

Joint Annual Report 2003 Ethiopia

**The National Authorizing Officer and
the Delegation of the European Commission to Ethiopia**

**Addis Ababa
2004**

PREFACE

This joint annual report covers the period up to the end of 2003. It was however issued end 2004. In a number of cases the description in this report deviates strongly from the latest developments. The most notable difference is with regard to the Border Conflict with Eritrea.

On 26 November H.E. the Prime Minister Meles Zenawi addressed the Ethiopian Parliament. He announced a five-point plan to end the stalemate situation with Eritrea. The Prime Minister reiterated the need for dialogue with Eritrea, and said that Ethiopia would in principle accept the April 2002 ruling of the Boundary Commission.

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Commitments		Actual commitments					Forecast				
Macro-economic support	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
9th EDF											
1. Budget support	CSP-B			(80)		95				(80) 90	
2. Private sector support	CSP-CB/IF							(5)			
3. Trade & regional integration	CSP-CB		(5)				5				
4. Public finance management	CSP-CB				(3)		3.5	0.5	(2) 0.5	0.5	
6th, 7th and 8th EDF *											
5. MSED (€ 7 mio for 2001)											
6. IFMS		(6)		9							

Payments		Actual payments					Forecast				
	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
9th EDF											
Budget support	CSP-B				(30)	30	(30) 15	15	(20) 15	15	(20)
Private sector support	CSP-CB/IF				(1)				(1)	(1)	(2)
Trade & regional integration	CSP-CB			(2)	(1)	(1)	0.5 (1)	1	2	1	0.5
Public finance management	CSP-CB				0.2	0.5 (1)	2.5 (1)	0.5 (1)	0.5 (0.5)	0.5 (1)	0.5 (0.5)
6th, 7th and 8th EDF *											
MSEDP (€ 7 mio for 2001)				0.1	0.2	1.1	1.2	1.2	1.2	1	
IFMS						0.2	2.4	4	2	0.4	
PRBS-I				10.5							

Acronyms: CSP: Country Support Strategy P: Project support CB: Capacity Building B: Budget Support IF: Investment Facility BL: EC Budget Line

Section 1. Executive summary

Ethiopia ranks 171st (out of 174 countries) on the Human Development Index and the reported per capita income of US\$ 100 in 2000/01 is the second lowest in the world and one-fifth of the sub-Saharan countries' average.

The year 2003 was the year during which the largest number of food insecure people ever was recorded. This partially distracted the government's and donors' attention and focus on long-term development goals.

Due to the significant cereal production decrease in 2002/03, real GDP shrank by 3.8 percent during the year. The problem was further exacerbated by the lack of properly functioning rural markets. Another shock of external origin is the sharp decline in the international coffee prices, a commodity that accounts around 35% of the merchandise exports of the country. As a result of the drought, and the subsequent downturn of the economy, *revenues fell* by ETB 1.3 billion, compared to the budget forecast. This mainly affected poverty-related (capital) expenditures, which were about ETB 1 billion lower than projected.

The new Coalition for Food Security, a collective effort of the government and donors, is expected to make a significant dent on food insecurity in the coming 3 to 5 years. During the High Level Retreat of October 2003, the EC reconfirmed its support to the government in its efforts to make the shift from Food Aid to **Food Security**. In the same HLR it was agreed for the **transport sector** to speed up implementation and to start the preparations for a sector wide approach that could ultimately lead to a sectoral budget support programme. The Commission will continue to provide **Macro-Economic support**, by means of Direct Budget Support, through multi-annual programmes in order to guarantee predictability.

While there are some encouraging **results** in the education sector in light of achieving the MDG targets, Ethiopia will not be able to reach most of the SDPRP targets (or the MDG's) under current performance trends. To meet the MDGs a real average GDP growth of about 7% up to 2015 is required, as well as a dramatic increase of public pro-poor spending.

One of Ethiopia's threats is its external debt, the total of which outstanding is over US\$ 6 billion. Ethiopia will most likely reach **HIPC** Completion point early 2004. These will entitle Ethiopia to significant debt reduction. However, provisional analysis shows that HIPC, without significant topping-up, will not be enough to reduce the debt burden to sustainable levels.

On the political front, the ruling party (the EPRDF) remained the dominant force in Ethiopia. There has been a welcome move towards openness (consultations, televised debates, and seminars) but the results of the consultations could be put into practice more systematically. The opposition remained a weak interlocutor, often unable to present a coherently argued set of alternative policies to the EPRDF.

The implementation of the macro-economic focal sector was more or less according to the schedule as foreseen in the Country Strategy Paper, with the exception of some of the Public

Finance Management support programmes, which started late or not at all. The targets as agreed upon in the CSP were partially achieved, especially the PFM targets showed underperformance.

The programming of the FS/RD focal sector was delayed by the unfavourable climatic conditions in 2003. A breakthrough was reached during the High Level Retreat. The indicators are difficult to monitor in the absence of a good monitoring system. During 2003 a record quantity of food aid was delivered under the Food Security Budget Line.

Implementation of the programme under the focal sector Transport was delayed in many instances. Design problems were at the heart of this. These design failures also resulted in serious cost overruns. Most of the indicators were met, indicating the quality of the transport programme. The government is committed to commit all the 9th EDF resources allocated for the transport sector before the end of 2004.

For the non-focal sector good progress was made in 2003 with the preparation of the project pipeline. Three important projects (Civil Society Fund, Police Cooperation and Leadership Development) have reached the stage of going to the EDF Committee. The preparations for the support to the legal sector reform programme are yet to start.

The government and the Commission are confident that the focal sectors, as identified in the Country Strategy Paper, offer a good basis for a response strategy and need not to be adjusted. For the remainder of the 9th EDF, attempts will be made to have more linkages between the focal sectors and to gradually move to budget support (e.g. Food Security Budget Support Programme and a rural roads sector budget support programme).

Section 2. The policy agenda of Ethiopia

Internally, the Government of Ethiopia's efforts, if not concentrated on the food crisis, were directed towards consolidating and implementing its reform policies. This included the preparation and discussion of white papers on the following areas i.e. Rural Development Strategy, Capacity Building Strategy and Industrial Development Strategy. Major development measures in the areas of SDPRP, Decentralization, Food Security and Private Sector Development have been taken by the GOE during the year 2003. The SDPRP Policy Matrix was further refined, and, after intensive discussions with the donor community, submitted in December. The first Annual Progress Report (APR) was presented in December 2003.

With respect to the Decentralization Process in Ethiopia, the devolution of power, accountability and responsibility to district level (*woreda*), introduced in 2001, was further deepened and strengthened. During 2003 studies identified gaps in for instance the legal framework, the enactment of laws and regulations, consultancy support and working manuals. These, and other, gaps are being addressed in a comprehensive five- year (US\$ 400 Million) program: the World Bank led Public Sector Capacity Building Programme (PSCAP).

To address the severe food insecurity problem in Ethiopia, the GOE initiated, together with partner organisations, a process leading to formation of the New Coalition for Food Security, an initiative expected to make a significant dent on food insecurity in the coming 3 to 5 years.

Externally, the government could further strengthen relations with external partners but in particular with the US that considers Ethiopia as a key ally in the Horn of Africa in the fight against terrorism. However, relations with Eritrea further deteriorated and became politically tense due to Ethiopia's appeal of the border decision. The government succeeded in securing Addis Ababa as the permanent seat of the African Union within which it is determined to play a constructive role, in particular with regard to AU's increasing role in peace and stability.

Reform agenda

The year 2003 was the first year of implementation of the SDPRP. The results of the first year were laid down in the Annual Progress Report that was presented to the international donor community on 1 December 2003. The main observations made at that occasion were that the government has made significant progress with implementing this ambitious reform programme, and that the policy measures of the past year broadly represent an appropriate and credible series of pro-poor structural reforms, although in some areas more could have been achieved. Furthermore, the SDPRP has become established as the framework for policy formulation, and has accelerated the shift towards a more strategic focus on poverty-reducing policies, and is increasingly forming the basis for harmonized donor support.

Areas where further improvements can be made include the following: (i) a more detailed articulation of measures to accelerate **private sector and financial sector development**; (ii) clearer linkages between the policies and strategies for **rural development, food security, population policy, and land reforms**; (iii) further rationalization of the gap between SDPRP program costs and available financing, the inclusion of the costs of new initiatives (such as food security); and (iv) a more detailed vision for further implementation of **decentralization**. Finally, it will be important to continue to strengthen the **monitoring and evaluation system**, to deepen the systems for participation of civil society and **lower tiers of government** in the implementation of the SDPRP, and to develop a better understanding of the link between sectoral policies and poverty.

The **High Level Retreat** (October) with Prime Minister Meles and a fair representation of his Cabinet, was the highlight in the strategic partnership with the European Commission. Prime Minister Meles emphasized that the GOE has made a paradigm shift in its latest Food Security Program. The owner of the Program is the farmer. The farmer should be able to utilize his own resource i.e. labor and land as effectively and efficiently possible. The Government and the Development Partners will play a supportive role to the farmers i.e. to create an enabling environment. Therefore, the Food Security Program is locally owned, managed and implemented. He also mentioned the resettlement program, which is now underway in the country. He explained that the farmers were already moving to areas that were better endowed with favorable climate to escape the recurring droughts prior to government's decision to consider resettlement as a viable option to resolving the food insecurity problem.

The High Level Retreat, co-chaired by Deputy Director-General Marc Franco, agreed on the following: The Commission will support the government in its efforts to make the shift from

Food Aid to **Food Security**. Food insecure population will benefit from asset protection schemes, and therefore will be taken of the food appeals. To support this shift, the Commission has indicated to prepare a Food Security Budget Support Programme of about € 120 million for a period of 3 years.

For the **transport sector** all parties agreed to speed up implementation and to start the preparations for a sector wide approach that would ultimately lead to a sectoral budget support programme. The need to strengthen the national construction, maintenance and institutional capacity was also recognized.

The Commission will continue to provide **Macro-Economic support**, by means of Direct Budget Support, through multi-annual programmes in order to guarantee predictability. Agreement was also reached on the need to explore ways and means to utilizing the resources earmarked under the B-envelope.

The shift from emergency Food Aid to long term Food Security will allow for enhanced agricultural production, better market linkages and higher incomes, hereby bringing closer the prospects for economic growth. The EC's strategy should be geared to supporting the government to achieving higher growth rates. This will only be possible if interventions in the focal sectors are in synergy. The main inter-linkages are the following:

Macro-economic support will contribute to macro-economic stability, thereby avoiding the negative effects of high inflation, and securing pro-poor spending levels. Macro-economic support will however not contribute to economic growth in the absence of a clear growth agenda. The food security programme is essential in unleashing the productive forces in the rural areas, by increasing purchasing power in rural areas through direct transfers and reducing transactions costs for commercialization of agriculture. A crucial element in the transaction costs is the lack of communication infrastructure. This focal sector will therefore be strengthened and supported by infrastructure investments. Improved roads will provide access to rural areas with secured water supply, and rural roads will allow for better market access. Private sector development is essential for economic growth. Private sector involvement will be encouraged in the agricultural sector (input and output markets) and for infrastructure (infrastructure to allow a more cost efficient transport of goods, thereby promoting (local) trade).

