time to spend on productive activities.

Increasing economic activities in Addis Ababa, Dire Dawa and the main regional cities demand expansion of urban transportation systems. This in turn requires development of better transport systems and services, and mass transport infrastructure. Development of urban transportation systems will be based on efficient urban land utilization and development planning as well as analysis of existing and future traffic density patterns. One of the key challenges for urban transportation is an implementation capacity gap and, for this reason, emphasis will be given to build the appropriate human resource and administrative capacity.

Considering the relatively low vehicle density in the country, the number of traffic accidents is very high. Preventing and reducing traffic accidents and the resulting loss of human life and property, is imperative and timely. Accordingly, an integrated traffic security and modern traffic management system, supported by information technology, will be developed and implemented in all regions.

Objectives

A main objective of the transportation sub-sector is to ensure that the public transport system is efficient and affordable so that the travel time of particularly the rural populations is reduced and they have more time for productive activities. A second main objective is that the urban transport system is efficient, secured and well integrated. A further objective is to build the effectiveness of regulatory bodies by putting in place an improved legal and regulatory framework. An effective institutional framework will help to ensure private transport service providers are competent and provide proper standards of service. The human resource capacity for better management and service delivery will be developed. A national data base for freight and public transport will be created that will reduce the time processing administrative requirements and the costs of freight transport.

Major Targets

For the GTP period, the following targets have been set for the transport services sub sector.

Table 34. GTP Targets for the Transport Services Sub Sector

Description of Targets	2009/10	2014/15
1. Increase the available seat km (bln)	25.8	32
2. Total distance covered by buses (km)	70,000	100,000
3. Daily motorized transport supply of Addis Ababa City (passengers' seats)	2,162,162	3,083,360
4. Public transport supply coverage (%)	14	48
5. Waiting time for public transport in A.A (minutes)	45	15
6. The average annual freight distance covered (km)	80,000	120,000
7. Traffic accident death rate (per 10, 000 people)	70	27

In addition, increase the available national freight transport carrying capacity to a total of 1.4 trillion ton/km, build 22 drivers' competence certification training centres (traffic complexes) covering all regions, reduce processing time by 20% by improving administration of the freight transport logistics system, and ensure that all rural kebeles have access to Medium Transportation Service (IMT), Starting from 2010/11 all vehicles will be required to have third party automotive accident insurance.

Implementing Strategies

To achieve the above objectives and targets for the transport services sub-sector, world-class regulatory and service delivery systems will be introduced. National logistics coordination excellence and information centres will be built, while specialized human resource development in road transport will also be given attention. A rural transportation expansion package will be design and implemented. An incentive structure for stakeholders who participate in the sub-sector will be created. Improvements will be made to traffic management. An organisational system for control and integration of public transport associations will be developed; it will include a system for commercial companies to encourage them to import new automotives and to address the needs of those who need special assistance. A modern traffic flow operations centre with the latest information technology will be built. A road safety council will be constituted, operational at federal, regional and local levels, to initiate and coordinate road safety projects and programs and build a national road transportation data base.

5.5.7 Maritime Transport

Strategic Directions

A key focus area during the GTP period is to enhance the capacity of the sub-sector for efficient service delivery by building a maritime transport system that will reduce the time spent, cost of transit logistics and processing of imports and exports. To this end, a multi modal maritime and sea transportation service delivery system will be put in place. Dry port capacity will be enhanced and consolidated while taking into account the point of departure for, and destination of, goods. In addition, to further facilitate the import-export trade and speed up transiting of goods, the transit time of goods at sea ports will be reduced. The number of control and weighing stations will be reduced and the management of vehicle utilization in the corridors increased in order to increase the frequency of vehicle travel and reduce transportation time. To provide an efficient and good quality service, the safety of import-export transportation corridors will be assured. A logistics system that is supported by modern technologies will be developed.

Objectives

In the GTP period the dry port infrastructure in the country will be expanded and enhanced. Import-export business operations will be facilitated by realising the mutual economic benefits that can be gained through partnership with neighbouring countries and improved utilization of transit corridors, to reduce the time and cost of logistics in import-export trade. The national shipping line's carrying capacity will be enhanced. To support the freight transport service within the country, the local water transportation service will be improved.

Major Targets

The GTP targets set for the maritime transport sub sector are presented in the following table.

Table 35. GTP Targets for the Maritime Transport Sub Sector

Description of Targets	2009/10	2014/15
1. Increase general cargo imports carried by the multi modal transport system (%)	2	80
2. Reduce transit time for import and export goods (days)	30	20

Description of Targets	2009/10	2014/15
3. Available seat kilo meter in local water transportation (mln ton)	0.9	1.4
4. Reduce transit time for imports and exports (days)	30	20
5. Export cargo transported by the newly improved system (%)		90
6. Achieve a sea port utilization for Djibouti, Berbera and Port Sudan, respectively (%)		60/30/10
7. Increase the capacity of Mojo and Semera dry ports (for general cargo, excluding unpacked and liquid cargo) (%)		100
8. No. of loading stations to be built all over the country during the plan period		35
9. Fuel transported by Ethiopian ships (bln tons)		3.6

Implementation Strategies

To achieve the above targets for the maritime transport sub sector during the plan period the multi modal system will need to be fully implemented, **while** the capacity of dry ports infrastructure facilities have to be enhanced. Partnership and collaboration with the neighbouring countries is another important strategy for effective sea port utilization and regional integration. Improving the containerization system is considered as one of the strategies for improving the sea transport and maritime services. The control systems at transport corridor custom checks will be improved. The freight transport and logistics program will be implemented. A local water transport utilization strategy will be developed and implemented, and related human resource capacity strengthened.

5.5.8 Air Transportation Services

Strategic Directions

The major focus for air transportation services is on further strengthening the competitiveness of air transport and expanding passenger and cargo transport services by creating new international destinations. Domestic air transportation service delivery will be expanded such that it supports the development of tourism activities in the country.

Standardized cargo terminal and cooling systems at different airports will be built to facilitate the import and export trade of horticulture, meat and perishable commodities. The capacity of the air cargo system will be improved in order to enhance quality and affordability of the service. In addition, the ongoing construction of airports, at different locations of the country will be completed; and their operational and technical standards brought up to required levels so that they deliver services at international standards. Lastly, an important focus will be to improve overall the capacities of the air transport system (of airplanes' carrying capacity, pilots, other professionals, airports and operators) through capacity development aimed at improving aviation safety and security.

Objectives

The objectives of air transportation services in the plan period are to develop the regulatory framework and services in order to build the capacity of the sector to reach the standards and levels of competitiveness of best aviation industries globally. That the aviation industry has fully competent and sufficient human resource capacities will be ensured as well as that the services delivered by Ethiopian Airports Agency, at the international and local airports it manages, are up to standard. Local passenger flight services will be expanded, while demand for international flight services will be met by upgrading and expanding the services. The

import-export trade in the country will be supported by providing efficient and affordable cargo services. Airport security and safety facilities in existing and newly built airports will be fully maintained and navigation services provided that are standardized, secured and sustained.

Major Targets

To achieve the above objectives for the air transportation sub-sector the targets for the plan period are presented in the following table.

Table 36. GTP Targets for Air Transportation Services Sub Sector

Description of Targets	2009/10	2014/15
1. International and domestic passenger (bln seats)	15.2	37.2
2. International and domestic passenger (mln km travelled)	263	994
3. Passengers on international flights (mln no.)	2.7	6.6
4. Passengers on domestic flights ('000 no.)	428	1464
5. International passenger flight destinations (no.)	58	77
6. International flights capacity of local airports (Regular and temporary) (no.)	45,000	67,000
7. Domestic flights capacity of local airports, (of regular and temporary) (no.)	49,000	72,000
8. Accommodation capacity for passengers of international flights all airports (mln no.)	3.88	30.5
9. Accommodation capacity for passengers of local flights all airports (mln no.)	0.96	7.6
10. Local flights coverage (%)	16	20
11. Cargo carried from all four international airports (tons)	119,000	311,000
12. The number of operators/investors in the sector (no.)	21	35
13. Globally accepted fatal accidents rate (ratio)	30/10,000	5/10,000

Implementing Strategies

A national aviation capacity building program will be designed and implemented. Regulatory and service delivery systems will be benchmarked against internationally renowned aviation industries. Communities' and regional government's participation in airport construction will be encouraged. A standard governing airport construction and standardized system of airport classification will be designed. New destinations and flight programs will be opened, using market expansion strategies. New airplanes will be purchased so as to improve service qualities and efficiency, including local flights. Safety' and facilities' systems and civil aviation monitoring system will be operated to acceptable international standards.

5.5.9 Urban and Construction Development

Though, the level of urbanization is low in the country the urban population is increasing. This is also expected to continue in the GTP period. On the other hand, urban administrations have started to provide urban infrastructure and services, revitalize their economies and promote job creations in urban centers given their capacity. In the GTP period, due attention will be given to enable urban centers to have adequate urban infrastructures, promote small businesses and jobs, and conducive environment that is equitable with the demands of ever

increasing urban population. These will turn help reduce poverty and unemployment in urban centers and thereby enhance the role of urban centers for accelerated economic development.

The construction industry has registered significant growth in the past five years plan period. It played an important role in improving the delivery of social and economic infrastructure, generating jobs and contributing to economic growth. To sustain this in the GTP period, and enable the local construction industry play its role in accelerated socio-economic development of the country, focus will be on building the capacity and competitiveness of the industry by implementing a comprehensive and integrated capacity building program. The legislation and enforcement of a regulatory framework that ensure safety and competitiveness in the industry is also considered crucial to GTP.

Strategic Direction

Key strategic areas for urban development are poverty and unemployment reductions, sustained and integrated development through rural-urban and urban-urban linkages, participatory engagement of the urban populations in development and governance, forming strong partnerships with the private sector, and establishing effective decentralized administration systems that ensure self-rule of cities and towns.

Regarding development of urban infrastructure, the key strategy is to enhance the capacity of city administrations to plan, provide and manage the supply of urban infrastructure and services. Investments in urban infrastructure have to consider the role and importance of the cities in regional and national social and economic development. Infrastructure development should create an environment conducive to accelerated economic development and equitable distribution of services. To realise fully the potential contribution of towns and cities to economic and social development, the development and expansion of infrastructure will have to be undertaken through the joint and coordinated efforts of the government, private sector, and the public. When infrastructure development activities are carried out, the potential to create a wide range of job opportunities and promote micro and small enterprise development, will always be taken into consideration.

Low cost housing would also be promoted for the low and middle income households particularly in Addis Ababa. The housing development initiatives would result in the creation of new MSEs operating in the construction sector, strengthen the existing MSEs and provide huge employment opportunities. The housing program needs to be executed in a way it promotes domestic savings, reduces slums and improves the urban environment.

The development of the construction industry will be promoted during the plan period such that it is labour-intensive, market-oriented, led by the domestic private sector, competitive, ethical, and free from corruption. Development of the construction industry will take into account micro and small enterprise development, capacity building requirements, and ensure the full participation of women. Steps will be taken to ensure that design and construction activities accommodate the needs of the disabled citizens.

Objectives

In order that urban and construction development contribute fully to the accelerated socioeconomic development of the country, specific objectives that will be pursued are

For urban development: The priority objectives are to ensure stronger urban local capacities to develop and manage urban infrastructure and services, deliver efficient, effective and fair infrastructure and services to urban citizens sustainably, and improve the urban environment for living and work. In addition, poverty and unemployment reductions are set as objectives

of the various urban infrastructure and business development initiatives. Strengthening the capacity of cities to self-govern themselves and public participation are –expected to improve the governance system. It is planned also to construct affordable, good quality and standardized urban housing, particularly in Addis Ababa, reduce urban slums, address housing (shelter) problems, promote domestic savings and create a wide range of job opportunities.

For construction industry development: The objective here are to ensure construction works are completed to the standard required, time limits set and costs planned, build the capacity of the domestic construction industry to fully meet local demand, enable the industry to make a significant contribution to the sustainable growth of other sectors and the national economy, as well as improve its productivity. Additional objectives are to create jobs, develop the sector’s overall capacity and increase the number of local companies (contractors, consultants, construction machinery supplying and leasing companies, and construction material suppliers) engaged in the industry, and ensure the effective use of public investment in different construction works.

Major targets

With regard to construction and urban development the main targets during the plan period are presented in the following tables.

Table 37. GTP Targets for Construction Development Sub Sector

Description of Targets
1. Raise the capacity of existing contractors by improving capacity of higher grade local contractors and consultants
2. Promote (based on prior assessment) lower grade contractors to middle and higher grades
3. Facilitate the certification of non skilled and semi skilled manpower
4. Promote the introduction of new contractors and consultants
5. Build the capacity of companies leasing plant and equipment
6. Based on thorough research resolve the supply and demand gap relating to both local and industrial construction materials.

Table 38. GTP Targets for Urban Development Sub Sector

Description of Targets	2009/10	2014/15
1. In Addis Ababa, construct and transfer houses (no)		150,000
2. Reducing slum areas in Addis Ababa (%)	60	30
3. Construct houses in sugar development projects (no)		101,022
Urban infrastructure development targets include		
4. Construction of cobble stone roads (Km)		3738
5. Construction of drainage networks (Km)		3527
6. Development of solid waste landfills sites (no)		358
7. Development of modern abattoirs (no)	214	299

In addition completion of all low cost houses under construction, as part of the ongoing housing development program in all regions, at the start of the plan period and put in place an

effective regulatory policy to regulate the activities of private real estate developers and housing cooperatives will be implemented.

Implementation strategies

Urban Development: The operational strategies here concern the strengthening of organizational and human resource capacities of urban local administrations. The development and implementation of a sustainable urban infrastructure and housing finance system is also another element of the implementation strategies. Here the primary focus will be on improving domestic savings and revenues for infrastructure and housing developments. The experiences so far with regard to public participation in planning, delivery and management of infrastructure, housing and services as well as other governance issues will be consolidated further during the GTP period. Finally the undergoing initiatives of strengthening the urban planning, design and construction capacities will be consolidated further to ensure better quality, cost efficiency and productivity in infrastructure and housing delivery.

