



CZECH REPUBLIC
DEVELOPMENT COOPERATION

DEVELOPMENT COOPERATION PROGRAMME

ETHIOPIA

2012-2017



**Ministry of Foreign Affairs
of the Czech Republic**

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1 Introduction

As a member of the European Union (EU) and the international community of democratic and economically developed countries, the Czech Republic recognizes the principle of solidarity and mutual support among people and countries, accepting its share of responsibility for dealing with global issues. This position reflects in providing of development cooperation that makes an integral part of Czech foreign policy. Through development cooperation the Czech Republic endorses international development commitments as well as the Millennium Development Goals.

Through development activities, the Czech Republic contributes to eradication of poverty as well as to sustainable economic and social development and environmental protection, while promoting democracy, human rights and good governance in partner countries¹. By providing development assistance, the Czech Republic also contributes to the strengthening of global security and stability and, inter alia, to the prevention of regional and local conflicts and to the prevention of undesirable migration.

Cross-cutting commitments, basic principles as well as territorial and sector priorities of Czech Republic's development cooperation are anchored in the Development Cooperation Strategy of the Czech Republic for 2010-2017 (hereinafter the "Strategy") that was approved by the Czech government in May 2010. Development cooperation programmes between the Czech Republic and the priority countries are the cornerstone of bilateral development cooperation, and are to be carried out through bilateral development projects.

In accordance with the Strategy, the Federal Democratic Republic of Ethiopia (FDRE) belongs to the highest category of the partner countries, among priority countries with a development programme ("programme countries"). The Czech government's decision was based on development needs of the FDRE, good mutual relations and effective results of development cooperation to date.

In spite of substantial economic growth in recent years, Ethiopia remains one of the poorest countries in the world. According to the UN Human Development Index², Ethiopia ranked no. 157 out of 169 countries in the world in 2010. The country lacks basic infrastructure, struggles with illiteracy and insufficient access to safe water.

In line with development needs of the FDRE and good development cooperation results to date, the Czech Republic, working closely with the Federal Democratic Republic of Ethiopia, has developed the following development cooperation programme for the period of 2012-2017.

In accordance with the Strategy and the outcome of the programming mission, development cooperation within the upcoming period will focus on the following sectors (using OECD/DAC definition):

- Education,
- Health,

¹ Act on Development Cooperation and Humanitarian Aid, and Amending Related Laws, no. 151/2010, effective 1 July 2010.

² UN Human Development Index – HDI <http://hdr.undp.org/en>

- Water supply and sanitation,
- Agriculture, forestry and fishing,
- Disaster prevention and preparedness.

2 Development priorities of Ethiopia

The government of the FDRE has defined its current development priorities in a strategic document entitled Growth and Transformation Plan (GTP) for 2011-2015. The government elaborates on its previous development documents, including particularly PASDEP I (*A Plan for Accelerated and Sustained Development to End Poverty*). The main administrator is the Ministry of Finance and Economic Development (MoFED) that also coordinates incoming bilateral development assistance.

The long-term vision of the Ethiopian government is to bring the country up among middle income countries, with the achievement of the Millennium Development Goals (MDGs) being the minimum target. Of the seven development goals, Ethiopia has so far met four, with other two, MDG 3 “promote gender equality and empower women” and MDG 4 “reduce child mortality”, being realistically feasible given the progress achieved on the issues to date. Ethiopia strives to contribute to progress on MDG 7 “ensure environmental sustainability”.

The government of the FDRE significantly focuses on the intensification of agricultural production in order to ascertain sufficient food production and create possibilities for exporting agricultural commodities.

Major GTP objectives:

- Maintain at least an average GDP growth rate of 11 % and meet the MDGs;
- Improve quality of education and health services, thereby achieving the MDGs in the social sectors;
- Establish favourable conditions for sustainable state building through the creation of stable democratic state;
- Ensure growth sustainability through the implementation of the above goals within a stable macroeconomic environment.