Section 3 Update on the political, economic and social situation

3.1 Results achieved

The CSP supports the government with its programme to alleviate poverty. The progress of the government's policy, and the EC contribution, can be measured by monitoring progress in meeting the MDG's.

In order to be consistent with the government's SDPRP, and the Commissions decision to align its programme with this SDPRP and the related indicators, only indicators have been selected from the SDPRP policy matrix. The table in Annex 1 shows how the MDGs can be related to the selected indicators. It also shows that a number of indicators presented below

differ from the indicators as included in the JAR 2002, that was prepared before the SDPRP policy matrix was finalized. In the table below the key indicators are presented, with their targets.

Table 1 Key indicators for monitoring progress on meeting the MDGs

Indicator	2000/01	2001/02	2002/03	Target 2003/4	Target 2004/5	MDG as of 2015
1. Percentage of people below the poverty line	41.9	-	-	-	38.0	21.0
2. <i>Infant</i> mortality rate	97/1000	-	-	-	85/1000	47/1000
3. % of stunted children under 5	57	-	-	-	52	30
4. Primary (1-8) Gross Enrolment Ratio	57.4	61.6	64.4	66%	70%	100%
5. Grade 4 Completion Rate ¹	25	31	34	37	40	100%
6. Gender parity index for grade 1 to 8	0.7	0.7	0.7		0.9	1.0
7. Proportion of deliveries attended by skilled health personnel	8.7%	9.9%	9.7%	20%	25%	75%
8. Proportion of children receiving DPT3 vaccination (under 1)	38%	45%	46%	55%	60%	100%
9. HIV prevalence among 15-24 year old pregnant women		7.8%	12%	11%	10%	
10. % of population with access to potable water		30.9	33.7	36.6	39.9	50.0
Defense Expenditure (% of GDP)	13.1	6.1	5.0	4.2		
Poverty targeted spending (% of GDP)	17.7	17.9	17.9	17.5	17.6	

A comprehensive household survey is carried out every five years, providing information on the people living below the poverty line. The last one was in 1999; the next one will be in 2004. This means that there are no data on the years in between these surveys. If GNI per capita is used as a proxy, it has to be concluded that the developments were negative (GNI/capita in 1985 was 120, in 2002 GNI/capita was 100).

Considerable progress has been made over the past few years towards improving access to basic education and the goal of achieving universal primary education (UPE). This can be deduced from the impressive increase in enrolment ratio for primary education – a similar increase can be noted for post primary education and from the increased coverage of immunization programmes. If the current trends continue, it is not unrealistic to expect that UPE may be achieved by 2015, although important efforts will be needed to reach the disadvantaged, including pastoral communities and girls in general. This rapid expansion has however implied that the quality of education has not improved or has deteriorated. The gender gap has only very marginally narrowed in the past years and the government in this regard has recognized the need for additional efforts.

The results in the health sector are mixed. While the infant mortality rates have declined between 1990 and 1999, maternal mortality rates increased and data on birth attendance by trained personnel indicates that there is no positive trend in reducing maternal mortality. This may also relate to the AIDS pandemic that hit the country in the 1990s.

¹ WB projections

Real HIV/AIDS prevalence has grown since the 90s and now stands at about 6.7%. A national strategic framework to tackle the pandemic has been adopted by the GOE with the intention to reduce new infections by 25% by 2005. It may be possible to halt the prevalence rate at about 7% but the burden of HIV/AIDS on society and the economy will continue to grow for the next years, given the growing absolute number of infected people.

Total education expenditure as percentage of the GDP and to total expenditure is 5.6% and 17.2% respectively, while that of health spending during the year as a percentage of GDP and total expenditure is 1.5% and 4.6 % respectively. The expenditure to the education sector has exhibited an increase over the past year, while the spending of the health sector has declined slightly compared to the previous year. The defense expenditure was reduced to 4.2 % of GDP from that of 5 % of GDP in the 2001/02.

Progress has been made with offering people better access to clean water. With particular attention to the clean water supply, the short-term target is to increase the national population coverage from 31% to 45%, a 70% real growth in population terms. By 2015 the target is increase the coverage to 75% or to 73 million people from the present figure of 20 million.

Concluding remarks: While there are some encouraging results in the education sector in light of MDG targets, Ethiopia will not be able to reach most of the SDPRP targets (or the MDG's) under current performance trends. To meet the MDGs a real average GDP growth of about 7% up to 2015 is required, as well as a dramatic increase of public pro-poor spending (total annual spending would need to rise to 53% of GDP, as compared to the actual figure of 34,6%). This demonstrates the need for increased external assistance, as well as adequate absorption capacity.

3.2 Update on the political situation

Ethiopia is making gradual progress with the transition from a centrally guided society to a decentralized society; with a high degree of decision powers devolved to lower-tiers of government, and from a government controlled economy to a market oriented economy.

Civil society organisations and international observers expressed their concerns about the content of a number of new draft laws (e.g., NGO law, Press law, Labour law, Freedom of information Act, Chamber of commerce law), claiming that "they tend to strengthen control and influence of government authorities rather than translating constitutional rights and guarantees." The government is of the opinion that it has tried to incorporate the views of the different stakeholders and considers that the laws will serve to translate and secure their constitutional rights and guarantees.

The EPRDF remained the overwhelmingly dominant force in Ethiopia, and continues to be present at all levels of State and Government. There has been a welcome move towards openness (consultations, televised debates, and seminars) but these consultations should be continued and the results of the consultations should be put into practice. The opposition

remained a weak interlocutor unable to present a coherently argued set of alternative policies to the EPRDF.

The issue of respecting human rights remains of key interest to the International Community. After having been postponed in July 2002, nominations of the Human Rights Commissioners and the Ombudsman were expected in July 2003, and then October 2003. It has now been confirmed by government that the nominations will be made before the end of 2004.

Externally, Ethiopia could further strengthen its relations with the key ally US in the context of the war against Iraq, and the fight against terrorism in the Horn of Africa. Also the EU, its member states and the Commission confirmed its partnership with Ethiopia, many Member States announced the stepping up of their development assistance. The situation in the Horn of Africa remained fragile. Efforts to reach a peace agreement in Somalia did not bring concrete results. The relations with Eritrea are still politically tense, especially after Ethiopia had officially appealed the border decision to the *UN*. In neighboring Sudan an overall peace agreement became a realistic perspective, with a possible stabilizing impact for the whole region.

3.3 Update on the economic and social situation

Economic Situation

For fragile economies like that of Ethiopia, the impact of *external shocks* in major economic activities is very significant. The drought of 2003, that left a total of 13 million people in need of food assistance, demonstrates Ethiopia's vulnerability to external shocks and the severity of such shocks on the poorest and the most vulnerable segments of the society. Due to the significant cereal production decrease in 2002/03, real GDP shrank by 3.8 percent during the year. The problem was further exacerbated by the lack of properly functioning rural markets. Another shock of external origin is the sharp decline in the international coffee prices, a commodity that accounts around 35% of the merchandise exports of the country.

As a result of the drought, and the subsequent downturn of the economy, *revenues fell* by ETB 1.3 billion, compared to the budget forecast. This mainly affected poverty-related (capital) expenditures, which were about ETB 1 billion lower than projected.

Owing to the prudent *fiscal and monetary policy* of the country, the annual inflation rate was contained at around 15% during the year due to the significant decline in agricultural production. Despite the revenue shortfall, expenditures for poverty-targeted outlays in 2002/03 (agriculture, education, health and road) increased to 13.4 % *as compared to the previous year*, which was 12.9 % of GDP.

In a bid to invigorate the fledging *private sector* into an engine of growth and development, observable undertakings were implemented. The supply of skilled labor to the private sector through the TVET scheme, the process re-engineering of critical services delivered by core federal Ministries such as that of the MOTI (e.g. Improvement in business registration processes), the improved supply of infrastructure (e.g. telephone and internet), the establishment of the industrial zones as a conducive breeding ground for the sector and the

holding of the regular public –private Consultative forum are the major facets of the governments policy to support the private sector. The proclamation to regulate anti-competitive business practices and to protect consumers from unfair practices came into force on April 17, 2003. Despite the recognition that good measures have been taken, a more comprehensive private sector development strategy would enhance the development of this sector.

Ethiopia has difficulties in attracting, and keeping, *Foreign Direct Investments* (FDI). Net FDI was about € 15 million in 2003. There are still serious challenges ahead for improving the investment climate. The fact that high-level managers from the banking and private sector were jailed three years ago on the basis of corruption charges, but have not been trailed yet, is a negative image for the country.

In order to foster the growth of the *export sector*, measures have been taken to improve access to finance, access to inputs, and access to land and working premises. Under the newly introduced VAT system all exporters are exempted from paying VAT for inputs purchased in the local market. Due to these measures and other variables (e.g. growth in non-coffee export like meat and meat products, oil seeds, sugar, gold and chat), an improvement in total export earnings has been recorded. Export earnings rose to Birr 456 million from that of Birr 431 in the previous year. The trade deficit has however grown by 11% as a Result of higher imports. Export from Ethiopia concerns only primary commodities (top 5 represents about 80%: coffee, hides and skins, chat, oil seeds and gold). Coffee now accounts for 35.3% of exports (from 69.8% in 1999). Therefore the economy remains relatively vulnerable to external shocks, and further efforts are necessary to broaden the export bundle.

In relation to measures taken to be part of the global economy, a number of activities have been carried out during the year. The Country has officially applied for accession to the *WTO*. The major requirement for accession is the preparation of the memorandum on foreign trade regime, which specifies the process, pursues and the laws and regulations issued by the country to conduct foreign trade in goods and services and other trade related activities. The said document is under its final stage of preparation. Coupled with that the Diagnostic Trade Integration Study (DTIS) has been prepared. With the Commission as the lead donor, the study is a stepping-stone to the integrated Framework for trade related technical assistance for LDCs. A DTIS Technical Committee, comprised of Government, donor and private sector representatives, is now preparing a trade (capacity building) action plan. This plan, once endorsed by Government, should guide donors to further engage in trade development.

The country is in its final stage of preparation for the upcoming *Economic Partnership Agreement (EPA) negotiation*, which will start in February 2004 in Mauritius. A national trade and development policy forum, comprising government and non-state actors, is being organized for the negotiation. An EPA impact assessment study is ready to start under the auspices of the ACP secretariat. This coincides with the Government's consideration to join the COMESA Free Trade Area through a phased approach.

As to the external debt status, the total *external debt* outstanding as at June 30, 2002 was US\$ 6,210.00 million, which is higher than the last fiscal year's figure, i.e., USD 5,465.8 million.

This is basically due to the positive resource transfers from external creditors and the decline in the exchange rate US dollars against other currencies especially the Euro. The Net Present Value of debt service- to-export is about 230 %, which is significantly higher than what is considered sustainable (150%). Ethiopia will most likely reach **HIPC** Completion point early 2004. This will entitle Ethiopia to a debt reduction of US 1,275 billion (in NPV terms). However, the provisional Debt Sustainability Analysis shows HIPC, without significant topping-up, will not be enough to reduce the debt burden to sustainable levels. As a result, the World Bank will have great difficulties in implementing its Country Assistance Strategy (\$ 1.5 billion), thereby also affecting other donor's programmes.