Construction Industry: The emphasis is on enhancing the capacity of the domestic private sector so as to create a competitive local construction industry. To this end a comprehensive capacity building program will be adopted and implemented. In the plan period, implementing strategies will be adopted to increase the quantity and improve the quality of local contractors, consultants and construction machinery leasing companies. The provision, production and administration of construction materials will be strengthened and existing and new local low cost construction materials developed and improved through research and technological transfer; their use in designs and construction will also be provided. In sum, the second strategy is promotion of import substitution in the production of construction materials and services. Emphasis will be given to proper use of manuals, procedures and checklists and adherence to regulations in all government and private construction activities. In other words the strategy here is to fully enforce the building code already adopted by the country.

CHAPTER 6.

SOCIAL SECTOR DEVELOPMENT PLAN

Social development plays a key role in enhancing people's living standards, poverty eradication, economic growth and stable governance. Much emphasis has been given to the development of the sector in the past and it has developed rapidly. For the GTP period, based on the results achieved so far in the sector, the provision of education and health services will be expanded with the focus on ensuring the quality of services provided.

6.1 EDUCATION AND TRAINING

The Education Sector Development Program for the GTP period (ESDP IV) has the goal of producing democratic, efficient and effective, knowledgeable, inspired and creative citizens who contribute to the realization Ethiopia's vision of being a middle income economy. The ESDP IV focuses on educating and training a workforce that meets industries' needs at all levels, particularly the growing manufacturing industry. The plan for the GTP period has also taken into account the findings of the review of ESDP III. Based on that review, the ESDP IV was developed with a strategic direction to ensure equitable access to quality education at general, TVET and higher education levels, and also ensure that these three education levels have strong linkages to, and interrelationships with, each other. The key objective over the next five years is to ensure the achievement of the MDG targets.

6.1.1 Strategic Directions

The strategic directions that will be pursued during the GTP period under education and training sector, technical and vocational education and training as well as higher education are presented below.

General Education: The initiatives, already in place to expand basic educational services to all, and achieve the MDG targets, will be strengthened. Cost effective and participatory early childhood care and education will be expanded in both formal and non-formal delivery mechanisms. The role of the government will be to facilitate policy based services, such as supervision to ensure quality, support for provision of materials, development and provision of curricula, standards and guidelines, provision of early childhood care and education classrooms, and space within formal primary schools for community driven programs.

With regard to formal education, the existing strategic direction is to ensure equitable access to quality primary education. The undergoing initiative of providing fair and accessible quality formal education will be continued and consolidated. The current gender disparity will be eliminated by the end of the plan period. The education strategy for children with special needs will be fully implemented to meet the needs of this group.

An important priority will be to improve and ensure the quality and efficiency of education at all levels. To realize this priority, the General Education Quality Improvement Package (GEQIP) will be fully implemented. Its subsequent impact in improving student achievement (in terms of knowledge, skill and attitude) will be verified through regular monitoring and evaluation, and through the National Assessments of Student Achievement conducted every three years. The findings of this assessment will be inputs to further enrich GEQIP and achieve access to quality education for all. In addition, functional adult literacy (FAL) will be expanded to all regions. Youths and adults within the 15-60 age range will participate in the program as per the FAL criteria.

Technical and Vocational Education and Training/TVET: A good quality and efficient TVET system will be established through full implementation of the TVET strategy. To achieve this, government investment will be increased and cooperative training will be fully implemented in order to ensure provision of the human resources that will satisfy the demands of the nation's labour market.

The TVET system will continue to serve as a potential instrument for technology transfer, through the development of occupational standards, accreditation of competencies, occupational assessment and accreditation, and the establishment and strengthening of the curriculum development system. TVET institutions will serve as the centres of technology accumulation for MSEs. Rigorous and regular monitoring and evaluation will be carried out amongst TVET institutions. Government and private monitoring will enable them to ensure the minimum levels of competency. The basis for M&E will be whether the training taking place is aligned with the demands of the economy and whether trainers are satisfying the requirements cited in the trainers' competency package. M&E will also look at the trainees and assess whether they fit the profile and demands of their chosen occupation and are able to access job opportunities. Generally, the M&E system will evaluate whether TVET institutions are on the right track with regard to the strategy and, if not, take immediate corrective measures for improvement.

Higher Education: The key priority for higher education during the plan period will be to ensure quality and relevance. To this end, the management and administration system of universities will be improved and strengthened, and efforts will be made to enable the Higher Education Strategic Centre and the Higher Education Quality Assurance Agency to achieve their purposes. The performance and implementation capacity of technology institutes will be built upon. Implementation of a full fledged teacher development program will ensure an adequate supply of university teachers. The revised curricula will be implemented in line with critical issues, such as, instructional process, assessment and examinations and student achievement.

The education provided by Higher Education Institutions (HEIs) will be made compatible with the quantity, type and quality of the human resources demanded by the economy and the labour market. Accordingly, the increase in enrolment in graduate and post graduate programs will aim to be in line with the 70/30 program. A system will be introduced which will enable universities to raise their own internal revenues. This will help them improve the quality and relevance of education provided.

A technology transfer-centred research system for HEIs will be put in place. Capacity building will be undertaken to improve performance, especially of science and technology institutes and departments. Capacity building will aim to make certain HEIs support economic development through technology transfer. In general, the research system in HEIs will be guided by the role they play in the economic growth and development of the country.

Assurance of the quality and relevance of education provided in private HEIs will be another key priority issue during ESDP IV. These institutions will be evaluated and quality assured, based on the degree to which they are organized and deliver services as per the higher education proclamation and strategy. The provision of higher education in the private sector will be required to give priority to quality and relevance, through regular M&E and, where necessary, corrective measures. Through continuous support and monitoring, HEIs will become more effective and efficient and provide a student friendly environment especially for young women and students with special needs.

6.1.2 Objectives

The objectives of the education sector development program are to ensure an effective and efficient education and training system that enhances quality, efficiency, relevance, equity and access at all levels. This will be achieved through performance capacity building, and the development of, and adherence to, competency criteria.

Objectives of General Education: The objectives for general education are to expand access to good quality primary and pre-primary education and to maintain their quality and efficiency, expand good quality secondary education that serves as a foundation and bridge for production of a middle and higher level workforce that meets the demands of the national economy and labour market, expand the intake capacity of HEIs, ensure equity in education by narrowing gender, regional and urban-rural disparities, and expand access to functional adult literacy (FAL) to enhance the country's all round development endeavours.

Objectives of Technical and Vocational Education and Training/TVET: The objectives for TVET are to provide an outcome orientated, good quality and equitable service, in rural and urban areas, that meets the demands of the national labour market. TVET institutions and services will become centres of technology transfer creating concrete capability to support MSEs through technology accumulation, building organisational capacity and transfer of technology. To this end, particular emphasis will be given to developing an integrated TVET package that will involve all actors and stakeholders. The TVET integrated package will strengthen the ability of industries to set occupational standards and provide accreditation of competencies. A main objective for TVET is to support women and youth to gain working skills and competencies that ensure they are economically self sufficient.

Objectives of Higher Education: The objective for higher education is to establish HEIs that are focused on result orientated management, administration and performance, and that recognize and scale up best practices. A further objective for HEIs is to provide an increased quantity and quality of skilled and capable human resources that meets the needs of the country in regard to its development in general, and the manufacturing industry in particular. To this end, HEIs will ensure that enrolment prioritizes science and technology. In addition, successful HEIs, that have provided good quality and relevant education that meets the demands of the economy and enhances the competitiveness and competency of female students, will be recognised.

6.1.3 Targets

Targets set for the plan period, as indicators of access, equity, quality and efficiency, and which will help to monitor and achieve the general and specific objectives of the education sector, are described below for general, TVET and higher education.

General Education, quality and efficiency: All schools and resource centres, at each level, will have principals and supervisors who meet the standards set. By this means, a school management system that ensures educational quality will be established. Students that complete each cycle of education will acquire the civic and ethical behaviour desired. Teachers at all levels will be required to be professionally licensed so that the quality required is maintained and every subject specified is relevant. Thus, teachers accountability and responsibility for implementation of quality oriented teaching, learning processes and curricula, in every sphere of general education, will be assured.

Table 39. GTP Targets for General Education

Description of Targets	2009/10	2014/15
1. Increase students' score in examinations and assessments at all grade levels of every subject (%)	50	90
2. Gross enrolment rate for pre-primary education (%)	4.2	20
3. Net enrolment rate for primary education (1-8) (%)	87.9	100
4. Gross enrolment rate for general secondary education (9-10) (%)	39.7	62
5. Gross enrolment rate of functional adult literacy (%)	36	95
6. Gender disparity (1-8) (%)	0.93:1	1:1

Table 40. GTP Targets for Technical and Vocational Education and Training

Description of Targets	2009/10	2014/15
1. Competent/certified candidates (%)	23	60
2. Technologies that can help create wealth and increase income (no)		3000
3. TVET graduates that enter the labour market and be employed (%)		90

TVET system capability will be established to accommodate participants who have the need and readiness to attend TVET and who can satisfy the minimum requirements for each level.

Higher education: Universities will strengthen management and administration systems that can promote their missions of achieving quality and relevance of education. They will conduct research, which focuses on solving problems in quality and relevance and development, and they will enhance community services. Provisions for standard facilities of libraries and laboratories will be assured in all HEI.

Table 41. GTP Targets for Higher Education

Description of Targets	2009/10	2014/15
1. University teachers (no)		23,000
a. Teachers with second degrees (%)		75
b. Teachers with PhD degrees (%)		25
c. Student –teacher ratio		1:20
2. Annual intake for postgraduate programs (second degree and PhD) (no)		16,100
3. The average graduation rate of undergraduate program (%)		93
a. The graduation rate undergraduate programs for females (%)		90
b. The graduation rate undergraduate programs for males (%)		95
4. Gross admission for undergraduate program (70:30 program mix) (no)	185,788	467,000
5. Participation rate of females in undergraduate programs (%)	29	40
6. Participation rate of females in postgraduate programs (%)	10	25

6.1.4 Implementation Strategies

General Education: To ensure quality and efficiency of general education, capacity development activities will be undertaken to enhance the performance of leaders and implementers, to the standard indicated in GEQIP, at all levels. The implementation of best practices referred to in the GEQIP, in every school, will be scaled up. Scaling up education quality will be encouraged by building communities' sense of ownership of educational quality by initiating integrated community mobilization, at all levels, using every media.

The qualifications of teachers, at every stage and for every type of education, will be upgraded as described in the teacher development blue book through pre-service, in-service and continuous professional development schemes, by provision of special training to English teachers to raise their proficiency at each level, per the standard set, by application of an assessment tool for and identification of skills gaps, by fully implementing the Maths and Science strategy that aims to raise student awareness and motivation for improved learning in maths and science and achieving better results in these subjects, and by creating strong linkages and harmony between the curricula of different primary education, secondary education and teacher training institutions curricula.

To improve the quality of education, digitized (plasma based) secondary education will be developed in a way suitable for broadcast. To implement this initiative a checklist will be developed to determine the expected attitudes, skills and inputs required. The digitized broadcast strategy aims to implement the GEQIP efficiently, establish an effective M&E system, evaluate the impact of the GEQIP upon changes in student achievement and eventually upgrade excellence of the GEQIP and its implementation.

With regard to equity and access, the Early Childhood Care and Education policy package and strategy will be fully implemented. Participatory school construction and networks will be promoted. The distance between children's homes and schools will be reduced. The existing Alternative Basic Education Centres to regular schools will be transformed. More Alternative Basic Education centres will be established when and wherever necessary. A strong transformational nexus between Alternative Basic Education centres and formal primary schools will be established.

In scarcely populated areas, as a means of integrating and maintaining children in school and of meeting the needs of pastoralist and semi-pastoralist students, strategies adopted will include open multi-grade classes, open mobile and para-boarding schools and school feeding programs. To improve the access rates of children in emerging regions, affirmative action for children with vulnerabilities will be promoted. To increase access to secondary education, secondary schools will be expanded. The expansion of secondary schools will also involve increased provision of secondary preparatory education, to meet the demand of the economy for a skilled human workforce and be matched with the intake capacity of HEI. The private sector, NGOs and the community will be encouraged to open secondary schools. Support will be provided and monitoring of quality carried out to ensure the standards of these schools meet requirements.

Implementation strategies for functional adult literacy will follow the FAL strategy and include interventions to provide curriculum and guidelines, institutionalize training of FAL facilitators at all colleges of teacher education in order to carry out facilitator training efficiently. The strategy for Special Needs Education to ensure equity and access will be implemented. A robust M&E system will be put in place at all levels and corrective actions taken where required.

Technical and Vocational Education and Training: Implementation strategies here include ensuring the TVET system is, as much as possible, compatible with international labour market standards. Particular emphasis will be given to the ability of TVET to absorb and use the existing expertise in the country. Which experts have valuable competencies will be identified through competency assessment. Use will be made of accredited assessors who hold senior positions in industries, so as to establish occupational standards comprehensively and for assessing other experts. A result expected from these strategies is that only those assessors who are accredited and competent carry out assessments.

Other main strategies are to prioritize occupations and facilitate conditions for provision of comprehensive in-company training. From among graduates, those with high competency will be selected for the post of trainers at TVET centres. Further, implementation strategies are to promote selected and experienced trainers to senior levels of training and management. Accredited trainers and teachers will be given ownership over various training and technology transfer activities. The capacity of the industrial work force will be improved to international labour market standards. So as to achieve sustainability of the TVET system, the industry's institutional ownership of TVET systems will be ensured. It will be ensured that all TVET centres have competent and accredited trainers for all occupations in demand.