Basic GTP pillars:

- Sustaining faster and equitable economic growth;
- Maintaining agriculture as a major source of economic growth;
- Creating favourable conditions for the industry to play a key role in the economy;
- Enhancing expansion and quality of infrastructure development;
- Enhancing expansion and quality of social development;
- Building capacity and deepen good governance;
- Promoting women and youth empowerment and equitable benefit.

In designing the development activities for the next period, the Czech Republic will also consider, besides the GTP, the relevant Ethiopian sector strategies in accordance with priority sectors of Czech development cooperation in Ethiopia (see Chapter 4.3). At the same time, it will also take into account development strategies of individual regions of the FDRE in accordance with the defined geographical focus of Czech development cooperation (see Chapter 4.2).

3 Donor community in Ethiopia

A number of bilateral and multilateral donors are active in Ethiopia. While the country belongs among the biggest recipients of ODA in Africa, the ODA per capita indicator remains well below the Sub-Saharan average. A substantial part of foreign assistance consists of humanitarian food aid. The U.S., U.K. and Germany are among the most important donors, with the most active multilateral donors including the International Development Association (IDA)³ and African Development Bank (AfDB).

3.1 Donor coordination

Donor coordination in Ethiopia is quite advanced. The Development Assistance Group (DAG) was set up in 2001 to coordinate activities of bilateral as well as multilateral donors including the World Bank, IMF, AfDB, UN agencies, European Commission etc. in accordance with the principles laid down by the Paris Declaration on Aid Effectiveness. The DAG also represents the donor community in dialogue with the Ethiopian government.

The Ethiopian government has a strong ownership of the development process. Coordination structures are in place between donors and the government, with the High Level Forum being the supreme body co-chaired by the Minister of Finance and Economic Development and the DAG Head. An intensive and good-quality dialogue between the FDRE and DAG is in place, in particular concerning issues of rural development, food security and private sector development, public finance, transportation and health.

The Ethiopian government takes a significant interest in pool-based financing, making itself substantial contributions. For example, the Ethiopian government provides 65 % of the funds within the Protection of Basic Services Programme. Pools are equally used to finance the government's General Education Quality Improvement Programme (GEQIP).

Ethiopia is one of the pilot countries for the EU Fast-Track Initiative of Division of Labour. Recently, there has been the general trend of increasing development effectiveness, with the donors leaving "over-populated" sectors and restricting the number of areas that they focus on. At the same time, the number of individual development projects is being reduced as the projects are joined together to form larger units. Currently the EU prepares EU Joint Strategy for Ethiopia that is based on effective assistance principles that aim to improve harmonisation of assistance, its predictability as well as mutual responsibility of donors and the Ethiopian government.

³ International Development Association – an international financial organization, part of the World Bank group

3.2 The Czech Republic and donor coordination

In accordance with the Paris Declaration on Aid Effectiveness, the Czech Republic coordinates its activities with other donors. At its own request, the Czech Republic obtained in February 2011 the status observer in DAG working groups on education, water, and rural development and food security whose activities are in line with the priority sectors of Czech development cooperation in Ethiopia as well as with the Czech Development Cooperation Strategy. In the subsequent stages of development cooperation with Ethiopia, the Czech Republic will strive for a full-fledged DAG membership.

4 Development cooperation between Ethiopia and the Czech Republic

4.1 Cooperation focus and achievements to date

Within development cooperation, the Czech Republic has had significant presence in Ethiopia since 2001, providing assistance particularly in education and water management and, to a lesser degree, in agriculture and social development. In geographical terms, the Czech Republic's development aid has focused on the Southern Nations, Nationalities and Peoples' Regional State, and its capital Awassa and its vicinity. Some activities have also been carried out in the national capital Addis Ababa, with a few isolated projects in Gondar in the Amhara National Regional State. In 2009, the Czech Republic provided Ethiopia with development aid worth 1.03 million USD.