In order to improve and strengthen the *public finance expenditure policy and management*, a number of reform measures are being implemented. The pace at which the different components of the reform that are being implemented under the public finance sector were rather slow. This is largely due to weak capacity at the local level. MoFED is now preparing a strategic plan to facilitate greater coordination in implementing various components of the Expenditure management and Control Program (EMCP). Financing for comprehensive capacity building in this area is foreseen under PSCAP.

Social Situation

Ethiopia ranks 171st (out of 174 countries) on the Human Development Index and the reported per capita income of US\$ 100 in 2000/01 is the second lowest in the world and one-fifth of the sub-Saharan countries' average. Life expectancy at birth is a mere 42, way below the average for low-income countries and considerably behind the average for sub-Saharan Africa. Some progress has been made to improve this situation, but the results are mixed.

On *education*, the recent Education Sector Development Programme (ESDP) Joint Review Mission² report underlines that while increasing access, Alternative Basic Education will need to play an increasingly important role if the marginalized groups are to be reached. The Ministry of Education is currently also looking at reducing construction costs to keep pace with increasing demand regarding classrooms. The main challenge lies however in increasing the quality of education and maintaining standards of efficiency. The availability of qualified teachers for the upper primary levels remains low. The lack of quality textbooks availability is equally recognised as a major constraint. Tackling persistent gender disparity is now a priority of the Ministry of Education. The decentralisation process to the *woredas* has imposed new challenges on the education system, both in terms of (managerial and technical) capacity and finance. Communities are increasingly involved in management at the school level. It has also become more and more apparent that donor requirements play a determining role in the limited absorptive capacity at decentralised levels.

Throughout ESDP II (2002/3-2004/5), there has been a greater emphasis on higher education and *Technical and Vocational Education and Training* (TVET). Primary education recurrent costs continue to increase, with higher education and TVET also increasing. This may make further expansion more difficult.

² Education Sector Development Programme, Joint Review Mission, 27 October – 14 November 2003

There has been no Joint Review Mission for the *health sector* in 2003 given that a Final Evaluation of the first Health Sector Development Programme (HSDP) was carried out in the beginning of 2003. The proceedings from the Annual Review Meeting of the sector (April 2003) provide some further insight in recent developments.

The Health Care Delivery and Quality of Care is the major component of the HSDP, and performance results in this area were generally satisfactory, notably with regard to progress in *HIV* related actions and prevention and control of *malaria*. There is a growing awareness of the threat that HIV/AIDS is posing on the society. Meanwhile, the overall prevalence rate is going down (currently stands at 6.7% of the overall population), which is however only attributable to the fact that measurements are being expanded towards rural areas where prevalence has been lower. Results in *TB* and *leprosy* control on the other hand have been mixed. Similar mixed results were shown with regard to *family health services* (national EPI stands at 52% and 42% for DPT3 and measles respectively). The expansion of health facilities has considerably slowed down, and progress in resource development (training of health personnel) was equally slow (in 2002/3 only 52% of health personnel were trained compared to 2001/2). Generally, pharmaceutical supply and management also remained relatively weak.

Family planning remains limited. The most optimistic figures indicate that the prevalence rate is not higher than 20%, while population growth remains very high.

The limited *management capacity* at decentralised levels and the weak budgetary instruments and means contributed to the problems encountered. Furthermore, it has been observed that currently, HSDP does not use indicators that measure outcome and impact of the health activities but that these will be necessary to address specific areas of concern.

3.3 Update on the Food Security Situation

2003 saw the most important food security crisis ever recorded, with serious overall negative effects. Not only were huge amounts of resources engulfed by the short-term food aid effort, but also the efforts at dealing with long-term food security suffered a setback.

A total number of 13.2 million people were in need of food aid in 2003, requiring from January to December 1.8 million metric tones of food. The donor response to the various appeals was unprecedented, with contributions exceeding 98% of the required cereals, although it fell short by US\$40 million on the appealed non-food items.

However, this record response has not prevented increased vulnerability of households. Reasons for this are varied and span from a poor targeting of beneficiaries at grass roots level to the fact that a complex crisis has been addressed overwhelmingly with one instrument: food aid. It is also due to the nature of emergency food aid that reaches beneficiaries in an unpredictable way, both in terms of quantity and timing. It is now well accepted that food aid does not prevent the slide into destitution and the loss of productive and human assets. There are clear signs of asset depletion and increased vulnerability amongst the rural population over the years. Sale or loss of assets has led to decreased productive capacity and greater vulnerability to ever more frequent shocks.

The year 2003/2004 appears to be a record harvest. However, even with a good harvest, the predictable food insecure caseload remains and is disconnected from agricultural production. As shown by the 2004 Emergency Appeal, 7.2 million people will need about 960,000Mt of food aid during this year. Moreover, indications of a bumper harvest also carry the risk of price collapse. The narrowness of the market compounded by the distortionary effects of food aid could lead, as in 2001, to a collapse in cereal market prices, thus negatively impacting farmers' incomes. On the other hand the GOE is endeavouring to minimise this risk through encouraging the DPPC, Donors and Ethiopian grain market enterprise to purchase grain from local markets.

Section 4 Overview of past and ongoing co-operation

4.1 Focal sectors

In 2003 the government of Ethiopia and the international donor community (especially those donors providing Direct Budget Support) agreed upon a detailed and comprehensive indicator matrix, reflecting the policy measures of the SDPRP. The Commission, with other donors, agreed to accept this indicator matrix as the only document from which indicators can be selected. All indicators selected for PRBS-II were therefore directly taken from this matrix. As a result of the decision to align behind the governments SDPRP indicator matrix, the indicators presented below follow this matrix wherever possible. This means that the indicators as included in the CSP are not always reflected. Only where the SDPRP matrix does not offer comparable indicators to the CSP indicators, it was decided to use (only for the purpose of this annual report) the CSP indicators.

This section consists of three parts: a) an assessment of results achieved at sectoral level, b) progress in activities and c) integration of crosscutting themes.

4.1.1 Macro-economic support

Overall strategy of focal sector and linkages to other focal sectors

The overall objective of macro-economic support is to contribute to the macro-economic stability of the country and to secure sufficient poverty related expenditures. Macro-economic support should help creating an enabling environment for the other focal sectors.

a) Results

Table 2 Macro-economic indicators

Indicators from SDPRP matrix	Realisation				Projection	
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Real GDP growth	7.7	1.2	-3.8	6.7	6.4	6.1
Share of private investment in GDP	9	9	10	10	11	12
Share of public expenditure for Education	9.3	14.2	13.9	17.2	17.8	19

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Share of public expenditure for Health	3.2	4.5	5	7.2	7.3	8
Audit backlog at Federal level (consolidated accounts)				2 yrs	1 yr	1 yr
No of regions reducing accounts backlog to 1 yr or less				10	8	6
Respect of financial calendar				Approved Financial Calendar		
No. of regions using the new chart of accounts				4	9	11
No. of federal budget units completing roll out of BIS package				6	21	all
No of regions undertaking BIS roll out				4	9	11
Consolidated federal/regional budgets, including all extra budgetary funds and accounts made (Y/N)						
Share of private investment in GDP (%)	11	9	9	10	11	13
Indicators from CSP						
EPA negotiations				EPA study carried out	EPA negotiation position formulated	Active participation in EPA negotiations
Reduction of current account-deficit (% GDP, incl. official transfers)	-3.6	-5.7	-4.7	-7.9	-7.4	-6.2
Reduction of Budget Deficit (% GDP, incl. grants)	-5.5	-9.3	-9.1	-7.1	-5.6	-3.9

Revise Financial Calendar and Issue Directive on Strategic Planning Management.

Assessment of results

GDP is not growing as fast as expected (projection in CSP 7% for 2001-2003). The general trend over the last decade shows an average increase of about 2 %. Variations from one year to another are heavily linked to rainfall impacts on agricultural production. Agriculture's share in GDP is around 50 %, but gradually decreasing. This explains the poor result in 2003 (GDP decline of 3 ,8%). For services and industries, the growth is about 5 % a year.

Growth in GDP per capita is affected by the high population growth (estimated 2.7%, which is about two million people per year). GDP per capita is around US\$100 since 1998, indicating the massive challenge to achieve sustainable poverty alleviation.

The deficit on the trade balance (20 % of GDP) has been growing since 1992 when a (more) open market policy was introduced. Over the three last years, the deficit increased by more than 10 % a year. This is the result of the collapse in coffee prices on the one hand, and increasing imports on the other. Imports now exceed exports by a factor four, illustrating the great dependence of Ethiopia on foreign assistance. The trade balance deficit is more than compensated by both public (foreign assistance) and private transfers (foreign direct investment and Ethiopian community abroad).

Foreign assistance has allowed an increase in government expenditures (from 28.2% of GDP in 2000 to 34.6 % in 2003, of which 2/3 are for current expenditures and 1/3 for capital investments.) The share for poverty related expenditures showed an even sharper increase

(from 14.6% in 2000 to 17.9% in 2003). The budget deficit is gradually being reduced from the high levels of 2001/02.

The share of public expenditure for education and health are below the expectations as set in the CSP. Especially the share for health is lower than anticipated. It is unlikely that the projections for 2003/04 and further will be met.

Important progress was made with the issuance of a new financial calendar, that should allow for more predictable and timely reporting. The financial calendar was discussed with the international donor community. On the basis of this new calendar, a new sequencing of the diagnostic reviews (such as PER and CFAA) is being prepared.

Some progress was made with reducing the accounts backlog, but capacity constraints have prevented sufficient achievements. Under PSCAP ample attention will be paid to capacity building to allow for faster implementation of the required reforms.

Ethiopia introduced in 2001 a new Chart of Accounts. The roll-out to all regions and 550 *woredas* is a tremendous challenge. Also here PSCAP will provide for the required capacity building. The USAID and Ireland Aid funded programme – called DSA – will play a crucial role. It is the government's firm intention to introduce the New Chart as soon as possible in all regions. Progress will be closely monitored against the formulated indicators.

One of the key observations made in the CFAA and PER is the late production of a consolidated budget, also capturing the regional budgets. In 2003 good progress was made with the preparation of a consolidated budget in October, which was in time to feed into the APR. According to the IMF, the consolidated budget included a report on the extra budgetary funds. This was however not shared with other donor agencies.

The revised strategy for the Expenditure Management and Control Programme, and the support through PSCAP for capacity building at all tiers of government are expected to speed up the implementation of Action Plans as were earlier agreed upon (e.g. in the Country Financial Accountability Assessment, CFAA).

The government recognizes the *private sector* as an engine for economic growth and has taken a number of measures to facilitate private sector development. The results so far are modest, and could be improved with a more pronounced strategy for private sector development.

Economic Partnership Agreements negotiations. At the national level, as per the recommendation of the 16th session of the COMESA Council of Ministers (COM) held in Lusaka, Zambia in 2003, a National Development and Trade Policy Negotiation Forum (NDTPNF) has been established under the chairmanship of the State Minister of Finance and Economic Development comprising higher officials from Ministry of Foreign Affairs, Ministry of Trade and Industry, Ministry of Agriculture, Ministry of Infrastructure, Ministry of Justice, Ethiopian Investment Commission and Ethiopian Chamber of Commerce. The final version of the negotiation guideline for EPA is dispatched to all members of the NDTPNF and

a service contract for the undertaking of the EPA impact study is signed with the consultant. The findings of the consultant will be discussed with stakeholders and will be the basis for a national document to spearhead the negotiation process at the national level.