Main TVET implementation strategies for strengthening MSEs are to provide capacity development, by promoting them as centres for technology transfer, ensure a decentralized, integrated and outcome based TVET system throughout the country, realize competencies at every level, strengthen the TVET system through regular organizational monitoring, involve stakeholders in occupational standards, develop the curricula, training and assessment tasks, establish a system for training needs analysis, continuously upgrade occupational standards, and conducting training of involved personnel.

Higher Education: For higher education, implementation strategies pursued will seek to strengthen university leadership and providing leadership training for new candidates of higher and middle level positions. The intake capacity of all universities especially in science and technology and teacher development programs will be increased. The professional competence of HEI teachers will be scaled up by providing them with training on, among other subjects, pedagogy, student assessment and action research. The new universities currently under construction will be made fully operational and they will be furnished with the equipment necessary and encouraged to give priority to science and technology and teacher development programs. A system to promote institutional & teacher competence and expertise in conducting research and adapting technology will be established. The National Qualifications Framework will be developed and implemented. All universities will be encouraged and supported to establish well organized and policy guided internal quality assurance systems. The capacity of HEIs to undertake graduate tracer studies and analyze employer needs will be developed. Lastly, it is expected that HEIs will be able to revise and improve their curricula, as well as developing schemes for the provision of affirmative actions for those who need additional support, (females, youth with disabilities, emerging regions, etc) such as, special admission criteria, tutorial support and scholarship opportunities.

6.2 HEALTH

In prior years, remarkable achievements have been realised in the expansion and construction of health facilities and improvement of the quality of health service provision. The Health Extension Program is an innovative health service delivery program that aims at universal coverage of primary health care. The program is based on expanding physical health infrastructure and developing Health Extension Workers who provide basic preventive and curative health services in the rural community. The Health Sector Development Program IV is designed to support the policies, strategies and targets of the government for the GTP period. The highest priority areas for health sector development program will be maternal and newborn care, child health, and halting and reversing the spread of major communicable disease such as HIV/AIDS, TB and malaria.

6.2.1 Strategic Directions

The core elements of the health strategy are decentralization of the health care system, development of the preventive, promotional and curative components of health care, assurance of accessibility of health care for all segments of the population and the promotion of private sector and NGOs participation in the health sector. In addition, health policy gives focus to health promotion and disease prevention, curative and rehabilitative services, public health emergency preparedness and to enabling the population to contribute its own health.

The health sector development plan aims at ensuring community ownership and empowerment through effective social mobilization, enhanced and sustained awareness creation, supporting community organizations and creating an environment conducive to community ownership and empowerment. The Health Extension Program will be the primary vehicle for preventative health, health promotion, behavioural change communication and basic curative care through effective implementation of sixteen packages.

The delivery of good quality health services is central to improving the health status of the population. The Quality of Health Service applies a three-pronged approach to improving quality of health services. A Health Care Financing Strategy aims at increasing resource flows to the health sector, improving the efficiency of resource utilization, and ensuring sustainability of financing to improve the overall coverage and quality of health service. Steps to involve the community in the planning, implementation, monitoring and evaluation of health interventions will be strengthened. The role of the private sector in the delivery of health services will be increased in the plan period. Vertical integration of program interventions at the point of health service delivery will be given high priority.

The primary focus during GTP will be on the provision of quality primary health care for all. Thus health centers will serve as a first curative referral center for HPs and will provide health care that will not be available at the HPs through ambulatory and some cases of inpatient admissions. Health post and health centers will be equipped and staffed as per the standard and expanded in all Woredas. Notwithstanding the primary focus on primary health care, due emphasis will also be given to the expansion of higher quality hospital services as per the policies and strategic directions of the health sector. Referral system will be strengthened through effective implementation of the new guideline. To provide better quality of health services, the human resource strategy of the health sector will focus on retaining trained health professionals on the one hand, while on the other hand giving greater attention to a larger scale training of specialists, medical doctors and midwives to compensate for the brain drain.

Of particular importance, given the fact that health outcomes depend on so many factors, is the inter-sectoral collaboration in crosscutting areas such as water supply and sanitation, education, gender, population, and food supply. Also, given the partnership and networking between the Government and NGOs and civil society and private sector organizations engaged in health related activities is becoming increasingly important in enhancing implementation of the program. In addition, the health sector will forge strong partnership and create a coordination mechanism to ensure that there will be conducive environment for the Development Partners and NGOs/CSOs/Private sectors to enhance the scaling up of interventions during the strategic period. The role of private sector in the delivery of health service will be strengthened in the coming five years. Integration of the vertical programme interventions at the point of health service delivery will be accorded utmost attention.

Private health care providers will be strengthened, motivated, monitored and regulated in order to provide a good quality health service that satisfies citizens. Internationally

standardized and competitive specialized hospitals will be promoted to provide quality health services not only for Ethiopians but also for other citizens to generate foreign currency and promote and enhance national self-reliance in health development by mobilizing and efficiently utilizing internal and external resources. Private pharmaceutical factories will also be given much emphasis by providing incentives to sustainably produce and deliver quality pharmaceuticals.

In order to achieve the desired results of the health sector, a resource mobilization and procurement (health care financing) strategy will be implemented. To ensure sustainable national pharmaceutical and service supplies to health facilities at all levels, adequate budget will be allocated. So as to enable uninterrupted and adequate pharmaceuticals and medical equipments to health facilities, the necessary incentive package will be considered. In addition, significant reduction in pharmaceutical wastages and improved rational drug use will be another focus of the strategy.

Strategic direction related to HIV/AIDs: On the basis of the National HIV/AIDs Policy emphasis will be on expansion of effective prevention and control activities, promotion of basic curative care related services, strengthening the systematic collection and use of HIV/AIDs related information, providing special care and protection to HIV/AIDs patients, mobilising adequate and sustainable resource to finance the HIV/AIDs strategy , as well as on reducing vulnerability and new incidence to HIV/AIDs.

In addition, focus will be given to a National Children Health Strategy aiming at the reduction of under five mortality, expanding family planning, ensuring pre and post natal cares and support, hygiene and sanitation and reduction of major communicable diseases.

6.2.2 Objectives

The general objective of the health sector is to improve the health of the population by promoting health of citizens and providing preventive, curative and rehabilitative health services. Specific objectives are to

Improve access to health service: This objective includes provision of affordable health services to improve the health of mothers, neonates, children, adolescent and youth, reduce the incidence and prevalence of HIV/AIDS, TB, malaria and other communicable and non - communicable diseases and improve hygiene and environmental health.

Improve quality of health services: This objective includes provision of health services of a standard quality by health facilities at all levels. The standards applied cover speed of delivery, harmonization at the point of service delivery through the integration of vertical programs, exploitation of opportunities arising, service effectiveness, patient safety and the ethics and professionalism in service delivery.

Improve public health emergency preparedness and response: This objective includes improvements in health risk identification, early warning, response and recovery from existing and emerging disease epidemics, acute malnutrition, and natural disasters of national and international concern.

Improve pharmaceutical supply and services: This objective aims to increase the availability of pharmaceuticals at an affordable price and of a satisfactory condition.

Improve health infrastructure: This objective includes expanding, equipping, furnishing, maintaining and managing health and health related facilities, expanding use of relevant technologies including health information technology, technology transfer and vaccine production.

Improve evidence based decision making: This objective aims at evidence based decision making through enhanced partnership, harmonization, alignment and integration of projects and programs at the point of health service delivery.

Improve human capital and leadership: This objective involves leadership development, human resource planning, development and management including recruitment, retention and performance management, community capacity development and technical assistance management of the health sector. Additional objectives for the health sector in the plan period are to improve community ownership, maximize resource mobilization and utilize as well as improve the regulatory system of the health service delivery.

Improve Community Initiatives/Participation and Ownerships: This objective encompasses awareness creation and ensuring community participation in policy formulation, planning, implementation, Monitoring and Evaluation and mobilization required to implement health sector development programs.

Improve Resource Mobilization and Utilization: This objective includes a proactive approach in the mobilization of required adequate and sustainable resources from available sources and effectively utilize the resources to achieve MDG targets.

Improve regulatory system: This objective is about ensuring safety in the delivery of health services, products and practices; prevention of professional malpractices; enhancing environmental health activities; enforcing regulations and prevention of drug abuse;

6.2.3 Targets

The main targets for the health sector in the plan period are presented in the following table.

Table 42. GTP Targets for Health

Description of Targets	2009/10	2014/15
1. Decrease maternal mortality rate per 100,000 mothers	590	267
2. Decrease under five mortality rate per 1000 children	101	68
3. Infant mortality rate (per 1000 live births)	77	31
4. Increase family planning service (CPR) (%)	32	66
5. Increase Penta 3 immunization coverage (%)	82	96
6. Reduce HIV/AIDS incidence (%)	0.28	0.14
7. Increase TB Case Detection Rate (%)	36	75
8. Reduce malaria incidence (%)	0.7	<0.7

6.2.4 Implementation Strategies

High priority health sector implementation strategies are to strengthen and scale up the Health Extension Program. The construction, expansion and improvement of health centres and hospitals, including expansion of specialized hospitals will be accelerated. Health posts and health centres will be renovated and properly maintained. Government will ensure that the inputs necessary to provide the population with good quality health services are available. Health service capacity to train and recruit a large number of specialists, general practitioners, health workers and midwives will be improved. Health service quality regulation will be conducted and licensing and inspection strengthened. The health care financing system will be strengthened by expanding health insurance and improving human capital and leadership. Emerging surgery services to mothers will be started in all district hospitals. Women's participation, engagement and involvement in the health service delivery will be ensured. The

role of private sector will be enhanced, the establishment of hospitals providing specialised services improved and pharmaceutical supply and services improved by providing incentives for local pharmaceutical producing institutions. The ongoing civil service program will be strengthened. Public-private partnerships will be developed. Activities that ensure the participation of all stakeholders will be scaled up.

CHAPTER 7.

CAPACITY BUILDING AND GOOD GOVERNANCE

Remarkable results were achieved over the past planning periods in terms of establishing a stable developmental and democratic governmental system. These achievements in good governance and the democratization process play a key role in ensuring rapid and sustainable development, human and capital resources development and for achieving sustained economic development and Ethiopia's MDG targets by 2015. Thus based on the achievements and challenges experienced so far, the GTP envisages to consolidate the capacity building, democratization and governance programs of the country.

7.1 CAPACITY BUILDING

7.1.1 Strategic Directions

Strategic directions in the capacity building component include a concerted and integrated effort to enhance the capacity of the civil service to implement government policies and strategies effectively and efficiently. Another major strategy during the GTP period is the scaling up of best practices in the design and implementation of civil service reforms in Ethiopia. To implement this strategy, civil service reform program activities to date will be reviewed, and best practices identified, packaged and scaled up. Three key strategic directions are described below.

Establish government structures with strong implementing capacity: This strategic direction will involve, during the plan period, the full implementation of the Civil Service Reform Program at all levels of the government structure (federal and regional) in order to strengthen the reform agenda. Civil servants will participate in awareness creation activities that aim to develop wholly positive attitudes towards serving the public, ensure that they fully understand government's policies and strategies, and are capable of implementing them. Overall this strategy aims to ensure increased efficiency, effectiveness, accountability and transparency of public sector service delivery. In particular, the Balanced Score Card, an initiative of the civil service reform programs, will be implemented with communication support to strengthen the working systems.

Ensure transparency and combating corruption from its source: This strategic direction will involve initiatives to implement fully a system of asset disclosure and registration by every citizen with a view to recognizing and protecting their rights. The tax administration will be improved through strengthening the tax information system, enforcement and public education. An urban land registration system that ensures transparency and accountability, tenure security and efficient land and immovable property market will be set up. Awareness will be created through education on ethics to encourage citizens to nurture a zero tolerance for corruption and rent seeking behaviour. A system for transparent disclosure and registration of assets owned by political leaders and public officials will be established. The systems described will also deter activities involving, and detect any assets gained through, illegal and improper activities, educate the public at large to be pro active in challenging corrupt practices and officials and bringing to justice those who are engaged in improper acquisition of assets, tax evasion or indeed, any illegal activity which aims at gaining any benefit.

Ensure public participation: This strategic direction will involve initiatives that ensure citizens' participation in local governance and development decision making. In addition, the Woreda and local administrations will be strengthened to ensure better public participation and thereby to facilitate the achievement of the Millennium Development Goals. Affirmative

action will be taken to enhance the participation of women at Woreda and Kebele level, engage and mobilize the public in local infrastructure development activities such as primary school and health station construction, create an enabling environment for professional and public associations to enable them to protect and promote their rights and benefits, introduce and make operational institutional and organisational mechanisms, in all spheres of government and for professional and public associations, to encourage and ensure full public participation in the formulation and evaluation of government policies, strategies and development plans, support professional and public associations and organizations in their efforts to build inter-organizational initiatives that promoting principles contributing to democratisation such as tolerance, respect for the rule law, etc.

Incorporate and Implement Cross Cutting Issues in the Civil Service: During the plan period, particular focus will be given to empowering women through capacity building. Affirmative action will be taken to increase the participation of women in education and training; this will increase the number of women who hold decision making posts. Gender issues will be mainstreamed in the implementation of capacity building programs and in monitoring and evaluation systems. HIV/AIDS awareness creating programs will be designed and implemented to increase the awareness of civil servants about the economic and social issues involved and to increase the level of support for those affected by the disease, including orphans. In accordance with their constitutional rights, an environment conducive to increasing the contribution of people with disabilities to the civil service will be established. Awareness creation workshops and training sessions will be arranged that increase the understanding of civil servants about the negative impact of climate change and global warming and about population policy implementation.

During the GTP period, the capacity of outstanding young professionals will be developed and a system made operational to increase their participation in middle management decision making positions. To this end the proportion of young graduate professionals in the civil service will be increased. With individual efficiency as the bottom line, affirmative action will be taken to ensure that civil servant appointments to decision making positions represent proportionately each of Ethiopia's nations and nationalities. In addition, particular focus will be give to increase the opportunities for education and training of minorities.