During the previous period, the Czech Republic focused on improving the quality of primary and secondary education by introducing modern teaching methods to the Ethiopian system of education. Two teacher training centres were established (Awassa, Kotebe) and a manual introducing modern teaching methods drafted. In Alaba, an experimental primary school was set up, where modern teaching and management methods have sustained even after handover to the Ethiopian partner.

Water management projects focused primarily on hydro-geological mapping of various Ethiopian regions as well as on recommendations for sustainable exploitation of water resources. Strengthening of Ethiopian capacities within the Geological Survey of Ethiopia was another important aspect.

A certain part of the development cooperation funds was dedicated to fighting erosion and sustainable exploitation of natural resources through intensive cooperation with local communities.

In the field of social development, the Czech Republic focused on increasing social protection of children and preventing child trafficking. Small-scale activities were aimed at supporting vision- and hearing-impaired people and at integrating disabled children and youth.

As part of development cooperation, government scholarships are regularly provided to Ethiopia, with their number increasing over the last years. At present, some 20 Ethiopian

students pursue their studies in the Czech Republic, focusing predominantly on agriculture and medicine.

In May 2010, upon deciding on including Ethiopia to the highest category of partner countries (programme countries), the government of the Czech Republic took into account the historically good ties between the two countries as Ethiopia had been one of the most significant African trade partners of former Czechoslovakia (investment projects included tannery, pressing shop, shoe factory, brewery, grain mills, tire factory, water power plant or textile factories).

4.2 Geographical focus of the cooperation programme

The majority of Czech development projects in Ethiopia have been carried out in the Southern Nations, Nationalities and Peoples' Regional State (SNNPR). In the upcoming period, the Czech Republic will focus a substantial part of development activities in this region, taking advantage of the contacts it has established with the local authorities and of the relative knowledge of local conditions (at least compared to other regions). Given the vast SNNPR territory and considering the amount of funding available, the Czech Republic deems suitable to focus its activities even more specifically; these will now be aimed at the Alaba Special Woreda as well as on several other woredas (particularly in the zones of Sidama and Kembata Tembaro) that have been or will be identified in cooperation with Ethiopian authorities or otherwise (e.g. based on evaluations, preliminary assessments etc.).

Given the nature of the foreseen development activities that will require cooperation with the federal institutions, development assistance will also concentrate in Addis Ababa and its vicinity.

In the Somali National Regional State, which is included in the development priorities of the FDRE government as one of “four emerging regions”, the Czech Republic will carry out humanitarian projects dealing with long-term crises in the priority sectors according to the present cooperation programme. The projects will be financed from the programme part of the humanitarian budget, with special focus on the LRRD concept (*Linking Relief, Recovery and Development*) aimed at strengthening the synergies of positive effects of humanitarian intervention and development cooperation, with the projects thus contributing to sustainable development.

4.3 Priority sectors of the future cooperation

Czech development cooperation is based on partnership and follows the needs of the partner country. Priority sectors of Czech development cooperation in Ethiopia are based on the Czech Development Cooperation Strategy (the names of the priority areas have been adjusted to follow the OECD/DAC definition), and reflect comparative advantages of the Czech Republic. In defining specific focus of development cooperation, the facts found out during talks with Ethiopian institutions (both federal and local in the Southern Nations, Nationalities and Peoples' Regional State) during the programming mission in

October/November 2010 were used. Czech-Ethiopian development cooperation will build on previous successful development activities. Following the mid-term evaluation of the development cooperation programme in 2014, the number of priority sectors will be reduced.