Overall conclusions: macro-economic support provided by the Commission assisted Ethiopia in maintaining fiscal stability and by increasing levels of public poverty related expenditures. Macro-economic support has, so far, not been able to increase the export or production base. The slow progress on PSD has contributed to this. Developments in PFM related indicators are modest so far. Government has realized the urgency of making progress with important PFM reforms on short notice.

b) Progress in activities

For the tables below, figures in (brackets) and *Italic* represent the forecast as made in the Country Strategy Paper. Figures in **bold** are actual commitments already made, **bold** and *italics* are new projections.

(10) = forecast as per CSP

10 = actual

10 = projection

9th EDF

The most important development under macro-economic support in 2003 was the development of **PRBS-II**. An intrinsic part of PRBS-II is the indicator matrix for assessment of results and calculation of the variable tranche. As mentioned earlier the Commission has decided to completely align behind the government's indicator matrix. This matrix was submitted on 12 December 2003. The final approval of PRBS-II was therefore delayed. This will have however little consequences for the disbursement schedule, which will broadly follow the original projections. The amount made available for PRBS-II is higher than was mentioned in the CSP (€ 95 million instead of € 80 million), reflecting the importance of this instrument.

As part of PRBS-II, € 5 million has been allocated for capacity building, mainly in the area of PFM. It is, inter alia, foreseen to make contributions to a pool fund for **Monitoring and Evaluation** (€ 1 million), and to the **Public Sector Reform Programme** (PSCAP, € 2 million). These programmes are essential for either the monitoring of the agreed indicators, or the further improvement of Public Finance Management in a decentralised structure.

The preparation of a **trade capacity building** programme (€5 million) has been delayed due to problems to mobilise consultants for this purpose. The finalisation of the Diagnostic Trade Integration Study was equally delayed. The latter is providing the overall framework for trade development and related capacity building needs. The DTIS action plan should be finalised in March 2004 - this could coincide with the identification mission for the EC support programme. This programme can become operational in the second semester of 2004.

Other EDF's

Early 2003 an assessment was made of the indicators as included in the first budget support programme (**PRBS-I**). The indicators related to Health, Education and PSD were only partially met. As a result the variable tranche was reduced with € 6 million.

For sustainable economic growth, a thriving **private sector** is indispensable. After long negotiations an agreement was reached on a Micro and Small Enterprise Development Programme (€ 7 million, from the 7th EDF). This programme started its implementation in January 2003. After some start-up problems, the programme seems now well on track. A Work Programme (with a EDF contribution of € 1.9 million) was signed by the end of 2003.

The projections shown in the CSP refer to the **Investment Facility** of the EIB. So far, the law in Ethiopia makes it very difficult for private entities to borrow money abroad. As a HIPC country, a prudent policy with regard to foreign loans seems indeed advisable. There seems however more space to make use of the IF than at present is being used. Negotiations with the EIB are ongoing.

During 2003 ample attention was paid to **Public Finance Management** issues. The Commission participated in the CFAA and the PER preparations. A contribution of € 1 million for an EMCP (Expenditure Management Control Programme) related project, funded by USAID could not be made due to administrative constraints. This money will now be used to further support the Tax Policy and Administrative Reform (TPAR) programme. This would bring the total contribution of the Commission to TPAR on €2.4 million. For the coming years further contributions to TPAR are foreseen.

A programme directly linked to PFM issues is the **Integrated Financial Management Programme** (IFMS, € 9 million). IFMS aims at linking financial information flows, to allow for better decision making. The first tender, for the Technical Assistance to supervise project implementation, will be launched in the first quarter of 2004.

c) Integration of cross-cutting themes

For PRBS-II, indicators will be as much as possible gender disaggregated. The government has included in its overall indicator matrix an indicator referring to the preparation of a Gender Action Plan, aiming at streamlining gender issues in all of its policies.

4.1.2 Food Security**Overall strategy of focal sector and linkages to other focal sectors**

It is now widely recognised that food insecurity is, above all, a problem of lack of access to food resulting from the weak purchasing power of poor rural and urban households. Thus, the fight against poverty and food insecurity must focus on increasing incomes of vulnerable groups. At the same time, this must be complemented with interventions aimed at promoting growth and creating greater income generating opportunities. These are both within the rural development realm, such as improving agricultural markets and fostering security of tenure, and beyond, with private sector development.

a) Results

Indicators	2000	2001	2002	2003	2004	2005	2006
No. of predictable food insecure population benefiting from the FSP multi-annual safety nets, including public works, conditional transfer programs and other programs for the most vulnerable. (*)					1.5	3	
No. of people taken out of DPPC annual emergency appeal. (*)					1.5	3	
Increased No. of active participants (incl. coops & traders) in fertilizer, grain and livestock markets at retail and whole sale level. (*) (**)	To be determined						
Increase (over previous year) in the number of farm households with long term leases for their land holdings. (*) (**)	To be determined						
No. of farmers adopting tested technologies (million)	3.7	3.6	3.5	3.8	4.5	6	
Percentage of people below poverty line (base year 1999/00=41.9) (***)	41.9					38	
Growth in Agricultural GDP%				- 12	14		

* New indicators, taken from the SDPRP Policy Matrix approved in December 2003

** Targets to be developed in 2004

*** Data from Household Income Expenditure Survey, available every 5 years

Assessment of results

Overall, the indicators in the food security matrix could not be achieved due to the severe drought that affected Ethiopia in 2003 (see table). GDP growth in agriculture was negative due to the severe fall in output (21% relative to the last 5 year average). Both the drought and the rise in input prices affected service delivery, as farmers became risk averse.

In terms of food security direction considerable advances were made two years ago, with government acknowledging the substantial caseload of predictable food insecure people and the need to address this through long-term development interventions rather than food aid. Agreement was reached on the need to set up food security units under a Ministry of Rural Development and develop **a safety nets approach to address predictable food insecurity**.

However, despite progress in policy dialogue in many areas, little has been achieved in terms of concrete actions during 2003. During the first part of the year, the food security crisis distracted policy makers from focusing on safety nets and other long-term solutions for food insecurity. From mid-2003, GoE started working, together with donors, on a "Coalition for Food Security" initiative. The objective was to open up dialogue on food security and reach a broad consensus over the set of necessary investments to improve the food security situation in the medium term. The response from donors has been overall positive and the Coalition initiative will provide, in the coming year, a clear opportunity to engage with GoE in a comprehensive dialogue on food security.

The High Level Retreat gave a new impetus to GoE-EC policy dialogue in food security and a number of mutual commitments were made, including:

- EC committed to render more flexible the implementation of the 2002 Food Security Programme and to allocate €30 million annually in 2004 and 2005, again to support safety nets. EDF resources to be provided in coherence with this decision.
- GoE accepted to reduce by 1.5 million the beneficiaries of the next DPPC appeal to be covered by a safety net system.
- All EC direct Food Aid to GoE to be provided as budget support for Food Security programmes. In the event of an emergency, GoE will have the possibility of purchasing food aid with these funds.

Overall conclusions:

The Commission support has contributed to strengthen the long-term food security approach of GoE. Through both financial support of the FSP and intensive policy dialogue, addressing the chronic food insecure caseload has now become a main GoE priority, with Government investing substantial own resources. At the same time, the Commission has remained intent on addressing the immediate humanitarian problems, thus mitigating the effects of exogenous shocks on the most vulnerable segment of the population.

9th EDF

In the CSP an amount of € 54 million has been allocated for FS. The programming of this amount was delayed by the unprecedented crisis of 2003, which resulted in a slow-down in the policy dialogue. The High Level Retreat of October 2003 re-launched the programming exercise. It was agreed that the full amount would be used for a € 60 million Food Security Budget Support Programme.

Other EDF programmes

Coffee (€ 15 million)

The Financing Agreement of CIP IV was signed in April 2002 for a total amount of € 15 millions (8th EDF) and a duration of 5 years. The overall objective of the programme is to improve living standards in coffee growing areas and reducing widespread poverty. Six components are identified by the project. These include extension, nurseries, research, conservation, marketing and project management.

The project started on July 1st 2002 (start-up phase of three months) and the following Work Plan (October 2002 to June 30, 2003) was endorsed in October 2002. The advance payment was released only in April 2003 and the WP has, therefore, been extended until 30 September 2003.

The major constraints identified in 2003 are: (i) delays in the release of the advance payment, (ii) absence of coordination between the different stakeholders (CTA, IIBCR, EARO, Bureaux of agriculture, etc.), (iii) absence of technical assistance foreseen in the FA (iv) difficulty to settle the amount transferred to the regions, (v) reorganization of the Ministry of Agriculture and the Ministry of Rural Development and unknown future of CTA within this new structure. Consequently, many activities could not be accomplished as planned and the implementation of the project is seriously delayed.

The WP/CE year 2 (October 2003-September 2004) has been endorsed by the EC Delegation in November 2003 and the 50% advance payment (9,803,600 ETB) was released in December. Providing that CTA establish a new accounting system in order to resolve the outstanding issue of settlement of advances.

In 2003, the long delayed service contract has progressed considerably and the two long-term experts are expected in the first semester of 2004. A tender for the supply of equipment is also under preparation.

Programme	Budget Imprest account	Budget Specific commitment	Disbursed 2003	Advance settlement by CTA
CIP IV- WP/CE Year 1 (Oct 2002- Sept 2003)	22,993,656 ETB	31,651,220 ETB	11,496,828 ETB (50% advance)	501,102 ETB (4.36 % of the advance)

Food Security Budget Line

The most important instrument to address food security issues in Ethiopia over the past years has been the Food Aid/Food Security Budget Line. Assistance has been overwhelmingly skewed in favour of food aid. In 2003, a similar trend to previous years, € 144 million have been provided in total, and out of these, only € 25 million have gone towards government led long-term food security programmes. It is important to stress that these programmes have suffered from design problems and low absorption capacity and slow disbursement have also been chronic problems.

Emergency Response - Food Aid

b) Progress in activities

Commitments		Actual commitments					Forecast				
FS Budget Line/ 9th EDF	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
Food Security/BL	BL				5.7						
1998 IFSP	BL				2.9						
2000 IFSP	BL										
2002 FSP	BL		25								
2002 FA	BL			41							
2003 FA	BL			21							
2004/5 FSP	BL						60				
Food Security	CSP-B						60				

Payments		Actual payments					Forecast				
FS Budget line/ 9th EDF	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
Food Security	BL					4.6	1.1				
1998 IFSP	BL					2.6	0.3				
2000 IFSP	BL			9.0****			8.0*****		5.0*****		
2002 FSP	BL						10.4				
2002 FA	BL				30.6						
2003 FA	BL				20.7		0.3				
2004/5 FSP	BL										
Food Security	CSP-B							10.0	10.0*****	10.0*****	10.0*****

**** Conditional disbursement depending on progress on implementation of the policy reforms matrix & justification of funds and of the foreign exchange facility.