7.1.2 Objectives

The GTP objective for capacity building is to ensure accountability and transparency in governmental operations, working procedures and systems. In addition, emphasis will be given to capacity building that supports the implementation of government's policies, strategies and programs.

7.1.3 Main Targets

To achieve the objectives set for capacity building, the following targets will be implemented.

Improve the capacity of top leadership: Leadership is crucial in strengthening democracy and building good governance, and in implementing government policies, strategies and programs. An objective of the GTP will be to build the capacity of top leadership management in the plan period. Initiatives to achieve this objective will build the capacity of leaders at both federal and regional levels, and at all levels of government structure so as to bring about effective and efficient leadership.

Human Resource Development (HRD): During the plan period attention will be given to human resource development. To this end, various measures will be taken to upgrade the capability of the civil service to implement the GTP. These measures will include review of

legislative frameworks and establishment of modern HRD systems. An objective HRD measure is to enable civil servants to be more responsive to public demands and to implement government policies, strategies and programs in an efficient, effective, transparent and accountable manner.

Build the capacity of government institutions: HRD, organisational development and improving operational systems and procedures are three pillars of capacity building. This section deals with the latter two aspects. Some of the main areas of focus in building the capacity of government institutions will be to transform government agencies so as to improve service delivery, improve their efficiency and effectiveness in providing public services, and enhance implementation capacities through improved working systems and procedures as well as establishing appropriate organisational systems. Surveys have shown that the majority of government agencies have already shown gains in efficiency as a result of various interventions in the last strategic planning period. However, the same surveys and evaluations reveal that effectiveness is at its infancy and much needs to be done to improve the situation in the next planning period. The survey findings have established a baseline and it is intended that the effectiveness of all government agencies will be at a much higher level at the end of the planning period. Targets set for the plan period will be measured against predetermined standards as a result of full scale implementation of BSC and of the monitoring and evaluation mechanisms established.

Establish a more transparent, accountable, efficient & effective governmental financial management system: The objective is to establish an effective, efficient, transparent, accountable and modern governmental financial management system. This will be achieved through introduction of legal instruments, properly managing expenditures, putting in place control systems, and employing skilled and competent personnel. During the previous plan period, various projects were designed and implemented to introduce modern governmental financial management systems. The GTP will further build on the successful practices and gains of the reform process to date.

Ensure a transparent and accountable system: The purposes of this objective are to institutionalize systems ensuring transparency and accountability throughout the civil service so that the attitudes and actions of civil servants are directed towards serving public interests. There are indications, following the various interventions taken in the last five years that transparency and accountability exist to a degree within the civil service. During the GTP period procedures for access to information, complaint handling, pre-notification of service requirements, and disclosure of public information will be introduced to embed transparency and accountability within the civil service. A related issue concerns combating rent seeking attitudes and practices. The target here is to substantially reduce rent seeking attitudes and prevent and control resultant practices/behaviours/ in the public service and of other actors. The focus will be on those related to tax administration, urban land administration, procurement and other susceptible areas.

Enhance public participation: Public participation is central to ensuring citizens own development and to the success of good governance initiatives and to sustain them. Citizens participate in development processes by expressing their demands and aspirations and so contribute to formulating policies and strategies, and to planning, monitoring and evaluation activities. Efforts made to expand democracy and good governance through the participation of community based organizations (CBOs) will include organisation of public meetings, involvement of cooperatives, professional associations, and other CBOs, and by ensuring the regular and proper participation of citizens and CBOs by improving the transparency and accountability of operational procedures of governmental organizations. A number of participatory mechanisms that contribute to good governance have been implemented

previously, however, the participation of CBOs needs further improvement and so, in the GTP period, remedial actions will be taken to strengthen the degree and consistency of public participation.

Build the capacity of woreda and kebele councils: Building the capacities of woreda and kebele councils by training staff and improving working systems is of paramount importance in strengthening good governance and democracy at local levels. The focus during the plan period will be to strengthen the implementation capacity of both urban and rural woreda and kebele councils by establishing improved operational systems, enhancing the capabilities of councillors, deepening democratic participation, establishing transparent and accountable systems, and strengthening internal controls.

Enhance civil servants' awareness of the supremacy of law: This capacity building objective aims to ensure that civil servants have good knowledge and understanding about the importance of the supremacy of law and that the law is applied. A change of attitude among civil servants is intended. Government agencies make a critical contribution to the fair and proper implementation of laws enacted by the government. For this reason civil servants should have knowledge of the content and purpose of laws and regulations that are relevant to them; they should be able to apply them fairly and fully. Civil servants will in future be supplied with all newly passed laws and regulations, along with supporting documents. A lesson learnt during the previous development plan is that even though pertinent new laws and regulations come into existence, civil servants have a habit of carrying on their duties and responsibilities as they did before; it is business as usual. It is intended to change this situation and ensure all civil servants are knowledgeable about and apply properly all laws and regulations. This will be achieved as by identifying those laws to be prioritized and creating awareness among the civil servant with training and workshops. Priority areas are, among other, the Civil Service Proclamation and those proclamations relating to education, health, the constitution, government finance, the budget proclamation, counterterrorism, broadcast, freedom to information, charities and society's.

7.1.4 Implementing Strategies

The implementation strategies here refer to enhancement of skills and knowledge of the implementing agencies and agents, from lower to management level, wider application of best practices, as well as ensuring effective communication that mobilises public participation for transformational reform. Experience sharing between different administrative levels will be strengthened and the participation of stakeholders in the reform process enhanced. A well directed and organized monitoring and evaluation system will evaluate the impact of the reforms introduced.

All inclusive capacity building: Particular attention will be given to increasing the implementation capacity of all developmental stakeholders; in the governmental, private sector and the public arenas. The comprehensive capacity building implementation package includes integrated human resource development, organisational development and operational systems working closely together.

Build the capacities of capacity building institutions: These institutions help sustain and advance reforms in the public service through human resource development, consultancy and research. Thus enhancing the capacity of these institutions so as to effectively support the civil service reform will be taken as one strategy in GTP.

Integrate Capacity Building Activities: Capacity building activities are being undertaken by different institution. Hence the strategy should be carried out in an integrated manner to save

time and cost while implementing capacity building programs. Hence, a coordinating institute will be established to oversee the overall activities.

Harmonize capacity building activities with the reengineering reform program: Reform is a continuous process in the capacity building program. There will be unpredictable obstacles or, alternatively, good opportunities that arise during implementation of the capacity building program, which were not anticipated during the plan preparation. For this reason, it is an implementation strategy to watch for and take advantage of opportunities that arise and address and resolve obstacles during implementation.

Enhance reengineering reform communications: Unless the reform program is supported by a communication strategy, it will be difficult to create the support for capacity building reform among the citizens, and in particular among the civil servants, that ensures their enthusiastic support and full contribution in implementing government's agenda. To address this issue, a strategy has been designed to ensure the full comprehension at top management level as to the importance of communication for effective reform. During PASDEP, a high level of support and enthusiasm for reform was generated in society generally, and in implementation agencies in particular. During the GTP period, effort will continue to be made to increase support further through the communicating strategy; the reform program will be core to the daily activities and tasks of government organizations.

Support the reform with ICT: To date a variety of activities have taken place to transform government organisations. These include Business Process Reengineering and Balanced Scorecard. The Business Process Reengineering exercise is now fully operational in most of the federal and regional government institutions, while Balanced Scorecard is in the process of being implemented. It is important these reform measures are supported with ICT in order to ensure the civil service is effective, efficient, transparent and accountable, as well as to increase the contribution of civil servants to the transformation process. In this context, it is planned to automate Business Process Reengineering and Balanced Scorecard by introducing new software, testing and then fully implementing the system in all government agencies during the plan period.

7.2 INFORMATION AND COMMUNICATION TECHNOLOGY DEVELOPMENT

7.2.1 Strategic Directions

The strategic directions to be pursued for enhancing information and communication technology development in the country are development of information communication technology infrastructure, ICT human resources and the legal and security system related to ICT. In addition, development of e-governance through use of IT, enhancing role of private sector in ICT, and promotion of IT research and development will remain strategic direction of the sector during GTP period.

7.2.2 Objectives

The overall objective for ICT is to support the GTP in ensuring sustainable development and poverty eradication, human resource development, capacity building and good governance through well-developed and all-inclusive capacity augmenting communication technology interventions. During the GTP period, an objective for ICT development is to gradually expand ICT over the entire nation and at all levels of the society by expanding ICT use and access on a large scale, and introducing community ICT facilities.

A second objective is to ensure the security of ICT services and protect the system from cyber crime by creating an appropriate institutional framework (policy, law and regulation) as well

as organizational and human resource capability. Expansion and development of ICT will also be encouraged by developing and putting in place uniform procedures, standardization of the technology applications and improving the efficiency and effectiveness of the human and financial resources available for ICT.

7.2.3 Major targets

During the GTP period, the major targets for the ICT sub-sector are to develop human resources for ICT to support overall development of the sector. Development research will be conducted to enhance the contribution of ICT to economic growth and social development. A suitable policy, legal and regulatory environment will be created that contributes to poverty eradication and expedites the success of development objectives. A uniform set of procedures, standards and quality control mechanisms will be developed and put in place for the ICT sub sector. The use of human and financial resources will become efficient and effective. Finally, a key target is to prevent and fully control illegal activities and there by ensure the security of the ICT system.

7.2.4 Implementation Strategies

The first strategy is to promote the development of ICT infrastructure and services in connection with higher education institutions so as to ensure sustainability, quality and relevance. The private sector will be encouraged to enhance its role in the sector, while an ICT Park will be developed in Addis Ababa. Other implementation strategies that have been designed to achieve ICT objectives by the end of the GTP period include: develop and standardize the ICT infrastructure and services; improve the national and regional states information exchange systems by installing broadband internet networks; provide ICT services to beneficiaries at competitive prices; support IT professional needs in selected economic sectors within the country, facilitate the provision of computer education and training to society at a large scale; create an enabling environment that supports increased innovation, creativity and professionalism of ICT professionals; enact legal instruments relating to ICT resources and services development and ensure that these are incorporated into other development policies, strategies and programs; revise the legal and regulatory frameworks, in collaboration with national and international stakeholders, to improve and expand ICT development; put in place management and quality control directives and standards that regulate the supply of ICT services and products; introduce the disposition of alphabets of national languages and make use of the Unicode Technology; provide support and foster ICT research and studies; develop the information Kiosk; and encourage development of a culture of internet use for various economic and social activities and create enabling conditions to increase computer ownership.

7.3 JUSTICE SECTOR

7.3.1 Strategic Directions

The overall strategic direction for the justice sector is to contribute to establishing a stable democratic and developmental state. Contributions made by the justice sector in this direction, will be to establish a system for citizens to access judicial information and ensure that the justice system is more effective. Steps will be taken to ensure that implementation and interpretation of laws are in conformity with the constitution; where they are not, they will be amended. The independence, transparency and accountability of courts, and of the judicial system as a whole, will be assured. Law enforcement agencies will be strengthened by strengthening human resource skills and providing adequate equipment. The publics'

understanding and awareness of constitutional issues will be enhanced. Customs and traditions of peaceful resolution of disputes will be given special emphasis and will be applied widely during the GTP.

7.3.2 Objectives

The objectives of the justice sector are to strengthen the constitutional system and ensure the rule of law, make the justice system more effective, efficient and accessible as well as more independent, transparent and accountable. In addition the GTP aims to consolidate the process of creating a democratic, stable and strong federal system that ensures the peace and security of citizens.

7.3.3 Targets

Human resource capacity development: The new curriculum for Bachelor of Laws (LLB) degrees will be fully implemented. Teaching materials will be prepared for the new curriculum and will subsequently be evaluated and upgraded regularly. An appropriate number of professionals will be trained for their second and third degrees and a system will be established to this effect. Training will be based on needs assessment and pre-service training will be given to newly appointed prosecutors and judges. Short term training will be provided at least once a year for judges and prosecutors serving at all levels ranging from Woreda up to Federal Supreme Courts, so as to enhance their capacities and to address their shortcomings related to attitude, knowledge, ethics and skill. The capacity of other professionals in the justice system will be enhanced. To this end, the federal and regional level training institutes will be well equipped, while research works that help build the capacity of professionals working in the justice sector will be encouraged. Ethical standards will be set and enforced for practicing lawyers and attorneys.

Improve the transparency and accountability of the justice system: A system to increase transparency and accountability will be fully established. A mechanism will be established to evaluate the effectiveness of the professionals. Ethical principles will be made known and be implemented fully by the professionals involved. Complaint handling offices will be strengthened. An effective and cost saving resource management system will be established and implemented. Strong monitoring, evaluation and support systems will be established.

Independence, transparency and accountability of the judiciary: A system will be established to ensure accountability, while guaranteeing the judiciary's independence. The appointment of judges will be based on competence and will ensure fair regional and gender representation. The performance evaluation system for judges will be expanded, continuity of the evaluation system will be ensured, and the screening process will be improved. A system will be established for the speedy resolution of disciplinary matters that are brought before the judicial administration council. Improvements will be made based on consultations with and contributions from service users and stakeholders. The hearing process in the justice system will take place in full in open courts. Cessation decisions and laws will be made available in time for judges.

Enhance service accessibility: Standardized accommodation in which justice agencies and courts can work in an integrated manner and which are more accessible will be provided. Initiatives to provide the services of the courts throughout the year will be expanded to all courts and courts will provide services 24 hours-a-day. Efforts that have been started to make the courts more accessible to women and children will be fully implemented and expanded to all courts in the country. The initiatives that have been started to make the court environment friendlier for users will be expanded and implemented in all courts in the country. Indigent

litigants will be provided with adequate legal counsel, aid and translation services. The number of judges will be increased to ensure that the number of judges corresponds to the size of the populations they serve.