Considering the available financial and human resources, the Czech Republic puts the synergic effects among individual sectors to the fore. Sustainability will be central to all efforts.

| Priority sectors in Ethiopia based on the Development Cooperation Strategy of the Czech Republic for 2010-2017 | Priority sectors based on OECD/DAC terminology |
|---|---|
| Environment | Water supply and sanitation |
| | Disaster prevention and preparedness |
| Social development (including education, social and healthcare services) | Education |
| | Health |
| Agriculture | Agriculture, forestry and fishing |

4.3.1 Education

The development of human resources is one of the principal objectives of the current strategic development document of the Ethiopian government. GTP goals in education include improved access to education, removal of hindrances to participation of girls and women in education, increased numbers of teachers and schools, improved implementation of government's General Education Quality Improvement Programme (GEQIP) for primary and secondary education as well as improved quality of higher learning.

In education, the Czech Republic has a certain comparative advantage due to the previously implemented projects that focused primarily on improving education quality and were in line with the Teachers' Development Programme (TDP), one of 5 GEQIP segments. Based on the vivid interest of the Ethiopian partner, the Czech Republic continues focusing on the implementation of modern teaching methods in primary and secondary education in Ethiopia. In order for these methods to be successfully integrated within the Ethiopian system of education, the capacity of central institutions, particularly that of the Teachers' Development Department of the FDRE Ministry of Education, needs to be expanded. As within previous projects, colleges of teacher education should be included in future activities. In addition, cluster schools as well as supervisors have an enormous potential in disseminating modern teaching methods. The Czech Republic will focus on all of the above target groups in its projects.

Ethiopian partners have equally expressed their interest to cooperate in vocational training, particularly in sharing specific Czech know-how in leather processing. A major tannery built with the aid of Czechoslovakia in Mojo still receives high recognition among the experts in the tanning and shoemaking industry. Given the high number of cattle in Ethiopia, leather tanning industry has a great potential. The GTP considers the industry's development one of its priorities for the following period, also due to the industry's significant export potential. Ethiopian exporters and producers, however, lack knowledge of modern

technological leather-treating processes. The Leather and Leather Products Institute in Addis Ababa might play an important part in knowledge dissemination.

Overall objective: Contributing toward better quality education in the FDRE

Specific objective 1: The quality of primary and secondary education to be improved.

Specific objective 2: The quality of vocational education to be improved.

4.3.2 Health

The Growth and Transformation Plan aims to ensure availability of primary care and to increase the number and quality of medical staff. It has set ambitious targets in terms of child and mother mortality rates that go even beyond MDGs no. 4 and 5. Over the next period, the Czech Republic will specifically focus on child and mother care, also due to its expertise acquired in other African countries in this respect. Besides supporting specific healthcare establishments, the Czech Republic will focus on the development of community health workers who are crucial in improving the health of people in rural areas.

Overall objective: Contributing to improving health of the inhabitants of the SNNPR

Specific objective: The healthcare quality and availability to be improved in the SNNPR.

4.3.3 Water supply and sanitation

Providing a better access to sources of safe water and to sanitation belongs among the main goals outlined in the Growth and Transformation Plan. In this specific area, the Czech Republic may offer a proven track record of achievements (e.g. building of water sources, including distribution networks, waste water treatment etc.).

The Czech Republic will focus on establishing sources of safe water in smaller towns as well as in rural areas. As the Czech water management projects in Ethiopia have so far focused on hydro-geology as opposed to providing access to safe water, the Czech Ministry of Foreign Affairs will carry out in 2011 an assessment of water supply and sanitation sector in specific areas of the SNNPR prior to commencing most of its activities. Preliminary assessment is needed also due to the complex hydro-geological situation in the SNNPR and the distinctive development strategies of providing access to water in urban and rural areas.

Building community capacities for the administration and maintenance of water resources will be an integral part of activities in this sector, one that will be crucial in order to ensure project sustainability. At the same time, other activities will be pursued, including awareness raising and improving hygienic habits through work with communities, women's societies, schools etc.

Overall objective: Contributing to improving health of the population in the SNNPR.