***** Depending on the successful implementation of the 2002 FSP

Acronyms: CSP: Country Support Strategy P: Project support CB: Capacity Building B: Budget Support IF: Investment Facility BL: EC Budget Line

Joint Annual Report 2003 Ethiopia

In response to the 2003 Emergency Appeal, the Commission pledged a total of € 119 million (435,000 Metric tonnes of cereals) from several sources:

	Pledges			Pledges (Mt)	Deliveries
Official Letter 2002 for DPPC	41.00	M Euros		165,000	125,000
Official Letter 2003 for DPPC	21.00	M Euros		87,500	87,500
Official Letter 2002 - 2003				4,000	
NGO's through EuronAid	8.00	M Euros		28,000	28,000
ICRC	5.00	M Euros		15,750	15,750
Remaining Funds from OL 2000	5.00	Meuros		19,000	14,000
Reimbursement to the EFSR from OL 2000	9.00	Meuros		31,000	31,000
NGO's / EuronAid (2)	5.00	M Euros		14,476	14,476
NGO's / EuronAid (3)	15.00	M Euros		37,883	

This is the most important food aid commitment ever made by the Commission. Delivery has been adequate and made more efficient by the existence of the Ethiopia Food Security Reserve (EFSR) that fulfils the role of buffer stock. Once the financial commitment was made, loans were taken out from EFSR for immediate delivery. However, the carry over of almost 100,000 Mt of food aid into 2004 suggests that performance was sub-optimal. In effect, a number of delays have been experienced, including:

- Delays in signing MoU from both GoE and EC;
- Delays in the arrival of ships for the imported food aid;
- DPPC delays in starting the local purchase of food aid;
- EC delays in signing EuronAid € 15 million allocation.

Longer term response

FSBL

1998 and 2000 IFSP

Both 98 and 2000 Integrated Food Security programmes have experienced chronic delays in the start of the implementation as well during implementation. Due to those delays and in order to avoid the reimbursement of unspent funds back to headquarters both OLs have been extended till 31/12/04. In terms of execution, by the end of 2003, the IFSP 1998 had reached 54% of cumulated disbursements from 2001, 2002 and 2003, while the IFSP 2000 is still on 13% execution level (see table below).

The major constraints identified: (i) lack of sufficient physical and human capacity at regional as well as *Woreda* level, (ii) weak planning exercise, (iii) delays in transfer of funds from regions to *Woredas*, and (iv) delays in execution and settling of funds (invoices) by *Woredas* administration. However, both the GoE and the EC are trying to speed up the implementation by supporting the regional bodies to overcome these difficulties. The government regards the Commissions procedures as a constraint for a speedy implementation of the programme.

2002 Food Security Programme

In October 2002, A Budget Support/Foreign Exchange Facility (€25 million – of which € 3 million for TA) was approved. Disbursement of the first € 9 million tranche was made in May 2003 to go towards strengthening food security public expenditure at regional level in 4 regions. The in-built flexibility would allow utilisation of funds for safety nets or other activities designed in response to the crisis.

Following the High Level Retreat, the EC committed to make the disbursement of funds more flexible, i.e. to waive the requirement for ex-ante workplans and cost estimates and shift to ex-post justification of expenditure. However, due to need of further clarifications by the GoE on flexibility of implementation modalities the funds had still not been disbursed to the regions by the end of 2003.

Table: Budget, Disbursement & Execution

Programme	Budget *	Disbursed* 2001-2002	Disbursed* 2003	Total Disbursement*	Executed* (%)	Balance*
i. 1998 IFSP	10	4.253	1.322	5.575	3.017 (54%)	4.425
Tigray	4	1.943	1.322	3.265	1.49 (45%)	0.735
Amhara	6	2.310	-	2.310	1.52 (74%)	3.69
ii. 2000 IFSP	11	2.760	3.125	5.885	0.786 (13%)	5.115
Tigray	5	2.760	-	2.760	0.474 (17%)	2.24
Amhara	6	-	3.125	3.125	0.312 (9%)	2.875
iii. 2002 FSP	22	-	9.000	9.000	-	13.0
Total	43.0	7.013	13.447	20.46	3.803 (18%)	22.54

* In million Euros

c) Integration of cross-cutting themes

As food security is an objective rather than a sector, interventions contributing to achieving food security have widespread implications. In particular, a large share of the FSP is devoted to cash for work on productive assets. Much of the labour intensive work, while providing income to vulnerable households, has a positive impact on the local environment through soil and water conservation measures. Also, it should be noted that, on many structures, 90% of the labour force is female, thus directly benefiting women and children. Other activities, such as health and nutrition interventions also have a direct positive impact on vulnerable women, either in female or male-headed households.

4.1.3 Transport

Overall strategy of focal sector and linkages to other focal sectors

The strategy for the transport sector is to develop the necessary infrastructure to support the development of the productive base of Ethiopia and to contribute to poverty alleviation. Good transport links either between different regions of the country or to different countries are indispensable for trade and to ensure that goods or food available in the country can reach its destination and local markets can effectively integrate.

a) Results

Indicator	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Road Density of all weather roads – [km/km ²]-{RSDP/SDPRP}	27.7	30.3	30.5	31.5	32.3	34.5	36.2
Road Density of all weather roads [km/1000 people] -{RSDP/SDPRP}	0.46	0.48	0.48	0.49	0.49	0.48	0.50
Road Density of all roads, including low-standard – [km/1000 people]	0.48	0.48	0.49	0.56	0.65	0.73	0.83
% of asphalt roads in good condition	43	59	41	48	54		
% of gravel roads in good condition	15	19	29	32	36		
% of rural roads in good condition			29	32	35		
NEW INDICATORS							
Maintenance by ERA force account/private contractors							
Fatalities/total accidents	0.2	0.2					
Accidents/1000 vehicle-km	1.77	1.91					

Note: The figures for 2000/01 and 2001/02 are as reported from the monitoring reports. SDPRP indicators are for years 2002/03-2003/04-2004/05, while for 2005-2007 are from the RSDP-I or II docs. Figures for 2000 –2002 are as reported in RSDP or in its monitoring reports.

Assessment of results

The support of the 9th EDF to the transport sector is a continuation of similar support through the 7th and 8th EDF in the context of the road Sector Development Programme (RSDP).

The policy objectives as to the establishment and functioning of autonomous institutions in the road sector have been completed, e.g. establishment of the Ethiopian Road Authority, Road Fund with well-defined sources of revenues and reliable track-record on allocating funds on the basis of the regional needs. The revenues of the Road Fund are well defined (fuel levy, VAT and vehicle licenses) and are used exclusively for the maintenance of the road network, on the basis of maintenance needs and regional balance. The amount of maintenance work carried out by local private contractors has increased substantially, while ERA's operational branch is in the process of becoming by 2005 an autonomous profit center, separate from ERA.

The area where policy challenges still remain are a) the approval by Parliament or the Administration of the draft transport regulations, as produced mid-2002 with EC financing, and b) the implementation of action plans on road safety and axle load controls.

The performance of the investment programme is assessed as planned, as regards the mid-term targets of RSDP-II, on the major trunk roads. To attain though the end-period RSDP-II targets, on the main asphalted roads, the programme needs to continue or even improve the present rate of implementation. This is especially true for the EDF-supported programme, where problematic designs, and the subsequent fulfillment of EDF procedures, had a negative impact on the pace of implementation.

Even more critical for achieving the 2007 targets on rural population transport accessibility and geographic coverage, a substantial programme of rural roads, even low standard at an initial stage, needs to be realized. That programme is evidently linked with the overall agricultural development programme of Ethiopia. The Ethiopian Road Travel and Transport Programme (ERTTP), being a community-based initiative and incorporating aspects of an integrated approach for rural development, offer a viable framework. The scaling-up of the programme and its implementation countrywide is not only necessary for achieving productivity growth but also for ensuring equitable regional development.

Overall conclusions: Commission support has contributed to substantial progress being achieved in the policy definition and to important improvements realized on the conditions of the main road network in Ethiopia. The cross-sectoral linkages need to be taken into consideration in deciding of future support, so as the objectives of sustainable agricultural development and food security are met.

b) Progress in activities

Commitments		Actual commitments					Forecast				
Transport	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
Addis – Jima Road(8 th EDF)	CSS-P	(PM) 17	30			11					
Kombolcha -Mille	CSS-P				(25)		35				
Harar – Jijiga Road	CSS-P								(50)		
Mieso – Dire Dawa – Guelile	CSS-P	(PM)									
Arba Minch – Jinka Road	CSS-P	(PM)									
Gonder-Humera Road	CSS-P										
ERA Capacity Building	CSS-CB		(5)				6				
Transport policy support	CSS-CB			(2)			2				

Payments		Actual					Forecast				
Transport	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
Addis – Jima Road(8 th EDF)	CSS-P	(PM) 0.6	4.0	5.7	0.5	10	5	4	3	10	10
Kombolcha -Mille	CSS-P						16	4	6	2	1
Harar – Jijiga Road	CSS-P					(10)	(10)	(5)	(5)	(5)	
Mieso – Dire Dawa – Guelile	CSS-P										(10)
Arba Minch – Jinka Road	CSS-P										
Gonder-Humera Road	CSS-P										
ERA Capacity Building	CSS-CB			(0.5)	(0.5)	(1.0)	(1.0)	(1.0)	(0.5) 0.5	(0.5) 0.5	0.5
Transport policy support	CSS-CB			(0.5)	(0.5)	(0.5)	(0.5)		0.5	0.5	0.5
Budget Support Road Fund	CSS-B										

Acronyms: CSP: Country Support Strategy P: Project support CB: Capacity Building B: Budget Support IF: Investment Facility BL: EC Budget Line

9th EDF

The major interventions foreseen in the CSP were:

- i) the rehabilitation of two existing, but degraded, roads, that are part of RSDP's 2nd phase (Harrar-Jijiga, 102 km and Mieso-Dire Dawa, 155 km),
- ii) the provision of training, technical assistance and surveys destined to strengthen ERA's capacity in managing the RSDP,
- iii) support for the implementation of some transport policies, studies of which have previously been funded by EC (e.g. road safety, axle load, transport regulation).

Delays were experienced for a variety of reasons, with the main being the effort to ensure better preparation of the programmes to avoid recurrence of disruptive experiences to the implementation, as in other on-going programmes of the 7th and 8th EDF. That is especially the case for the programmes of Harar - Jijiga and the TA ones. In the latter the effort is to define in a comprehensive manner the needs and resource gaps of the authorities in the transport sector in order to become by 2007 "smaller and smarter" – as agreed in the launching of the RSDP – II (March 2003).

The time taken by the EC, twenty months from submission, to decide on the FP for the design of Mieso-Dire Dawa – Guelile, impacted on the commitment and implementation of the 9th EDF transport programme.

The action taken in 2003, confirmed during the High Level Retreat of October 2003, to expedite the preparation of the projects Kombolcha – Gundewein (with possible co-financing with Italy and Sweden), Arba Minch – Jinka and Gonder- Humera attempts to:

- a) improve consistency and complementarity of the 9th EDF, by focusing on actions that either have a direct food security objective by linking food-surplus to food-deficient areas (i.e. Kombolcha – Gundewein) or by improving the access to areas of increased potential in agricultural and
- b) partly mitigate the programming effects of the delay in decision making for the study of Mieso-Dire Dawa – Guelile.