Rehabilitation of prisoners: National prison inmate handling and protection standards will be prepared and implemented to ensure appropriate rehabilitation of prisoners. All prison inmates will be encouraged to become productive and law abiding citizens by attending civic, ethics, academic and professional training sessions. Inmates will be helped to increase their income by taking part in developmental works. Their human rights will be ensured. Provision of/for inmates' accommodation, health, nutrition, communications and recreational services will be improved. A system will be established and implemented to follow up the integration of inmates in society released after serving their terms. Efforts will be made to improve the public image of prisons.

Strengthen the federal system: The values of peace and tolerance will be promoted and the capacity to resolve disputes peacefully will be strengthened. Mechanisms will be established and implemented to detect and prevent conflicts before they occur and resolve conflicts that have arisen before they result in harm. In this respect it is noted that, the capacity to resolve disputes permanently is dependent on research related to conflicts. Measures will be taken to enhance the values of tolerance and respect between religious institutions and their followers. Solutions to religious conflicts will be sought and implemented through research which will be conducted to identify sensitive religious issues. The awareness of the leadership at all levels, and that of the population, of issues relating to interstate relations and federalism will be significantly enhanced. A system will be established to ensure permanent intergovernmental agency, as well as federal and regional state, relations.

Increase public participation: Participation of the justice system staff in the preparation and evaluation of plans as well as on other necessary issues will be strengthened (internal participation). Measures will be taken to improve and enhance the participation of stakeholders in issues related to justice (external public participation).

Improve sector communication: Public relation activities will be carried out to raise sufficiently the awareness of governmental agencies and of the public about the performance of the justice organs. The preparation and publication of professional magazines within the justice organs will continue.

Enhance the use of ICT in the reform process: A national integrated justice information system will be established and put into use. Actions will be taken to support the court system with information communication technology which will be extended to all courts in the country. A public prosecutor information system will be established and put into use. All work processes and offices will be modernized by developing appropriate software and a database for file and record keeping. Information about inmates will be supported by ICT and there will be maximum utilization of ICT in all the training centres.

Ensure the mainstreaming of cross cutting issues in justice sector: The justice sector will devise and implement a mechanism whereby the rights of women and children as well as of persons living with HIV/AIDS, as recognized by the constitution and international agreements, are fully respected. Their equal participation in society, and the opportunities and benefits accruing from that participation, will be ensured.

7.3.4 Implementation Strategies

To achieve the objectives and targets established for the justice sector, during the GTP period, a number of implementation strategies will be adopted. These are summarised in the following paragraphs.

The reforms required will be supported by specific initiatives to build implementation capacities of the agencies involved. The law required will be drafted, codified and consolidated, prior to adoption, based on proper research. At all times the sector will render effective, efficient, accessible and predictable justice to all and ensure the efficient and effective execution of court decisions. Strategies will be implemented that prevent crimes that endanger the constitutional system and public interest and, where such crimes are committed, the perpetrators will be brought to justice. Prisoners will be helped to become law abiding, skilled and to respect the rights of others. An environment conducive to ensuring lasting peace and respect between religions and religious institutions will be created. Good governance and development will be supported by conducting legal research, raising the knowledge and awareness of the public on human rights protection and strengthening the rule of law.

Strategies will be pursued that ensure that the rights of women, children and persons that live with HIV/ AIDS, as they are recognized by the constitution and international agreements, are respected, that they participate equally in and benefit from development. The public's respect for law and order and support of law enforcement activities will be gradually raised by raising overall awareness of legal issues. Laws will be disseminated more widely and more efficiently in order to increase public knowledge and awareness of the law. The role of civic societies and stakeholders in good governance and development activities will be enhanced. A system will be established to ensure that attorneys have the required professional capability and ethics and to strengthen their role in the administration of justice. The registration of legal practitioners will be fully implemented.

The values of gender equality will be promoted so that women participate more equally in good governance and development, and the capacities of women in the justice sector are enhanced. Professionals in the justice sector will be made more aware of the nature of HIV/AIDS and its transmission, so as to protect themselves from HIV/AIDS, ensure that sufferers get the appropriate help in a manner that respects their human rights, and support implementation of health policy that is focused on prevention.

7.4 DEMOCRACY AND GOOD GOVERNANCE

7.4.1 Strengthening Democratic System

7.4.1.1 Strategic Directions

During the GTP period, the strategic directions to ensure democratic governance in the country are to adopt and effectively enforce laws that support democracy and good governance, conduct free, fair and democratic elections and ensure the human rights of all citizens. In addition, the rights of women will be protected. One economic and political community will be the aim and to this end the development of a culture that respects the constitution, human rights and democratic values will be fostered. Government will give a guarantee that people are well represented. Accountability in general will be strengthened and the financial audit system in particular; the accounting and audit system will be standardised. An enabling environment will be created for citizens to hold consultative dialogue with government about human rights. Research related to human rights will be undertaken. The

freedom of the press and the rights of citizens and freedom of information will be ensured. Good governance and democratic institutions will be strengthened and deepened.

7.4.1.2 Objectives

The objectives are to strengthen democratisation and good governance and consolidate the existence of a federal democratic political and economic community.

7.4.1.3 Main Targets

Strengthen Councils and institutions accountable to them: A number of activities have been carried out during the previous plan period to strengthen these institutions, enhance their role in the process of building a democratic culture, and build the capacity of staff involved through short-term training and experience sharing. During the GTP period these activities will be continued and, more specifically, the capacity of these institutions will be strengthened through training, system and organizational development. In particular, to strengthen the parliamentary system of the government, it is planned to build the capacity of the members of the House of Peoples Representative and House of Federation through training and with experience sharing workshops and by improving the working procedures of the two councils with application of information technology and network infrastructure for ease of information management and use to improve decision making.

Awareness creation about human rights, democracy and the constitution: During the plan period the federal House of Peoples' Representative and House of Federation will conduct broad based awareness creation workshops and training seminars for students at pilot schools, based on the civic education, using methodologies to encourage democratic culture such as the children's parliament instrument, and for pastoralists, mainly in conflict prone areas, and including women and youth society groups, so as to create awareness about democratic culture.

Ensure a federal democratic political and economic community: The following activities will be undertaken in order to ensure the realization of this objective. A number of initiatives will be undertaken during the GTP period that strengthen the relationship between nations, nationalities and peoples such that the federal democratic arrangement in effect leads to better integrated political and economic community in the country. The House of Federation will encourage extensive research on democratic federal governance and make use of the findings to strengthen national consensus around the objective of ensuring one economic and political community. The documentation section of the House of Federation will be equipped with research materials to facilitate proper decision-making by the House. The grant sharing formula will be revised and improved to create balanced and equitable regional development. An early warning system will be put in place to prevent conflicts, and indigenous conflict resolution mechanisms used to mobilize local communities.

Provide laws and directives to create an enabling system to ensure democratic representation and accountability to public resource: The House of Peoples' Representative and regional counterparts will issue acts and directives, that have been developed based on research, to realize the objectives of the GTP. Ethiopian Human Rights Commission, Ethiopian Institution of the Ombudsman and the Office of the Federal Auditor will work closely with House of Peoples' Representative for effective implementation and monitoring of this objective.

Ensure council's accessibility and accountability to the public: Councils of representatives established at all levels are expected to oversight the performance of the government. This oversight exercise is expected to ensure active and organised public participation too. The

participatory oversight of the councils is expected to play a crucial role in ensuring that government policies and programs are implemented as per the plan and that measures are timely taken to rectify any shortfalls. The federal and regional councils will secure media airtime, develop user friendly websites, publish and increase the circulation of press releases and booklets, in order to address the public and collect public perceptions of democratic institutions and the democratic process. These initiatives will also enhance the participation of federal and regional councils in the decision making process. Advocacy Centres will be established to reach out to the public at lower administrative levels and make accessible minutes, reports of the councils, annual plans and other related information.

Enhance public participation: Regional, Woreda and Kebele councils will initiate activities to increase public participation in the development planning and democratization process. The participation of women in councils will be enhanced to achieve better political participation and involvement in decision making. The capacity of the council members will be improved, through training and experience sharing study tours. The participation of CBOs and the public at large in development planning, implementation and monitoring will be strengthened. Directives and laws that will support the functioning of CBOs and professional associations will be put in place.

7.4.1.4 Implementation Strategies

Strategies that will be adopted to implement the GTP, so as to achieve the objectives and targets for democracy and good governance described above, are to build the capacity of institutions, ensure the legislative assembly (law making process) is effective, and the codification and consolidation of laws is based on research and studies. The delivery of effective and efficient justice services will be enhanced and the accountability of the judiciary ensured. The capacity of prisoners will be developed and their human rights ensured. Peace and tolerance between different religious groups will be established. Democratic governance will be supported and strengthened by conducting legal and justice system research, ensuring the supremacy of law and conducting awareness creation among the citizen about human rights. The accessibility and dissemination of printed and electronic copy of constitutions, laws and acts will be strengthened and increased. Participation of CBOs and stakeholders in the development process will be strengthened. The legal protection and rights of children, women, people living with HIV/AIDS and disabilities will be ensured. A mechanism will be created to enhance the professional ethics of lawyers through capacity building. Gender equality will be ensured and awareness created among staff of democratic institutions about HIV/AIDS prevalence and incidence.

7.4.2 Good Governance

7.4.2.1 Strategic Directions

Good governance plays a key role in realizing the government's objective of eradicating poverty by enhancing public trust and ensuring efficient allocation of public resources for development. The strategic directions focus on improving the land and tax administration systems. The strategic directions include enhancing the awareness of citizens about the consequences of corruption through ethics and anti-corruption campaign and education such that the public nurtures zero tolerance against corruption. Measures that improve transparency and accountability would be undertaken with particular emphasis on government organizations and public enterprises that are susceptible to corrupt practices by improving their operational systems, increasing the role the citizens in the fight against corruption, introducing registration system of the wealth of government authorities and civil servants,

introducing information technology systems, enhancing transparency, developing cadastral land registration system, improving the tax information system, taking legal measures against those guilty of corruption and using these measures as an input to increase the awareness of the public.

In this context, a number of activities will be carried out in the plan period, in collaboration with the relevant stakeholders, including civic education and measures to develop a zero tolerance of corruption among the society. Additional activities initiated will be to strengthen the system to track corruption in society and protect public resources. A citizens' identification information system will be put in place, as will systems to register ownership of land and establish urban spatial plans. Further, the public will be made aware of the need to pay tax as directed by law and regulation at the time required and of the importance of taxes in financing the GTP and its objectives.

7.4.2.2 Objectives

The objectives of good governance are to enhance transparency and accountability so that there is zero tolerance for corruption. Good governance initiatives will be supported by information technology and expansion of civic education. The public service delivery systems will be modernized made efficient, fair and transparent in their delivery.

7.4.2.3 Major Targets

A GTP good governance target is to develop a system, using modern information technology, to register the wealth of government authorities and civil servants and track and take legal measures where wealth from unidentifiable sources is detected. In addition, the awareness of the public will be enhanced with the aim that there is zero public tolerance of corruption and rent seeking. Ethics education will help to increase public collaboration with government in the fight against corruption. An anti-corruption strategy will be developed and implemented in all governmental organs. An enabling mechanism will be put in place to fight corruption. The knowledge and understanding of tax payers will be increased through development and implementation of ICT. A customers' service delivery charter will be established. A modern urban land management system will be developed and the urban spatial planning system improved to ensure that land is used economically and in a transparent and accountable manner. Basic information about citizens will be developed and implemented. Government's financial management systems will be strengthened. The audit system and regulation applicable to the private sector will be strengthened.

7.4.2.4 Implementation Strategies

Good governance implementation strategies are to give priority to the fight against corruption and enforce the law on corrupt practices vigorously in collaboration with those agencies involved with tax administrations and land management, implement transparent operational procedures for the tax and land management systems, build the capacity of government's implementing agencies through the human resource development and information technology, work in collaboration with stakeholders to avoid conditions that encourage corruption, and strengthen the federal and regional anti-corruption commission and organize forums to enhance the fight against corruption. The institutional capacity development of key agencies like the Customs and Revenue Authority, Ethics and Anti-corruption Commission, Ministry of Urban Development and Construction, Office of the Auditor General and Registrations Offices will be an important element of the implementation strategy.

7.5 MEDIA BROADCAST AND COMMUNICATION

7.5.1 Media Broadcast

7.5.1.1 Strategic Directions

The strategic directions to be pursued in broadcasting of information for the citizens are to increase media broadcasts in type, number, quality and language, to increase geographic coverage, and put in place a regulatory framework for media broadcast.

7.5.1.2 Objective

The GTP objectives for media broadcast are to satisfy the public demand for mass media information through effective capacity development and implementation of the regulatory frameworks.

7.5.1.3 Major Targets

Expand information provided by mass media: The target is to expand media coverage and services provided so as to increase benefits to the public. Media broadcast applicants will be licensed so that a satisfactory service is provided throughout society. The existing laws and procedures will be strengthened to enhance media expansion. Communication that increases customers' participation will be encouraged. The capacity of media professionals will be strengthened and the use of ICT will be expanded.

Media inspection and support: Operating systems will be improved and legal directives drafted and adopted that ensure that laws applied to the press are enforced and the public is satisfied by the quantity and quality of information and media broadcasting services provided. The capacity of the media will be developed to enabling them to follow media laws and procedures. A transparent operating system will be developed, with manuals and standards, for media inspection and support. Participation of customers and the public at large, and shared ownership (community broadcasting) arrangements will be encouraged.

7.5.1.4 Implementing Strategies

Mass media expansion: Media coverage in the country is, generally, at lower level. Many communities do not receive satisfactory media service. For this reason, the government mainly focuses on improving accessibility and diversity of media services. The implementation strategy is to expand and increase media in number, kind and transmission coverage and to ensure the widest possible public benefit from media broadcasts

Media inspection and support: The country's media services have their limitations in terms of delivering quality services and satisfying public interest. Thus the second strategy is to improve support to broadcasters and ensure they operate within the regulatory framework provided.