Specific objective: The access to safe water for the population of the SNNPR to be improved, as well as their hygienic habits. "

4.3.4 Agriculture, forestry and fishing

According to the Growth and Transformation Plan, agriculture is to remain an important source of economic growth. The Ethiopian government intends, inter alia, to intensify production of crops for sale on domestic and international markets, to provide for commercial exploitation of agriculture, to achieve a better match between crops and landscape type and to improve the management of natural resources.

Natural resources in Ethiopia are used extensively and most farmers have only very limited information on intensification and modernisation possibilities in agriculture. This, in combination with insufficient water supplies, extensive erosion and population growth, has led to soil degradation. The Czech Republic intends to design its development activities in agriculture in accordance with sustainable management of natural resources (prevention of erosion and deforestation), while promoting sustainability of livelihood and economic empowerment of farmers and their access to local markets, in combination with support of locally sustainable energy sources.

In line with the GTP, the Czech Republic intends to focus on supporting Farmers' Training Centres (FTCs) whose aim is to promote the use of intensive technologies and crops.

Similarly to the efforts in water supply and sanitation sector, building of capacities of rural communities and local administration in the management of natural resources is a key for the sustainability of agricultural projects at the level of woredas and kebeles. These specific efforts within Czech development cooperation are climate change related activities.

Overall objective: Contributing to sustainable livelihood of farmers in the SNNPR by protecting natural resources and supporting diversity of local agricultural ecosystems

Specific objective: The management of natural resources to be improved and sustainable livelihood of farmers in the SNNPR supported.

4.3.5 Disaster Prevention and Preparedness

Previous and ongoing long-term cooperation between the Czech Republic and the Geological Survey of Ethiopia has focused on hydrological mapping, including identification of recommendations for environmental protection and sustainable management of water resources. Ethiopian partners have expressed keen interest in cooperation on the identification and management of geodynamical risks that are crucial for economic development, construction industry, urban development etc. given the specific situation in Ethiopia. The

country lacks strategy for disaster risk reduction that would effectively aid inhabitants facing e.g. droughts, floods, landslides etc.

Overall objective: Contributing to preventing disasters in the FDRE

Specific objective: Capacity of Ethiopian authorities to effectively prevent disasters to be improved.

5 Technical aspects of cooperation

5.1 Principal actors

The Ministry of Foreign Affairs of the Czech Republic is in charge of development cooperation on behalf of the Czech Republic. It is responsible for drafting the Development Cooperation Strategy, including selection of priority countries and priority sectors. The Ministry of Foreign Affairs is also responsible for preparing cooperation programmes and for securing the funds necessary for the financing of development activities as well as for the development cooperation programme and project evaluation.

The Czech Development Agency (CzDA) is a governmental organization subordinated to the Ministry of Foreign Affairs. The CzDA provides for the identification, formulation, implementation and monitoring of development cooperation projects in accordance with the approved development programme, working closely with the partner country.

The Embassy of the Czech Republic in Addis Ababa (the Embassy) represents the Czech Republic in relevant coordinating bodies of development cooperation at the general level as well as at the level of specific sectors. It also participates in individual stages of the standard project cycle.

In Ethiopia, the Ministry of Finance and Economic Development (MoFED) acts as the main partner of the Ministry of Foreign Affairs of the Czech Republic and CzDA in the field of development cooperation. The FDRE main body for the coordination of bilateral development cooperation with the Czech Republic is MoFED.

In identifying, formulating, implementing and monitoring bilateral development cooperation projects, the Czech Development Agency works with a number of Ethiopian partners from among institutions at the federal level as well as at the level of regions where the Czech Republic implements development projects, i.e. particularly in the Southern Nations, Nationalities and Peoples' Regional State.

5.2 Communication and coordination mechanisms

The present cooperation programme is the basic strategic document for development cooperation coordination in the FDRE. All major aspects of project preparation and

implementation will be discussed with local institutional partners (see above), following the project cycle management rules standard for Czech development projects.