The Government of Ethiopia requested the EC financing of a Masterplan study for the Transport sector in Ethiopia.

Financing decisions were taken to complement with sources of the 9th EDF the projects of Kombolcha – Mille (addition by € 30 million to an initial 8th EDF allocation of € 25 million) and the Minimum Rail Safety Works for the CDE (addition by € 10 million to regional allocation of € 30 million).

Hence, despite the longer than initially anticipated time taken in the programming, by end-2003 already 20% of the amount allocated (€ 211 million) to the transport sector was committed. Due to the action taken in 2003, it is presently expected that the entire allocation could be committed by end of 2004/early 2005.

Other EDF programmes

Addis Ababa – Modjo - Awassa Road Rehabilitation (265 km - € 60 million)

Construction of the civil works started in 1998 and was substantially completed in November 2001, with the exception of a 20 km stretch for which the quality was not considered as per specifications. That prevented the issuing of full Provisional and subsequently Final Acceptance of the works. The repair of that stretch was carried out in the second half of 2003 with some works remaining for 2004.

In parallel, discussions for amicable settlement of the contractor's claims continued with ERA and a position is expected by the end of January 2004.

Addis Ababa – Jima Road Rehabilitation (342 km- € 102 million)

The construction of civil works commenced in October 1999 but, due to technical problems encountered, they were suspended for almost two years. Work recommenced in April 2002

after a revision of the technical solution and increasing of the available financing by €17 million. Although some of the problems that used to hinder progress (removal of obstructions, handing over of borrow pits) are now resolved, there is still a number of issues, mainly affecting financial liquidity. By end 2003 the progress of works was behind schedule (36% against 61% planned) and the present estimate for completion of the project is not before mid/end-2006.

Addis Ababa – Dessie – Woldiya Road (514 km- € 120 million)

The project is divided into three lots, only Lot 2 (Tarma Ber-Kombolcha -187 km) was awarded at the initial tender. The work is progressing at the contractually envisaged pace, however the need to correct or update design is resulting in a 30% increase in quantities, implying a two-year extension of time with the subsequent cost increase. The position of ERA on this matter is expected by mid-February 2004, one month before the contract completion date. The physical completion of works by end-2003 was about 45%.

The works for Lot 3 (Kombolcha – Woldiya) are re-tendered, following an 18-month period of review of the tender documents. The new offers are due for 26 February 2004. The supervision of the works is also to be tendered shortly, after approval by end 2003 of the list of invited consultants.

The works for Lot 1 (Addis Ababa – Tarma Ber Tunnel) are to be re-designed before launching a new tender, as the presence of expansive soils – that caused the problems in Jima - was considered as extensive (65%) and the initial solution in need of review.

Kombolcha-Mille Road (128 km - € 55 million)

After reviewing the actual rehabilitation needs, the total project cost increased from € 25 million (initially approved) to € 55 million. Offers for the works tender were submitted on 7 October 2003 – exceeding the available financing by about 20%. Increasing the Financing Agreement with such an amount could be considered. The evaluation process by ERA is to be completed by mid-February 2004. In parallel, the pre-qualification for the supervision service started in November 2003, with its evaluation on-going. As the evaluation of the works tender appeared more complicated than anticipated delays may be incurred to the programme implementation.

c) Integration of cross-cutting themes

Activities in the transport sector refer extensively to poverty reduction, however, gender issues are not given direct attention.

Major works contracts in the transport sector include environmental considerations and provide for environmental impact assessments to be carried out during construction. Environment aspects of road construction and environmental impact of road accidents is addressed. Transport sector studies address potential environmental benefits through reduction of exhaust emissions and noise, and stricter routine vehicle inspections.

The transport sector is considered to be a major vector for the spread of the infection of HIV/AIDS. Awareness campaigns for contractors and local staff will be/ are (?) included in the major interventions.

4.2 Projects and programmes outside the focal sectors

a) results

The CSP identified capacity building for governance and civil society as the main target areas in the non-focal sector of governance. More specifically legal and judicial reform, civil service reform and administrative decentralization were mentioned as crucial areas. While the government has embarked on a legal and judicial reform programme, with the recruitment and training of judges and court clerks, most EC supported initiatives in the governance section are still at an early stage and are too new to be able to assess their impact. The EC support for this sector identified in the CSP is particularly difficult to assess as very few projects have reached the implementation stage. Consequently, the progress that can be witnessed in the governance sector is mainly due to the Governments efforts, with support from various donors. The latter does however include the support the EC has provided for the establishment of a law faculty at Mekelle university, which has resulted in a number of spin-offs in the legal field.

The fact that very little information has been collected in relation to the governance sector and any kind of baseline information is lacking, makes it difficult to compare results and outputs on an annual basis and make assessments on the progress. However, several studies are currently being undertaken and are expected to facilitate future data collection and to fill to information gaps.

The decentralization process has continued, several training initiatives materialized within all governance sectors. This includes the preparation of a civil service code of conduct, a medium term pay and employment policy and a Service Delivery and Performance Improvement Plan.

Overall conclusions: While a number of Government initiatives have been taken, Commission support has only marginally contributed to the attainment of the goals set for the non focal areas of the CSP due to the early stage of preparation and implementation of projects in the sector.

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Commitments		Actual commitments					Forecast				
Non-Focal Area	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
9th EDF											
Support to civil society	CSP-CB/BL		(5)			2	3				
Legal, judicial reform and police	CSP-CB				(6)		5	6			
Civil service reform			(2)								
Administrative decentralization	CSP-CB				(4)		2				
Previous EDFs											
Mekelle university (€2 mio)	CSP-P	2									
ESDP (€23 mio)	CSP-CB/P	23									
Gafarsa Dam (€ 2 mio)	CSP- P										
Community based Water and Sanitation	CSP - P										
Lalibela Churches (€8 mio)	CSP -P										
Min. Railway Safety Works CDE (€ 40 million)	CSP - P				40						
Payments		Actual					Forecast				
Non-Focal Area	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
9th EDF											
Support to civil society	CSP-CB/BL			(1)	(2)	(1)	(1) 3,5	0.5	0.2		
Legal, judicial reform and police	CSP-CB					(1)	(1) 2	(1)	(1) 4	(1) 2	(1) 2
Civil service reform					(0.5)	(0.5)	(0.5)	(0.5)			
Administrative decentralization	CSP-CB						(0.5) 1	(1)	(1) 1	(1)	(0.5)
Previous EDFs											
Mekelle university (€2 mio)	CSP-P					0.5	0.5	1			
ESDP (€23 mio)	CSP-CB/P					1	10	2	10		
Gafarsa Dam (€ 2 mio)	CSP- P							3.4	1.4	3.4	3.4
Community based Water and Sanitation	CSP-P					0.4		0.4			
Lalibela Churches (€8 mio)						2.82	1.41	3.05			
Min. Railway Safety Works CDE	CSP-P						10	10	10	10	10

Acronyms: CSP: Country Support Strategy P: Project support CB: Capacity Building B: Budget Support IF: Investment Facility BL: EC Budget Line

b) Progress in activities

The major interventions foreseen in the CSP were:

- iv) Support to civil society
- v) Legal, judicial reform and police
- vi) Civil service reform
- vii) Administrative decentralization

However, the areas of support in the non-focal areas were not clearly identified and elaborated upon in the CSP. In addition, new developments have taken place since the CSP was written which has lead the Delegation to shift focus within the non-focal areas. The Ministry of Capacity Building has initiated a comprehensive Public Service Delivery Capacity Building Programme (PSCAP), which covers both civil service reform and administrative decentralization. Because of this \$400 million programme, spearheaded by the World Bank, it was decided to partially shift the focus from civil service reform and administrative decentralization to support to the legal sector and police reform, where only a few donors envisage support. Under the heading "civil service reform" a small (€ 2 million) but important project has been identified, to provide leadership training for municipality leaders.

9th EDF programmes

In the area of **Civil Service Reform and Administrative Decentralization** two projects have been identified namely; Leadership Development Project for Emerging Municipalities (€2 Million) and Strengthening of the Federal and State Police Forces (€5 Million). For both projects an identification study was undertaken in 2003. The studies have resulted in project proposals, which are currently being discussed with the various stakeholders in Ethiopia before being submitted to the EDF Committee for approval.

A programme to **strengthen the capacity of the non-state actors** (€10 Million), unique in size and scope for Ethiopia, has been prepared after consultations with the main stakeholders such as civil society itself, various government bodies and the donor community. Special care has been taken to ensure compatibility with other civil society support programmes, particularly the government's own programme for capacity building of civil society, spearheaded by the Ministry of Capacity Building.

Due to the changes in the EC financial procedures following the 9th EDF coming into force, the NAO and the Delegation had to re-negotiate the already agreed implementation modalities. This resulted in some delay on the realization of the programme. However, agreements have been reached and the proposal is due to be discussed in the March 2004 EDF Committee. Following a positive decision, the tender for the Technical Assistant Unit will be launched. A workshop to create the necessary awareness on the envisaged programme is scheduled for March 2004. The NAO and the Delegation will jointly organize the workshop and it will be financed from the NAO support programme (DAG May 2003-March 2004).

To facilitate the NSA support programme, the British Council is currently conducting a **mapping study**. The study will make a typology of what sorts of organizations exists in all the regions of Ethiopia. It will also identify donor activities in this area. This study will feed

into the finalization of the EC support programme for NSA as well as the government's own programme.

For the overall justice sector support, a group of consultants are currently in the final stages of producing a baseline study with recommendations for the **justice sector reform** programme. These recommendations will feed into a comprehensive strategy for the justice sector. Once this strategy is completed (estimated March 2004), the Delegation and NAO will consider whether to support the reforms discussed in the strategy with the € 6 Million allocated for the legal sector.

Other EDF programmes

The EC has approved and signed a € 2 Million financing Agreement in May 2002 to support the establishment of a law faculty at **Mekelle University**. The purpose is to establishing a law faculty that will able to produce LLB Degree and Diploma in Law graduates. The programme is being implemented at this moment. There is a problem with the works tender, where no bids were found to be financially responsive. A solution is in the making.

The EC has signed a Financing Agreement in April 2002 to support the **Education Development Sector Programme (ESDP)** through a € 23 Million project with the purpose of improving the quality of and equitable access to primary and secondary education within the framework of ESDP, the government's poverty reduction strategy and the policy of decentralization.

Following the late approval of the financing agreement, the implementation has been hampered by numerous delays, largely attributable to the following factors.

- Delay in operationalisation of capacity building programme for the Ministry of Education. The purpose of this programme was to upgrade the Ministry's capacity with regard to tendering and administrative procedure so as to establish a base for the smooth implementation of the ESDP project. Currently the British Council is hired to build the capacity of the central and regional staffs of the ministry, which are involved in procurement, financial management and reporting. Activities will start in January 2004.
- Delays in the preparation and approval of tender dossiers, due to capacity constraints.

In a response to the above, both parties have agreed to reduce the scope of the existing Education Sector Development Programme and to channel the support to the ESDP through a sector budget support programme.