7.5.2 Government Communication

7.5.2.1 Strategic Directions

The strategic directions concern conducting an effective communication work based on GTP, and building capable communication institution in the country. In addition, current information will be effectively communicated to the public such that the public in turn becomes even more motivated for greater participation and engagement in the development and governance process envisaged in GTP. Communication of information that supports

national consensus and builds a positive image of the country will emphasise the positive aims and achievements of the GTP by showing to the outside world that Ethiopia is making significant improvements in socio-economic development and good governance. The strategic direction focuses therefore on building national consensus and thereby also on strengthening public participation in the development and governance processes, and on improving the image of the country.

7.5.2.2 Objectives

The objectives of government communication are to mobilize the public to participate actively in the implementation of the GTP, create a political environment conducive to greater and better international awareness about Ethiopia's achievements and support the country's developmental and democratization processes. Further objectives are to significantly enhance the country's communication and media services, support the objectives of national consensus and build a positive image of Ethiopia.

7.5.2.3 Targets

A more conducive environment will be created for the participation of the public in the implementation of GTP and thereby also in the realization of the vision of Ethiopia. The communication targets will also aim to create consensus among the public with regard to the significance of ensuring the renaissance of Ethiopia, basic constitutional and policy matters as well as on the significance of the GTP. It is aimed also at effectively and accurately projecting the political, social and economic achievements of Ethiopia. Finally the capacity of media and artistic institutions will be built so as to effectively implement the communication plan.

7.5.2.4 Implementation Strategies

Initiatives that will be taken to realize government's communication objectives during the plan period are to significantly improve the coverage of the media across the country by expanding television, radio and internet services and supporting infrastructures. Communication infrastructure will be improved by establishing fibre optic based networks and facilities on a large scale, upgrading the capacity of the personnel engaged in the print media, undertaking capacity enhancing activities for top management and lower level media personnel at the federal and regional levels; and ensuring the private sector is the main beneficiary of the interventions.

The capacity of the communication sector will be upgraded by improving organisational arrangements as well as the skills and capacity of the personnel involved, so as to ensure positive and effective communication. The awareness of the public at large will be enhanced to facilitate the national consensus building process. Innovative approaches will be employed to achieve this purpose and to speed up the tempo of development. An international symposium will be organised, after the GTP has been in implementation for two years, to put forward a positive image of the country and of the achievements of the GTP to that point.

CHAPTER 8.

CROSS CUTTING SECTORS

8.1 GENDER AND CHILDREN'S AFFAIRS

8.1.1 Strategic Direction

Women make up half of the country's population and the government has taken a range of measures to increase their participation in political, social and economic affairs. There were significant achievements towards gender equality and the empowerment of women in several areas during the PASDEP period. Ethiopia has ratified a number of international and regional conventions and protocols on women and child rights. A policy has been adopted and implemented to institutionalize women's affairs in all federal and regional agencies. The new family law has been endorsed and the penal code amended for the benefit of women. Much has been achieved in the education and health sectors to enhance the participation and empowerment of women, as well as ensure that women benefit equitably. Women's participation in decision making processes has been increasing in all spheres of government. In the economic sector, their participation in agricultural packages, credit and cooperatives services has increased. In urban areas the participation of women in small enterprises, commercial and construction unions, and micro finance institutions has also expanded. These are all significant results and efforts will be made in the GTP period to sustain and improve on these achievements.

It is widely acknowledged that children are more vulnerable to man-made and natural risks. The government took measures during the PASDEP period to strengthen and protect children's welfare and rights. A national children's plan of action and an alternative child care and support guideline were prepared. At federal and regional levels child rights enforcement committees have been set up. A national coalition force has been established to address the issue of children at risk. A national action plan has been designed and national committees established to protect children from sexual assault and labour abuse. The family law and penal code have been amended to increase and ensure the safety and security of children.

In the social sector, children in particular benefited from the expansion of education and health services. Demonstration children's parliaments have been established and children are increasingly exercising their rights. Action was taken to coordinate and integrate the work of governmental and nongovernmental organizations to support and care for orphans and children at risk. The strategy now is to sustain and consolidate these achievements in the GTP period.

8.1.2 Objective

The main objectives for gender development during the plan period are to ensure women's active participation in the country's economic and social development as well as political processes and equal benefits to women from the resultant outcomes. In addition, harmful traditional practices that adversely affect the active engagement and welfare of women will be abolished.

The main objectives for children's affairs in the plan period are to ensure that children benefit from economic growth, that adequate care and support is provided to orphans and children at risk, that children's participation in society is enhanced, that harmful traditional practices affecting children are reduced, and that their safety and rights are respected.

8.1.3 Targets

The following main targets are to be achieved during the GTP period.

Table 43. GTP Targets for Gender Development and Children's Affairs

GTP Targets for Gender development

1. Increase the number of women entrepreneurs that graduate from operating micro enterprises to small and medium scale businesses.
2. Increase the number of women who receive training in management and entrepreneurship.
3. Increase the number of women beneficiaries of credit and saving services.
4. Reduce the rate of abduction, early marriage, and female genital mutilation.
5. Increase the participation of women in decision making process.

GTP Targets for Children's affairs

6. Mainstream children's affairs in all sectors.
7. Support and care mln vulnerable and children at risk.
8. Introduce community centred care and support initiatives for children at risk.
9. Reduce the rate of sexual assault and labour abuse of children.
10. Reduce illegal child migration and trafficking.

8.1.4 Implementation Strategies

Three key implementation strategies are identified with regard to women affairs. The first concerns strengthening women associations and organizations. Secondly, a more conducive environment will be created for women to more actively participate in and benefit from development and governance programs through their associations and organizations. Finally, for the participation of and benefits to women to be effective and sustainable, effective coordination of women's associations and organizations and all other actors is critical. In this way an accountable monitoring mechanism will be established such that women's affairs are mainstreamed and accordingly executed in all sectors. Implementation strategies for children's affairs focus on preparing and implementing a comprehensive children's policy, promote community based care for vulnerable and children at risk, and taking measures to reduce child abuse in the labour market, sexual assault and child trafficking.

8.2 YOUTH AND SPORTS DEVELOPMENT

8.2.1 Strategic Direction

Policy directions for youth focus on enhancing the participation of youth in democratic governance, economic and social initiatives and ensuring youth benefit from the resultant outcomes. For sports development particular focus will be given to promoting community participation in traditional and modern sports and strengthening the support given to high performing athletes so they are able to produce and sustain good results at regional and international events.

8.2.2 Objectives

During the plan period the main objectives for youth and sports development are to increase the participation of youth in democratic governance and economic development processes and build capacity in the sports sector to produce top class athletes for regional and international competitions.

8.2.3 Targets

The main targets for the plan period are presented in the following table.

Table 44. GTP Targets for Youth and Sports Development

GTP Targets for Youth development

1. Increase the number of youth centres at woreda level.
2. Mainstream youth development programs in other' development programs.
3. Increase the number of youth volunteers.

GTP Targets for Youth development

4. Strengthen then technical, material and financial capacities of sport associations and committees at different levels.
5. Expand sports fields and training centers.
6. Increase the number of private investors in the sports development, and thereby enhance community participation.
7. Increase the number of managers and coaches in different sports.
8. Increase the number of tournaments and of participating athletes.

8.2.4 Implementation Strategies

Implementation strategies for youth development include strengthening of youth associations and organizations and their all rounded participation. Awareness creation and introducing youth to information and knowledge exchange activities, and encouraging youth entrepreneurship will also be part of the strategy. Data bases relating to youth issues will be built and research concerning youth undertaken. Coalitions will be formed and cooperation with stakeholders initiated for the implementation of the youth package.

The key implementation strategy for sports development is to create an environment conducive to the empowerment and participation of community organizations in sports activities. Women and disabled people will be encouraged to participate in sports in their work places, dwelling places and schools, according to their sports preference. The government will, at all levels, support restructuring of the management of sports so as to increase community ownership and participation and make sports activities more financially self sufficient. Efforts will be made to increase the number and quality of sports specialists and experts. The participation of rural communities in traditional sports will be enhanced and, lastly, support will be given to local production of sports wear and materials.

8.3 HIV/AIDS PREVENTION AND CONTROL

8.3.1 Strategic Directions

HIV/AIDS presents a challenge to our development and poverty reduction endeavours. The government responded to the potentially complex impacts of the disease by introducing, in 1998, its national HIV/AIDS policy and, in 2002, an Anti HIV/AIDS medicine supply and use strategy. Survey results indicate that it is the 15-24 age working population, who are most vulnerable to HIV/AIDS.

Since HIV/AIDS requires a longer term and improved care and treatment, it is a major social problem. Thus the prevention and control of HIV/AIDS has been integrated into the health extension program. This approach helps to avoid the stigma and discrimination that can occur as well as raise communities' awareness and ensure their support for People Living with

HIV/AIDS. In addition it helps to integrate private and governmental efforts to sustainably raise resources to support People Living with HIV/AIDS.

The main strategic directions for the HIV/AIDS prevention and control program are to expand HIV/AIDS prevention activities, provide an all inclusive and good quality health service for HIV/AIDS and related diseases, reduce vulnerability to HIV/AIDS, strengthen the systemic collection and use of data relating to HIV/AIDS, increase the accessibility of HIV/AIDS related health services, and provide special care and protection for HIV/AIDS patients and families.

8.3.2 Objectives

The main objectives for HIV/AIDS prevention and control during the GTP period are to reduce the HIV/AIDS incidence and prevalence rate, sickness and death rate and thus the impact of HIV/AIDS on society as a whole.

8.3.3 Targets

The targets for HIV/AIDS prevention and control during the plan period are indicated in the following table.

Table 45. GTP Targets for HIV/AIDS Prevention and Control

Description of Targets	2010/11	2014/15
1. Reduce HIV/AIDS incidence (%)	0.28	0.14
2. Awareness rate about HIV/AIDS among 15-49 years old persons (%)	22.6	80.2
3. Adults on antiretroviral therapy (no)	246,347	484,966
4. Provide voluntary counselling and testing services (mln)		9.2
5. Children on antiretroviral therapy treatment (%)		95

8.3.4 Implementation Strategies

Implementation strategies for HIV/AIDS prevention and control are to build capacity for prevention and control, strengthen community participation, and create awareness among the population as a whole. In addition, HIV/AIDS prevention and control activities will be expanded and special attention will be given to the vulnerable in the society. Gender equality will be ensured, harmful traditional practices abolished and the stigma and discrimination reduced. The accessibility of HIV/AIDS prevention and control services will be increased.

Voluntary testing and counselling service services will be expanded and treatment of sexually transmitted diseases and condom distribution given due emphasis. The safety and protection of persons who come into contact with blood will be ensured and immediate treatment provided when they are exposed. The quality of and extended treatment and care service for people living with HIV/AIDS will be strengthened and care and support provided for HIV/AIDS orphans.

8.4 SOCIAL WELFARE

8.4.1 Strategic Directions

The social welfare program focuses on protecting the rights of and creating opportunities for participation of disabled and elderly people so that they contribute fully to the development process as well as to political, economic and social activities in the country. Social welfare initiatives focus on preventing the recurrence of social problems that arose previously in the

society. The programs implemented will mainly be community and family based, but governmental and non governmental entities will also play their role.

Programs that aim to benefit the elderly need to ensure their dignity, freedom and social status. Such programs will also focus on providing care and support for the elderly in the community and hence maintaining close family and social ties. The programs for people with disabilities aim to prevent disabilities, provide education and training, rehabilitation services and ensure equal access and opportunities for people with disabilities. Measures that strengthen positive attitudinal and behavioural changes of communities with regard to disability will be taken.

8.4.2 Objectives

The main objectives are to provide an all inclusive and participatory social welfare and security system that identifies and responds to social welfare challenges, expands care and support programs for the mentally ill, disabled and the elderly and contributes overall to development activities.

8.4.3 Targets

Two main targets for social welfare are set in GTP . The first concerns establishing a standard social welfare scheme involving government, non-governmental agencies, elderly and people with disabilities in the preparation and delivery. The second target refers to increasing the coverage of social security services overall based on the envisaged scheme. Based on this standard social welfare system, the number of disabled people who benefit from physical rehabilitation and support, of people who have access to social welfare, and of people who receive capacity development and awareness creation training, will be increased through the coordinated efforts of the community, people with disability, the elderly, the government and non –governmental agencies. Implementation Strategies

All implementation plans need to focus mainly on community based welfare systems. From this perspective, implementation strategies for social welfare during the plan period are to create a knowledge and experience sharing environment supportive of the elderly and help them to contribute to the country's development processes. Social welfare authorities will collaborate closely with and coordinate social welfare programs to care and support the elderly with stakeholders who are engaged in these programs. NGO care and support programs for the elderly will be encouraged. Disabled people will be encouraged to participate fully in economic, political and social development activities. Special attention will be given to children with special needs and assistance will be provided to help them start and continue schooling. Government will take steps to ensure that people with disabilities have equal job opportunities and participate in economic development without discrimination or stigma. Measures that minimize barriers to the movement of people with disabilities, for instance in schools, homes, recreation centres and health facilities will be taken. Special support for people with disabilities' mental and physical needs will be provided. Training and rehabilitation programs will be provided and communities' participation in social welfare programs enhanced.

8.5 LABOUR AFFAIRS

8.5.1 Strategic Directions

There are three key policies adopted for labour affairs in the GTP. These are

To expand job information services by setting up a data base system to identify job opportunities. The system will enable analysis of labour market demand and inform policy makers, employers, economically active citizens, research institutions and education and training centres.

To expand workplace support and cooperation to encourage the resolution of labour disputes by bilateral (employee and employer) and trilateral (employee, employer and the government) dialogue and discussion. The government will also encourage improvements in working environments and job safety so as to increase productivity.

Monitor of the working environment to ensure that employees and employers abide by the relevant rules and regulations and respect their duties and responsibilities to ensure job safety.

8.5.2 Objectives

The objectives for labour affairs during the plan period are to ensure expansion of job information services, job safety and stability of the working environment and enhance labour productivity. Achievement of these objectives will contribute to overall socio-economic development.