Czech development cooperation with the FDRE is carried out mainly in the form of bilateral development projects, while cooperation with other donors on trilateral projects is not excluded. The Czech Republic will continue providing the FDRE with government scholarships at Czech universities, subject to the rules laid down by the respective decision of the Czech government. In accordance with the Development Cooperation Strategy, the Czech Republic as a smaller donor does not provide direct nor sector budget support as it prefers other forms of assistance.

In cooperation with Ethiopian authorities responsible for the relevant sectors, new project topics are identified, subject to financial allocations approved within the Development Cooperation Plan for the given year.

Project documents for individual projects are formulated in cooperation with local partner institutions. Their final version will be submitted to the Ministry of Finance and Economic Development of the FDRE. MoFED will present comments to the project document within 2 weeks after its submission. It will convey final approval within 3 weeks after submission of the revised project document. In accordance with Czech legislation, project documents will contain the total budget.

The MoFED will facilitate cooperation on the part of the Bureau of Finance and Economic Development (BoFED, SNNPR), as well as other relevant authorities and institutions at the level of region, zone or woreda for the purposes of project implementation. Once the applicable project document is approved, a Project Agreement will be signed between the CzDA and MoFED. The MoFED and CzDA will work toward swift approval of project documents so as not to put the implementation of project activities for the given year at risk.

Should the funds already allocated to an approved project become subject to cuts, the CzDA will immediately inform the MoFED.

The CzDA will inform the MoFED of all approved suppliers of goods and services for the purposes of approved projects. The suppliers might include Czech non-governmental organizations, universities and business companies that will be selected in accordance with Czech legislation and internal guidelines of the Czech Ministry of Foreign Affairs and the Czech Development Agency.

5.3 Monitoring and evaluation

In cooperation with the Embassy of the Czech Republic in Addis Ababa, the CzDA jointly with Ethiopian institutions monitors the implementation of development projects and, usually twice a year, informs the Ministry of Finance and Economic Development and the relevant partner institutions of the progress achieved.

Working closely with the relevant institutions of the FDRE and in accordance with the evaluation plan for the given year, the Ministry of Foreign Affairs of the Czech Republic

carries out evaluation of development projects (or a group of projects from the same sector) and of development programmes. Should the need be, the Czech Ministry of Foreign Affairs, in cooperation with the relevant institutions of the FDRE, performs *ex ante* evaluation, or, a preliminary assessment prior to commencement of development activities in a new geographical or sector area. The Ministry of Foreign Affairs of the Czech Republic is also responsible for participating in evaluations performed by other donors as may be reasonably and purposefully required.

5.4 Specific aspects of implementation

The Czech Republic and the FDRE will contribute to project implementation and programme fulfilment by providing adequate technical support and human resources.

Projects carried out within this programme are not subject to the provisions of the CSO Law no. 621/2009 of the FDRE.

The MoFED will facilitate cooperation on obtaining all relevant documents and permits (including but not limited to visas and work permits for CzDA employees and Czech experts) that are a prerequisite for smooth implementation of all projects within this programme.

The MoFED is aware of the legislative requirements applied to funding provided from the Czech Republic's national budget, particularly of the fact that allocated funds have to be fully used in the given year, and there is no possibility to have these funds transferred to the following financial year.

Import duties, VAT and other fees related to the import to the FDRE of all equipment supplied within the implementation of projects under the present programme will be paid by the Ethiopian beneficiary institutions.

The CzDA enters into a Memorandum of Understanding with institutional partners for individual projects.

If several donors are involved in a project, coordination or steering committees may be set up. Such coordination and steering bodies are attended by representatives of the CzDA or the Embassy.

This Development Cooperation Programme between the Czech Republic and the Federal Democratic Republic of Ethiopia was drafted in 2011 for the period of 2012-2017. In 2014, the implementation of the programme will be evaluated. The results of this evaluation will become a part of a document to adjust and modify mid-term development cooperation priorities in the FDRE under the current programme until 2017.