The two tenders for the rehabilitation of the **Gafarsa Dam** and the replacement of the pipeline to the Addis Ababa water reservoir, launched in 2002, proved unsuccessful and had to be annulled. As a result it was decided in 2003 to merge – to the extent possible- the two tenders, however launching of the works tender requires prior extension of the Financing Agreement. The EC is to decide early 2004 on the relevant request of the Government of Ethiopia (May 2003).

The **Community Based Water and Sanitation programme** continued its activities, the internal re-organisation of Addis Ababa Administration resulted in transferring authority for its implementation to a different department (Environment Development Office). The consequential delay in implementation is expected to be recovered in 2004-2005.

The two tenders for the construction of the shelters to the **Lalibela Churches**, launched in 2002, proved unsuccessful and had to be annulled. As a result it was decided to re-tender by amending some of the eligibility criteria. However launching of tenders requires prior extension of the Financing Agreement. The EC is to decide on the relevant request of the Government of Ethiopia that is expected by mid-February 2004.

Consequently, the inter-linked conservation programme was also delayed and its launching depends on the same extension of the validity of the Financing Agreement.

The progress of the project for safeguarding the religious treasures of Ethiopia was affected by administrative discussions on contractual issues. With the political will existing from all parties to complete the project, concrete progress is expected in 2004

A contract was concluded with South African Company, AFRICON on February 21, 2002 for the preparation of **Minimum Railway Safety Work for CDE**. However, due to the inclusion of new activities together with the inadequacy of the performance period of the contract, it necessitated closure of the previous contract and signing of a new contract by incorporating newly identified activities and remaining activities of the previous contract. As a result, the new contract has been signed and forwarded to EC Delegation for endorsement.

4.3 Utilization of resources for NSA

Comprehensive consultations with civil society took place during the formulation of the SDPRP, but the involvement from the same organizations and groups was much less evident in the monitoring process of the SDPRP. Clearly, the dialogue between civil society organizations and the Government is new, which has initially resulted in a rather hesitant approach towards each other. However, attitudes are changing and lately involvement of civil society in the SDPRP and other similar processes is increasing. Civil society has also proved more committed and organized as they have provided a strategy paper setting out an ambitious plan on how they best can engage in the SDPRP process in the next few years.

The newest draft of the NGO legislation could potentially impede the recent positive developments of government – civil society relations. When made public in October 2003, civil society and donor community alike objected the controlling nature of the legislation. Civil society has initiated strong lobbying to the Ministry of Justice to revert to a previously agreed draft.

The involvement of NSA in the EC cooperation has traditionally been limited to project implementation. Measures have been taken to extend the involvement of NSA into project formulation and review processes such as the JAR. A first step was initiated with a workshop organized by the Inter-Africa Group aiming to enhance NSA's awareness and knowledge on the Cotonou Agreement, the CSP etc. Both the NAO and the EC Delegation participated in the workshop. A direct outcome of the workshop was the establishment of an interim 'Cotonou Task Force' who are to lead the work and initiatives connected to the Cotonou Agreement.

None State Actors have also directly benefited from funds allocated to the focal sectors. More specifically, in the area of food security, a total of 46 NGO food security development projects have received funding (total 38,926,342 million Euro) under the EC Food Security

and Food Aid (B7 200), since 1997. Out of these, 35 projects were completed during 2002/2003.

Under Micro and Small Enterprise Development Programme, individual entrepreneurs and intermediary organizations, are being supported.

4.4 B-Envelope

As agreed in the High-level Forum an analysis of the fiscal impact of the drought was prepared by the NAO, in collaboration with the Delegation. The reaction from the Commission services is expected early 2004.

4.5 Other instruments

4.5.1 Stabex

During 2003 progress was made with the use of Stabex resources. A transfer of € 4.2 million was made under the Framework of Mutual Obligations 1999 for Balance of Payments Support, and the first contribution of €86.000.000 was made for the Livestock Marketing Study. The funds earmarked for the compensation of unrecovered advances is waiting for an analysis on these advances and a request for the closure of the related projects. In 2004 an audit of Stabex funds is foreseen. This audit should help the release of the remaining Stabex resources (€ 570.000).

4.5.2 Regional cooperation

Support to the African Union

The European Commission is supporting a number of projects and programmes, both through EDF and Budget Line funds, in support of the African Union. The programmes and projects can be divided in the following areas:

Support of peace and security activities

Support to AU's peace and security agenda (€ 10 million): this programme for Conflict Prevention, Management and Resolution (CPMR), is under implementation since July 2003 and should be implemented within a timeframe of maximum four years. The programme typically supports activities such as for the provision of peace envoys, the establishment of liaison offices and the organization of peace conferences.

African Mission in Burundi (€ 25 million): the support programme for this observers mission became operational in December 2003 and will run over a period of 9 months. Funds are mainly for troop payments.

The support to the AU liaison mission to Ethiopia and Eritrea (€ 850.000) has been operationally terminated.

The above projects are funded through the EDF. In addition the following BL activities are currently underway:

The military observers mission in Burundi (€ 1,2 million) was together with the Support for the special envoy to the Central African Republic (€ 400 000) funded from the Rapid Reaction Mechanism budget line. The first project was finished in April 2003 while the second project has been operationally suspended due to unrest in the target country.

Furthermore, the EC plans to set up a "Peace Facility" to finance African peace support operations in Africa to a large extent to be implemented by the AU (€ 250 million).

Governance and Human Rights

AU support for governance, human rights (€ 2 million), to design a strategic roadmap on governance, participate in election observation, developing a human rights agenda, assist in the fight against corruption and support a dialogue with civil society. The activities will start in 2004.

Trade and Regional Integration

The EC is supporting the AU with its trade agenda (€ 400.000), through the provision of expertise for analytical studies and the establishment of a trade discussion network. Activities finished in December 2003.

Capacity building and institutional development

€ 2 million) were made available in July 2003 to support the institutional development of the African Union. Implementation will start once the needs have been identified in the context of the strategic workplan for the next four years of the AU Commission.

Pan-African programme for the Control of Epizootics- PACE

The Financing Agreement of PACE Programme was signed between the European Commission and AU/IBAR (Inter-African Bureau of Animal Resources) in August 1999 to consolidate the achievement of PARC programme in 32 African countries. The resources for this project come from 7th and 8th EDF RIP and the project is ending on October 31, 2004. The specific objectives of the programme include:

Strengthening the national capability to assess the technical and economic aspects of animal diseases, and to generate appropriate mechanisms for their control.

Contribute to safeguarding the health of Ethiopia's livestock resource against major epizootic diseases.

Four results are expected:

- Animal epidemiology services and information and diagnostics services are reinforced
- Animal health delivery systems are enhanced
- Eradication of Rinderpest from Africa
- Improved control of other major epizootics

In the first half of the 2003, most of the project activities had lagged behind the plan owing to the delayed preparation and endorsement of the third Work plan and cost estimate (01/11/2002-31/10/2003). The release of the 40% advance payment (2,759,695 ETB) was made in June 2003 and therefore many activities could not be executed while others had been carried out far lower than the original plan. However, the procurement side had progressed considerably and tenders were launched for the purchase of vehicles, spare parts and computers.

The fourth and last WP/CE (01/11/2003-31/10/2004) has been endorsed on time in October 2003 and now activities are running smoothly. Discussions are ongoing with the regional coordination for a possible extension of the Financing Agreement.

Farming in Tsetse Control Areas of East Africa- FITCA

FITCA is a regional programme implemented in Ethiopia, Kenya, Rwanda, Tanzania and Uganda. The actual implementation of the Ethiopian project started in October 2001 with an outlay of € 5,6 million (of which € 1,8 million is from 7th EDF NIP while the rest comes from the 7th EDF RIP) under the responsibility of the Animal and Fisheries Resources Development Department of the Ministry of Agriculture.

In 2003, a revised logical framework has been proposed following the MTR. Given the short time available, the project purpose has been redefined as: increased capacity to carry out sustainable tsetse and trypanosomiasis control.

The Work Plan year 3 (07/03/2003-31/12/2003) has been endorsed by the EC Delegation in March and the 50% advance payment (3,781,874 ETB) was released in June 2003.

According to its original plan, the project should have been closed at the end of 2003. However, following a workshop on exit consolidation strategies held in Nairobi in June 2003, a no-cost extension up to 31st December 2004 has been proposed by the regional coordination and finally approved by the EC in December 2003. The ongoing WP has been accordingly extended up to September 2004.

In 2003, the project has carried out socio-economic surveys in all regions covered by the project, tsetse control operation has continued in the Didessa valley throughout the year and different training programs were also conducted. The tender for the procurement of the long awaited vehicles has been finally launched in December 2003 and the cars are expected in the first semester of 2004.

4.5.3 Community Budget Lines

The Government of Ethiopia wishes to indicate that they are not involved in the implementation of the Community Budget Lines. They therefore cannot carry the responsibility for these programmes.

NGO Food Security and Food Aid Program (B7 – 200)

1. NGO Food Security Development projects

Out of the total 46 NGO food security projects that were funded under the program since 1997, 35 projects have completed their implementation, out of which 9 projects were completed during 2003. The total amount of fund committed under the program is €38,926,342 and the amount disbursed so far is €30,841,216 out of which a total amount of €3,123,443 was disbursed in 2003. Commitments were closed for 25 completed projects with final budget balance/savings of €1,551,96. The Country Technical Paper for the 2003 Call for Proposal for NGO food security development projects finalised and forwarded to Brussels during end November 2003, is due for publication in February 2004.

2. EC NGO Relief food aid operations

Relief food distribution operation of the EC/NGO has started with carry over from 2002 relief aid allocation (20,271 MT). The Commission has allocated €28 million (€8 million. + €5 million + €15 million or around 78,014 MT of cereals and 3,586 MT of supplementary food) and 418,499 € for seeds and tools through EuronAid for distribution operation by 11 partner NGOs. The distribution operations under these resources have been carried out during the months of April/May and August/September. The resources under the last € 15 million allocation couldn't be implemented as foreseen during September – December 2003 as the contract with EuronAid has been finalized with considerable delay in late December 2003. Independent monitoring of the EC 2003 relief food aid operations carried out by a local consultant was initiated since October 2003 and is to be completed by May/June 2004.

NGO Co-financing Budget Line (former B7-6000, now 21 02 03)

18 projects covering different sectors are being implemented in Ethiopia for a total value of €19,8 million. The financial contribution of the Commission over these projects accounts for about €9,6 million. Under the Call for Proposal 2003, three new projects have been approved for co-financing; the indicative total value and the contribution of the EC is respectively of €4,1 and 3,0 million.

Environment and Tropical Forest Budget Line

2 on-going projects are being implemented in Ethiopia (one being a regional project intervening also in Tanzania) for a total value of about € 4,6 million to which the Commission contribution amounts to €3,5 million.

HIV/AIDS Budget Line (B7-6312)

2 projects are currently being implemented in Ethiopia. The contribution of the Commission to these projects, whose total value amounts to 1,96 million €, is of 1,64 million €. They are implemented by MSF/B and Care Intl. UK. The contribution of EC for the projects is € 901,167 and € 739,498 respectively.

ECHO (B7-210)

The latest Decision approved in November 2003 is for a €2 million intervention by ICRC to provide protection and humanitarian assistance in conflict affected areas exacerbated by effects of recent drought (2002/3). These conflicts are primarily in Gambella, Afar, Oromiya, Hararghe, Somali and SNNP regions, as well as the consequences of tensions over the resolution of the recent border conflict with Eritrea.