8.5.3 Targets

The following targets are to be achieved during the plan period

Table 46. GTP Targets for Labour Affairs

GTP Targets for Labour Affairs

1. Ensure an effective enforcement of the labour laws.
2. Launch a job information service.
3. Support job seekers.
4. Provide capacity development training to employees and employers.
5. Launch dialogue and discussion forums at workplaces.
6. Provide support to solve labour disputes through dialogues and discussions.
7. Strengthen monitoring of working environments.

8.5.4 Implementation Strategies

During the plan period implementation strategies for development of labour affairs are to effectively implement the labour laws through participation of stakeholders, strengthen public awareness of labour laws, enhance labour affairs implementation capacity and expand job information centres.

8.6 POPULATION AND DEVELOPMENT

8.6.1 Strategic Directions

Ethiopia's population policy aims to lay the foundation for harmonizing the rate of population growth with the country's capacity to develop and use natural resources, and so improve the overall living conditions of citizens. One of the features of Ethiopia's demography is that a large number of the population join the national workforce each year. The ratio of the population of working age to the total population was 54% in 2008 and estimates are that each year an additional 1.2 mln people join the national workforce. So when the pool of economically active members of the population increases in size, provided that they receive the support necessary to be productive, the country's workforce plays a significant role in increased economic growth and development. For this reason, economic growth and development benefits from the opportunity presented by the nature of Ethiopia's demographics. Moreover, the policies and strategies adopted by education, health, agriculture, industry and other sectors will contribute positively to effective implementation of the population policy.

8.6.2 Objective

The main objective of the population development plan during the GTP period is to lay down foundations for harmonizing Ethiopia's main demographic characteristics with desired development outcomes of the country's economy.

8.6.3 Targets

The following targets for population and development are to be achieved during the plan period.

Table 47. GTP Targets for Population and Development

GTP Targets for Population and Development

1. Expand the health extension program's provision of family planning services.
2. Mainstream the population development agenda in, and ensure effective implementation of, the GTP development programs of every sector.
3. Improve community participation in, and awareness of issues relating to, population development.
4. Support and strengthen population education as it is addressed in primary and secondary education programs.
5. Implement the national population, information and communication strategy.
6. Increase the ratio of family planning users to 65% by the end of the plan period.
7. Enforce the family law provision of a minimum marriageable age of 18 years.
8. Develop a population data base to assist research into migration, urbanization, etc.
9. Execute the national plan of action for population development so as to provide for the effective implementation of population policy.
10. Establish the national population council.

8.6.4 Implementation Strategies

The first key implementation strategy to be pursued during the plan period is expanding the coverage and alternatives of family planning services. The second strategy concerns empowerment of women through education, economic and political participation. Community awareness about population issues will be enhanced through the mass media. Based on these strategies, women would be put in a better position to decide for themselves on the number of

children to have. The capacity of stakeholders working on population issues will be enhanced through knowledge and experience sharing forums.

8.7 CULTURE AND TOURISM

8.7.1 Strategic Directions

During the plan period, the strategic directions for the culture and tourism development program are to enhance the role tourism and culture play in socio-economic and political development initiatives. The tourism industry policy directions aim to make Ethiopia one of the best tourist destinations in Africa. Tourism industry products and services will be expanded in quantity and quality to enable them to compete globally. Women and youth will benefit from the sector's development. Cultural and tourist attractions will be used to build an attractive image of the country. The cultural, natural and historical heritages and values of the country would be developed so that they play a significant role in social and economic development as well as in the democratization process of the country. Cultural goods and services will be promoted to play a greater and positive role in the country.

8.7.2 Objective

The main objectives for culture and tourism, during the plan period, are to ensure the sustainable development and conservation of tourism, Ethiopia's diverse and unique culture and cultural heritage sites, and encourage the community's participation so that, overall, cultural activities and tourism contribute to socio-economic development and democratization process in Ethiopia.

8.7.3 Targets

The following targets are to be achieved during the plan period.

Table 48. GTP Targets for Culture and Tourism

GTP Targets for Culture and Tourism

1. Registered, preserve, develop and promote all designated cultural heritage, national attractions, and tourist sites.
2. Ensure that earnings from the natural, culture and tourism sectors contribute to the overall vision that Ethiopia becomes a middle income country.
3. Ensure that culture contributes to strengthening of integrity and democratization of Ethiopia.
4. Make more accessible tourist attractions and cultural heritage events and sites, for tourism and research.
5. The promotion of cultural and tourism contribute to build a better image of the country.
6. The culture and tourism sector contribute significantly to foreign exchange earnings of the country.

8.7.4 Implementation strategies

The implementation strategies that will be pursued during the plan period include encouragement for all stakeholders in the sector to follow an integrated approach in implementing the culture and tourism program. Implementation gaps in the development of culture and tourism will be identified and rectified, while the full participation of communities in its development will be ensured. The capacity of cultural and tourist facilities and service providers will be enhanced and accreditation will be granted when standards required are met. Strong linkages to global tourism markets will be facilitated in partnerships and through cooperation.

8.8 SCIENCE AND TECHNOLOGY DEVELOPMENT

8.8.1 Strategic Directions

The following six strategic directions will be pursued during the plan period by the science and technology development program.

Building innovations systems will build an institutional framework with policy implementation guidelines. Research will be conducted to analyze policy frameworks and develop a science and technology development plan consistent with the social and economic strategies of the country. The implementation of this plan will be monitored and evaluated. Adequate resources will be allocated and funds secured to build innovation in science and technology, with active engagement in bilateral and multilateral innovation projects.

Technology transfer and development will involve increased coordination of and integration with stakeholders to identify technology demand, build value adding information and technology data bases, enhance the support systems, and develop a monitoring system for technology duplication and adaptation processes. Research and technology capacity development will focus on developing research and technology capacity in industry, water, energy and other development sectors, support research projects and strengthen research infrastructure.

Human resource development will aim to produce high quality human resources capable of expanding technological innovation and adaptation, and capable of managing science and innovation systems effectively. Intensive work will be done at primary and secondary education level to realize the target of a 70/30 science and mathematics enrolment rate at tertiary level.

Quality and standardization strategies will build an accreditation system to international market standards for quality export goods and services, to enhance their competitiveness. Ethiopian quality and standardization guidelines will be prepared and assessment and metrology organs accredited.

A Science, technology and innovation information development initiative will compile and distribute national and regional science and technology information in databases, statistical abstracts and bibliography. A web platform will be provided to make access to the information easy and effective and an organisation established to facilitate and manage the initiative.

A focus on **copyright and /intellectual /property rights will** encourage innovation, strengthen copyright and intellectual property rights, and encourage local innovators to develop local technological capacity and develop the industry.

8.8.2 Objectives

The main objectives for science and technology development during the plan period are to establish organisations and agencies that contribute to improvements in productivity and quality of local produce. Means to facilitate technological transfer will be established. An innovation strategy will be implemented and high quality human resources produced. Quality and standards information will be used for technological transfer to help exports of services and products compete in the global market. Measures to control radioactive materials and radiation will be taken to ensure citizens' safety. Intellectual property rights and science and technology development systems will be strengthened.

8.8.3 Targets

The following targets are to be achieved during the plan period

Table 49. GTP Targets for Science and Technology Development

Description of Targets	2009	2014/15
1. Increase first level ethanol coverage (%)	10	75
2. Increase the number of patent documents (mln)	30	50
3. Reduce the coverage of tsetse fly (%)		95

4. Use 5 mln patent information documents for technology transfer and adaptation.
5. Establish universities specializing in selected science and technology subjects.
6. Strengthen the already existing agricultural, health and information technology research institutes with essential materials and financial resources.
7. Establish technology and research institutes for industry, electronics and micro electronics, water, construction, energy and material sciences.
8. Establish laboratories for water, medical science, electromechanical, chemical and geochemical, material, concrete testing and geo-techniques subject areas.
9. Establish worldwide accreditation in five measurement areas in International Organization for Standardization / International Electro technical Commission 17025 laboratory quality management system.
10. Revise 5000 national standards and 5000 new standards for technology transfer.
11. Establish accreditation for 60 science and technology organisations which meet national and international quality standards.

8.8.4 Implementation Strategies

A wide range of implementation strategies for science and technology development will be pursued during the plan period. A national innovation system will be launched and an organisation to manage the system will be established. Research institutes for technological adaptation will be established. An administrative and legal system for copyright that meets the country's needs; will be created. Foreign technology flows into the country will be encouraged. Science and technology institutes capable of producing competent scientists and engineers will be strengthened. Human resource capacity to use, copy, adapt, improve and develop technologies will be created. Existing research institutes will be restructured and strengthened so as to contribute to the country's technological capacity. Strategies that strengthen linkages between research institutes and industries will be introduced. Well structured and organized bodies that help to produce innovative technologies will be established. Implementation of mandatory national standards will be strengthened. Research activities related to collection, analysis, protection and distribution of science and technology information will be supported. The organization will be established to protect and develop the country's intellectual property and the system to use intellectual property for economic development will be strengthened. Synergies will be facilitated and linkages put in place between organizations working in environmental protection and public safety. Research and capacity building cooperation programs in science and technology that contribute to national development initiatives will be established and expanded.

8.9 ENVIRONMENT AND CLIMATE CHANGE

8.9.1 Strategic Directions

Environmental conservation plays a vital role in sustainable development. Building a 'Green Economy' and ongoing implementation of environmental laws are among the key strategic

directions to be pursued during the plan period. In building a 'green' and climate change resistant economy there are two key issues, adaptation to climate change and mitigation of green house gases.

Adaptation to climate change: The climate is a natural phenomenon which influences positively or negatively social and economic activities. Climate has its own peculiarities and affects future opportunities for, and prospects of, the country. Even though Ethiopia's greenhouse gas emission rate is minimal, the country is affected by climate change. There are agro-ecological zones (dry land and semi-dry land areas) and economic sectors which are more vulnerable to climate change. Research findings show that Ethiopia annually loses 2% to 6% of its total production due to the effects of climate change. In Ethiopia climate change causes sporadic distribution of rainfall in dry and rainy seasons. In some cases excessive surface water runoff results has catastrophic effects, for instance very rapid filling and emptying of ground water reservoirs has been witnessed, as has biodiversity degradation. The evidence of these impacts shows how very critical it is that climate change adaptation strategies are put in place during the plan period and thereafter.

Mitigation of green house gases: Greenhouse gas emissions by developed nations have been enormous since the industrial revolution, and so it is mainly the responsibility of developed nations to reduce greenhouse emission rates. Ethiopia has the lowest per capita consumption rate of fossil fuels. It has almost no contribution to the greenhouse gas emissions that are the cause of adverse climate change impacts. On the other hand, in Ethiopia there are indigenous knowledge, practices and systems which reduce biogas emissions. In the agriculture sector farmers use biologically based inputs like cow dung and compost as fertilizers. Ethiopia's contribution to creating a stable and more beneficial climate is very clear. In addition, energy generated from wind and geothermal sources can meet Ethiopia's energy demands, as well as those of neighbouring countries and further contribute to climate conservation. Without putting pressure on farm land, ethanol production can be doubled. The forest coverage in the northern part of Ethiopia has been recovering since the past 20 years. There are practices in Ethiopia which can be adopted for mitigation of the adverse impacts of climate change.

Focusing on economic development which mitigates climate change effects is very important from the point of view of the country's economic interests, its capacity to develop renewable energy sources and the prospects for its future energy consumption. The economic development direction pursued by the Ethiopian government contributes to climate change mitigation and so may generate new and additional environmental support funds from developed nations. According to the Copenhagen Accord and the Kyoto Protocol, technological and financial support has been put in place for climate change mitigation works carried out by developing nations. For this reason it is timely to build climate mitigation capacity so as to benefit from international financial support for environmental activities.

During the plan period focus will be given to building capacity to mitigate the negative impacts of climate change. The current impacts and trends relating to climate will be identified and information on the possible outcomes and existing environmental management practices will be assessed and disseminated. Steps will be taken to either avoid the impacts of climate change predicted or limit the impact to an acceptable level.

8.9.2 Objectives

The main objectives for the environment and climate change initiatives in the GTP are to formulate and effectively implement policies, strategies, laws and standards which will foster social and green economy development so as to enhance the welfare of citizens and, environment sustainability.

8.9.3 Targets

The following targets are to be achieved during the plan period

Table 50. GTP Targets for Environment and Climate Change

Description of Targets	2014/15
1. Energy generated from renewable energy resources (MW)	8,000
2. Sales of ethanol and biodiesel (mln liter)	35
3. The minimum area covered by forest (km ²)	2,000
4. Area of productive forest developed (km ²)	25,000
5. Area of natural forest developed (km ²)	2,876
6. Area of forest of trees that shed leaves (km ²)	4,390.6
7. Area of designated park land (km ²)	60,360
8. Area of designated wetland (km ²)	51,496
9. The area of farmland to which compost will be applied (km ²)	40,000
10. Land area utilised by mixed farming & forestry for bio gas emission mitigation (km ²)	261,840
11. The amount of urban waste used to produce methane gas (mln m3)	20
12. The climate change resistant green economy will be strengthened and measures will be taken by all tiers of government for preparation and implementation of environmental action plans in all regions.	
13. Policies, laws, strategies and action plans will be put in place to address climate change mitigation.	
14. Dams, roads and infrastructure facilities which contribute to poverty reduction but are vulnerable to impacts of climate change will be identified and mitigation measures will be put in place	
15. Measures will be taken to mitigate climate change impacts to conserve the biological resources.	
16. Regions and cities/towns pass and implement laws to build a measurable and achievable green economy	
17. Establish a national system for environmental NGOs to assist them in the efforts to build green economy.	
18. A dry waste management law will be implemented at all federal and regional levels.	
19. The law on biogas emission rate by the 8 high emission rate industries will be fully implemented.	
20. To make environment policy effective prepare a proposal for 5 additional environmental protection laws.	
21. Reporting to the public on the performance of the 5 year environment development plan will be timely.	
22. A national system will be built to help Ethiopia build a carbon free economy by 2025 and qualify for additional global environment fund support.	

8.9.4 Implementation Strategies

The following implementation strategies will be pursued during the plan period. A plan of action, strategies, laws, standards and guidelines to implement measures that are designed to lessen the effect of forecasted climate change impacts will be prepared. Programs to develop the capacities of those stakeholders who are essential to ensuring effective implementation of the action plans, laws and guidelines will be developed and implemented. Local and foreign technologies for climate change mitigation will be collected and adapted. The capacities of the private sector and community organizations for fund raising globally will be enhanced. Environmental activities, public awareness and experience and knowledge sharing on environment management practices will be developed and community participation in environmental activities increased. Good practices of environmental protection that are identified will be published and distributed. Certification, standardization and accreditation of the experts and organizations working on environmental issues and climate change mitigation will be put in place. International environmental laws and protocols will be ratified and implemented. Appropriate action will be taken when offences against environmental laws are committed.

CHAPTER 9. OPPORTUNITIES, RISKS AND CHALLENGES IN IMPLEMENTING THE GTP

Considering the time horizon and scope of the GTP, it is inevitable that there will be opportunities that arise and unforeseen risks and challenges that emerge as the plan unfolds. The government has sought to take these into consideration in formulating the plan, by assessing recent performance and achievements as well as challenges encountered, and evaluating the socioeconomic, political and the international economic contexts at the time the plan was conceived. The opportunities should contribute to the success of the GTP. The risks and challenges are expected to pose obstacles to the achievement of the GTP's objectives and targets and hence entail mitigation measures. The government has assessed the potential positive and negative external developments that may affect the performance of the Ethiopian economy during the five year period, and the environment in which the plan is implemented. The GTP has built in measures to manage the effects of each of these factors. It is timely that the GTP demands more concerted efforts considering the objective of achieving the MDGs by 2014/15 and the country's vision by 2020-2023.

9.1 OPPORTUNITIES

The encouraging results and good practices achieved in the past five years have brought about strong enthusiasm and confidence among citizens that poverty can indeed be eradicated from the country. This enthusiasm is considered as a good opportunity to strengthen the national consensus on the development and governance agendas of the country and thereby to mobilize the wider public more actively to support the implementation of the GTP. A lesson has been learnt that macro economy stability and sustainable economic growth is possible with the policy and administrative measures the government has been taking. The country's comparative advantages, plentiful labour, a huge domestic market and substantial natural resources potential, also provide a good opportunity for speeding up development in the coming five years. The GTP period is a period where the huge investments made so far in infrastructure and human resource development will result in greater returns by increasing the productivity of the economy and by encouraging more productive investment.

Thus the GTP period is expected to experience improving productivity and production levels in all sectors by applying the best practices that have been identified to date and capitalizing on the good opportunities available. The capacity building and good governance packages that have been implemented at different administrative levels also provide an opportunity in that they have created relatively better capacities even at lower levels of administrations and in communities. This helps to increase public participation for greater allocative efficiency and results, and for more effective, transparent and accountable service delivery in all sectors. The opportunities described will serve as additional driving forces for development in the GTP period.

The investment needs of the GTP could be mobilized by increasing the communities' participation in effective domestic revenue collection, savings and resource utilization. In addition, the good relationship between the government and development partners and the government's established commitment to eradicate poverty are expected to encourage increased external resource inflows, contributing to the success of the GTP.

9.2 RISKS

The main foreseeable challenges in the implementation of the GTP include low implementation capacity, low national saving rate that is unable to support the investment needs of the economy, and the unpredictability of external financing. In addition, it is anticipated that global market price fluctuations could pose some challenges to effective implementation of the plan.

9.3 MANAGING RISKS

Risk mitigation measures that address the foreseeable risks in the development process mentioned above include improvements in the tax administration system and broadening the tax base so as to increase domestic resource mobilization. Government, organizations and individuals will be encouraged to increase their savings to provide adequate resources for the country's investment needs. The favourable policy and administrative environment created will support effective utilization of the capacities of communities and the private sector as development partners in the development and governance endeavour of the GTP. External finance resources will be mobilized and, where secured, will be effectively used for investment in priority sectors. The contribution of local and international NGOs and CBOs in the implementation of the development plan will be strengthened.

Measures will also be taken to address capacity limitations by strengthening the implementation of the civil service reform program at all levels. Foreign exchange earnings will be increased by expanding export capacity, and substituting imports with competitive local products. Measures to guarantee sustainable and rapid agricultural and overall economic growth like scaling up of best practices, and expanding irrigation will be taken as risk mitigation initiatives. The public expenditure management reforms introduced to ensure stringent recurrent expenditures will be strengthened such that the limited available resources are efficiently and effectively utilized for productive purposes.

CHAPTER 10.

MONITORING AND EVALUATION OF THE GTP

10.1. BACKGROUND

The main objective of the GTP monitoring and evaluation system is to follow up on implementation of the sectoral and cross cutting plans included in the GTP so as to ensure effectiveness of government policies and strategies. The M&E system provides a tool to follow progress in achievement of planned targets, maintain the coherence and integration of the overall economy, take timely corrective measures when needed, and manage the development process effectively. Ethiopia's M&E system is based on the sectoral approach and is a tool whereby timely and reliable information on results, from the Federal to the local levels of government, is compiled and reported.

The GTP's M&E system is built on the existing Welfare Monitoring System Program which has been in place since 1996. It is imperative that the M&E system has adequate data inputs and to support this need, the Central Statistical Agency (CSA) recently launched the new National Strategy for the Development of Statistics (NSDS) in consultation with relevant stakeholders. The NSDS will help to generate data through surveys and censuses to monitor implementation progress of the GTP. The administrative data generated by sectoral line ministries will also provide an input to the M&E system. Data from censuses, surveys and administrative sources will be used to generate full-fledged economic analysis and reports by the Ministry of Finance and Economic Development.

The main roles and responsibilities played by the major actors in the GTP M&E system are outlined below.

10.2 MONITORING THE OVERALL PLAN PERFORMANCE BY MOFED

MoFED chairs the Welfare Monitoring Technical and Steering Committees that play a role at the national level, in managing the overall economy and coordinating the M&E system. The background reports prepared by the members of poverty-oriented federal executing bodies serve as a basis for the reports prepared by MoFED. Sectoral annual implementation, M&E reports generate data to measure output and input results against GTP performance indicators. Reports prepared by the CSA, based on information from surveys, generate data to measure outcome and impact results against GTP performance indicators. Based on the information available from surveys as well as from administrative sources, MoFED prepares annual implementation assessment reports as an input to the Welfare Monitoring System Program and for timely distribution to the relevant government authorities as well as to non-governmental bodies.

MoFED also provides up-to-date monitoring of welfare, macro economic performance, national accounts, foreign resource mobilization and administration, public debt management, public accounts, etc. MoFED holds regular annual meetings of Welfare Monitoring Technical and Steering Committees to address challenges faced in the implementation phase of national development plans and facilitate the learning and sharing of emerging good practices. As part of the GTP M&E, focus will be given to experiences and emerging best practices so as to generate a learning and timely information sharing culture among implementing bodies.

Annual and end of plan period targets are set in each sector and, to summarise and present these in a consistent coherent form, a policy matrix is prepared and published by MoFED.

The GTP policy matrix will present the targets set and detail possible measures to be taken to improve performance during the plan period.

10.3 THE ROLE OF FEDERAL EXECUTIVE BODIES

Federal implementing agencies play a critical role in ensuring that the national M&E system is robust and useful. As the M&E system becomes more robust and consistent it will be possible to provide more timely and relevant information to stakeholders. The M&E system has a national context as the targets set in the plan are focused at the national level.

Federal implementing agencies prepare and submit annual progress or implementation assessment reports to MoFED. They contain detailed information from the local levels of government, woredas, kebeles and city governments/administrations. As the main implementation agencies of the national development plan are the regions, city governments/administrations, woredas and kebeles, intensive capacity building activities will be undertaken in the next five years, in sector line ministries responsible for strong and coherent linkages with the lower administrative levels, to ensure timely and accurate information flow and feedback for the national M&E system.

During the plan period, implementation agencies at the federal, regional and local levels should ensure that adequate human resources are provided and sufficient M&E capacity development takes place to ensure the M&E system is operationally effective. To realize this objective, MoFED will work in close collaboration with Bureau(s) of Finance and Economic Development (regional), woreda and city governments/ administrations to facilitate access to technical assistance for M&E capacity development.

10.4 CENSUSES AND SURVEYS FOR THE M&E SYSTEM

The CSA's mandate is to gather socio-economic and demographic data through integrated censuses, surveys, continuous registration and administrative recording systems and compile, analyze and present to users useful data in user friendly formats. The CSA also provides technical support to government and other implementing bodies on statistical data keeping and builds capacity continuously for registration, administrative data gathering, compilation, analysis and reporting systems.

To fulfil its mandate the CSA has been implementing the NSDS since 2009. The NSDS has been revised to address the data needs of GTP and it has defined strategic directions and designed an action plan to compile and analyze data from censuses, surveys and administrative sources. For M&E of the progress towards achievement of MDGs and the targets set in the GTP the CSA plans to conduct the following surveys during the plan period.

Table 51. Surveys to be Carried out by CSA During the Plan Period

Agriculture, Natural Resource and Environmental Statistics	Population Surveys
1. Crop production forecast.	1. Projection of population and housing census
2. Crop and livestock utilization survey.	2. Demographic and health Survey.
3. General agricultural practices survey.	3. Mid-term survey.
4. Land management survey.	4. Strengthen gender statistics.
5. Agricultural production survey ('Meher' and 'Belg' Season).	5. Preparation for the 2017 national population and housing census.
6. Environment statistics.	6. Strengthen vital statistics.
7. Livestock, poultry and beehive survey.	

Agriculture, Natural Resource and Environmental Statistics	Population Surveys
8. Agricultural census	1. Update population census,
9. Natural resources and wild animal survey.	2. Undertake Demographic & Health Survey,
10. Pastoralist areas survey	3. Undertake inter census study,
11. Rural economy survey.	4. Consolidate gender statistics,
	5. Consolidate vital statistics.
Household Surveys and Price Statistics	Business Statistics
1. Agricultural Producers price survey.	1. Large and medium scale manufacturing industries survey.
2. Retail price surveys.	2. Small manufacturing industries survey.
3. Agricultural inputs index.	3. Distributive trade and service sector survey.
4. Wage index.	4. Construction survey.
5. Consumers' price index.	5. Building business registry system.
6. Global Comparison program.	6. Strengthening transport and communication statistics.
7. Household income and consumption survey.	7. Strengthening export trade statistics.
8. Economy and social welfare survey.	8. Producers and amount index for manufacturing industries.
9. Continues employment survey	9. Survey on IT use on large and medium scale manufacturing industries.
10. Labour force survey.	10. Survey on mining exploration.
11. Street children survey	11. Quarterly survey on large and medium manufacturing industries.
12. Welfare monitoring survey.	12. Build data base on water distillation and distribution.
13. Time utilization survey.	13. Survey on cottage industry and the informal sector.

To achieve the above targets the following strategies will be implemented.

Ensure implementation of statistics law and guidelines: The strategy focuses on establishment of a unit to coordinate the National Statistical System. The unit's purpose will be to establish common standards, classifications and definitions for all producers of official statistics.

Improving data quality and standards: The strategy will focus on improving data quality in the national statistical system.

Enhancing advocacy and use of statistic: The strategy aims to improve statistical launch procedures and press relations, train statistical users including the media and establishing regular relations with data users.

Methodological improvements and statistical modernisation: The strategy aims to generate feedback from stakeholders' consultations.

Capacity developments in the national statistical system: The strategy aims to build stakeholders' capacity in the National Statistical System.

Ensure the NSDS is direct input for monitoring and evaluation of the GTP and other interventions: The strategy will focus on the responsibility of the NSDS for official statistics, for instance, the adequacy of NSDS statistics used by the GTP monitoring systems will be checked, as well as the processes for quality assurance of monitoring and evaluation surveys.

In addition, the following system-wide data improvements will be implemented

Coordination of the national statistical system: The strategy focuses on ensuring statistical ethics, quality and standards. The data quality standard agreement endorsed by stakeholders is expected to be endorsed by the statistics council and will then be implemented, sufficiently funded, well equipped and staffed.

Technology improvements: The aim is to strengthen and enhance technology use, including utilization of GPS, high speed portable computer, satellite imagery and computer aided telephone data collection.

Mobilisation of support: The CSA will mobilize support for NSDS implementation and will aim to achieve the Paris declaration agreements relating to national statistics. CSA will align and harmonize development partners' support for the NSDS and establish a committee to accomplish this task.

Business Process Re-engineering: The CSA is implementing the Business Process Re-engineering process and, in the process, has adopted many NSDS proposals. The BPR document contains an action plan and a performance management plan. The plans will be evaluated quarterly and an annual report presented to the statistics council.

Statistical System Capacity building: A key implementation strategy involves a number of measures that will be taken to build the capacity of statistical systems during the plan period. All CSA's branch offices will be networked. The data collection, compilation and dissemination system will be improved. Data analysis at branch office level will be introduced. A statistical data quality assurance document for Ethiopia will be prepared. A data quality evaluation framework will be prepared. Data quality in each sector will be evaluated. Data producers and users will be trained. A catalogue for the NSDS will be prepared and links between CSA and other websites will be put in place. Postgraduate level training for experts at the CSA will be provided and a new building to accommodate CSA will be constructed. Greater emphasis will be given to enhance the internal capacity of CSA field surveys for effective implementation and data management.

10.5 Geo-Information

During the plan period, emphasis will be given to building a national geo-information system that is quality assured and will generate consistent and useful geo-information. Once the system is operational it will provide timely and geo-information supported by air photography and remote sensing.