ECHO has previously provided funding both in direct response to the recent drought (focused on Afar region), and to needs arising from inter-ethnic and Eritrea border conflict in the past, as follows :

In response to needs arising from the most recent drought (2002/3, Afar region focused), the last Decision for Ethiopia was Decision ECHO/ETH/210/2002/01000 agreed on 27.11.02 for 'Humanitarian aid to the victims of drought in Ethiopia' with its duration extended until 26.02.04. This Decision is for €4 million, of which €3,453,000 has been allocated and the remaining 547,000 € ear-marked and in the process of allocation.

EDF Resources for Peace Building Initiatives (€ 10 million)

To enable the people lead a peaceful life in the mines contaminated areas of Tigray/Afar regions due to the 1998-2000 conflict between Ethiopia and Eritrea, the Commission has allocated 10 million euro. The Ethiopian Mines Action Office in collaboration with the Emergency Recovery Program Unit in MoFED prepared and forwarded the project proposal. The comment made by the EC-Delegation to amend the document according to the EC standard format needs employing a consultant.

Reintegration of Ethiopians Displaced from Eritrea project

To facilitate the integration of displaced people, reduce the potential for conflict and provide sustainable income opportunities a 6.67 million euro grant assistance financing agreement has been signed in March 2003. Following this contracts were also signed with the implementing organizations (GTZ and ZOA) in May 2003 and the first advance was also made.

Governance

An additional four projects in the governance area are funded through the European Initiative for Democracy and Human Rights budget line. Two of these are under implementation whereas the other two will begin to be implemented in 2004. €500,000 is allocated to the UNDP project "Sustained Good Governance in Ethiopia through Capacity-Building of the National Parliament", €500,000 to "Support for the preparation of the 2005 national elections" implemented by the Friedrich Ebert Foundation, and €1M is to go to ILO for the regional project "Strengthening Social Dialogue in the Labour Sector". Lastly, €400,000 annually is allocated to micro projects in the area of human rights and democracy.

4.5.4 EIB

In 2003 several projects continued to be implemented, with considerable progress made in the Gilgel Gibe Hydropower project and the Ethiopian Civil Aviation ATS B project, for which EIB disbursed respectively €2.96 million and € 3.94 million. Following full utilisation of funds under the first global loan to the Development Bank of Ethiopia, the EIB signed, in December 2003, a new € 25 million contract with DBE, DBE global loan II, for the purpose

of financing small and medium-sized private sector enterprises carrying out projects in the manufacturing, agro-industrial, industrial, mining, tourism, transport and service sectors, and related services, of the economy.

Projects currently under consideration include various operations in the energy sector, the Gojeb Hydropower Plant, the Gilgel Gibe II Power Plant as well as the Interconnections to Sudan and Djibouti. Further projects have been identified since the ratification of the Cotonou Agreement on 1st April 2003, which stipulates that the Bank has to focus on both the private and financial sectors as the motor for economic growth. The Cotonou Agreement requires the Bank to apply market related conditions to its financings. As a consequence, EIB will have to lend directly to the promoters. Indeed, channeling its loans through the Ethiopian Government would require the application of concessional conditions that are in line with HIPC requirements, which would be conflicting with the Cotonou requirements.

In order for Ethiopia to get the full benefit from the financing under the Cotonou Agreement, the Ethiopian Government will consider the possibility of allowing the EIB to lend funds directly to the promoters.

5 Programming perspectives for the following years

5.1 Integration of new EC policy initiatives

The relevant new EC policy initiatives for Ethiopia are incorporated in the following way:

- Social Sectors: Commitment towards the European Parliament guideline to allocate 35% of resources to social sectors. PRBS I and II provide an avenue to contribute towards this objective through its linkages with social sectors. As set out in section 3 the budget support programmes have allowed for stabilizing or increasing social spending in Ethiopia.
- Education For All (EFA) – Fast Track Initiative (FTI): through its role as chair of the ESDP donor group, the EC has been the focal point for discussions on FTI with the government and with the FTI Secretariat. Clearly, country-based donors argue that any support towards EFA should be channeled through the Ministry of Education's Education Sector Development Programme (ESDP). ESDP is being supported both through budget - and through project support.
- Health: while health is not a focal sector in Ethiopia, support is provided through the budget line for HIV/AIDS. Ethiopia is a major beneficiary from the Global Fund in support of HIV/AIDS, TBC and malaria related actions. In 2003, Ethiopia's request for the GF was positively evaluated. The EC is the major contributor to the Global Fund.
- Trade and Development: The Delegation is the lead donor for the Diagnostic Trade Integration Study (DTIS). In 2003 a comprehensive report was prepared. The Commission has foreseen € 5 million for capacity building in this area.
- Conflict prevention and fight against terrorism. In 2003 two new projects have been identified related to this: the police cooperation and the Civil Society Fund. The support to the AU's Peace and Security Agenda (€10 million) aims particularly at Conflict Prevention, Management and Resolution.

The following EC initiatives could be financed from **intra-ACP** funds: **water** (from the "one billion" fund), **energy** (resources are available for methodological work), and **migration** (a regional horizontal programme tackling root causes). **Information and Communication Technology** (€20 million under WSIS). **Polio eradication** could be financed from a **resource mix** of country allocations (for countries where polio is endemic) and intra-ACP co-operation (for countries at risk).

5.2 Programming

The Government of Ethiopia and the European Commission believe that the focal sectors as agreed upon in the CSP still reflect a sound policy. A change in the direction is therefore not suggested.

A number of considerations lead to envisage a gradual shift from projects to sectoral or direct budget support. As confirmed by several diagnostic reviews (such as the Country Financial Accountability Assessment, CFAA) and the recommendations from the "Evaluation of the European Commission's country strategy for Ethiopia", the conditions in Ethiopia allow for increased budget support. A comprehensive Monitoring and Evaluation System has been set-up by the government and is closely monitored and supported by donors. An important characteristic of budget support is that it allows policy dialogue to take place at the overall policy level. Budget support programmes are, and will continue to be, fully aligned with the governments SDPRP. This will shift the attention towards meeting outcome indicators and to measuring impact of policies, instead of meeting procedural requirements

Transport:

In view of the problems with delivery, the approach to be followed in the short/medium term to redress the situation is the following:

- To speed up the problems identification and solution study and find practical ways to resolve the contractual claims and disputes of the on-going contracts for infrastructures/roads rehabilitation projects (increased project costs, claims, etc). For that purpose €86 million from the 9th EDF allocation was reserved (40% of the 9th EDF Transport allocation).
- To finalise as a matter of urgency the 9th EDF capacity building programme for ERA and RRAs including studies and specific transport policy support.
- To move in a double track on the implementation of the projects decided but not yet contracted, i.e., Kombolcha-Mille road and lots 1 and 3 of the Addis-Woldiya road: to re-tendering and reducing the financial value of the different lots; and to initiate the technical preparations for a sector budget support in the roads sector.
- The Commission is not in a position to consider financing new projects in this sector or to increase the infrastructure portfolio until the problems created by the backlog in the sector are overcome. Therefore, the on-going preparatory studies for the Hara-Jijiga road could continue but no financial decision will be taken before the above issues are resolved (amount initially programmed €35 million).
- No possibility of a financial contribution from the 9th EDF is envisaged at this stage for the Kombolcha-Gundewein road, but project preparation of this co-financed (Sweden and Italy) project would continue and be led by the Delegation.
- A link between transport and other sectors should be found in particular with the Food Security Focal Sector. In particular, in the discussions on the sectoral budget support, rural roads should be given priority.

Finally the move towards a SWAP/Budget Support will happen: the question is when and how to move cautiously in that direction. A first step would involve an appraisal of the institutional, financial and procurement systems of the key road sector agencies (central and regional level) that would be involved in managing and administering a sectoral budget support. One possible source of funds could be the reallocation of funds de-committed from the above-mentioned on-going road projects. Absorption capacity in the sector needs to be assessed.

Food Security:

Safety nets are the main focus of policy dialogue between the Government and the Commission. The new allocation to the Food Security programme is: €60 million from the 9th EDF and 60 million from the FS BL. A

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non targeted budget support programme could be put in place (with performance and output indicators). Once functional, this programme replaces traditional food aid operations financed by the Commission.

However, in order to increase flexibility, EC response could take the form of programmes in areas such as: rural roads, land use/tenure, capacity building at regional or sub-regional levels, water supply and sanitation, improving market linkages, etc. Furthermore the financing of the pastoralism programme currently under appraisal could be envisaged.

Macro-economic support:

Overall, performance is good, but there are social sectors such as health that are not being sufficiently targeted. Allocations to health have dwindled in recent budgets, they are amongst the lowest in sub-Saharan Africa and indicators are neither improving nor showing signs of doing so.

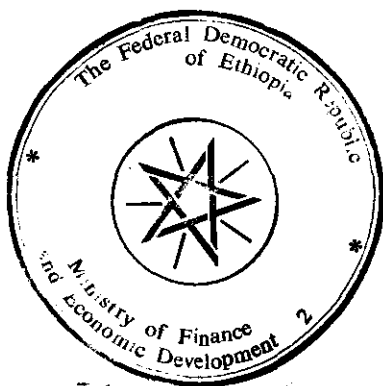
As budget support is increasing, including sectoral support, it is necessary to analyse the different implications of this shift from the government absorption capacity to the political and sectoral policy implications. The Commission would like to ensure better links between general budget support, coherent social sectors policies (with a crucial priority for health and education) and increased budget allocations for those sectors in particular for health. This requires good policy dialogue, especially on the social sectors. During the annual reviews of the SDPRP and the forthcoming discussions on supplementary general budget support, the Commission will seek in the context of the well established donor co-ordination in Addis, to include a "social conditionality", on health related assistance. This will be done, as well, in the context of preparations for: i) SDPRP-II; ii) the PRBS III; iii) the 2006 end-of-term review; and iv) the new programming cycle in 2006/7.

In synthesis the programming of the 9th EDF is as follows:

Transport	Million €	Year financing decision	Total M €	Initial allocation
Decisions taken: road and railway	40	2002/03		
Additional costs road projects(est.)	86	2004/07		
Capacity building, studies, etc	10	2004/05		
Hara-Jijiga road	35	2005/06		
			171	211
Food Security				
Possibly budget support	60	2004/05		
			60	54
Macro- economic support				
Decision taken: PRSB II	95	2004		
Trade(cap.build., Diagno., etc)	11.6	2004/06		
Possibly PRSB III	80	2005/06		
			186.6	96
Non focal sectors				
Civil service ref.(leadership/police)	7	2004		
Non State Actors	10	2004		
Justice reform	6	2004/06		
TCF	5.4	2004		
			28.4	23
			446	384

As regards the **B-envelope**, a request has recently been received to mitigate the negative budgetary impact of the 2003 drought.

Joint Annual Report 2003 Ethiopia



SUFIAN AHMED
MINISTER

H.E. Sufian Ahmed
Minister of MoFED
National Authorizing Officer

23 MAR 2005



Mr. Timothy Clarke, Ambassador
Head of Delegation of the
European Commission to Ethiopia

Annexes

Annex 1 MDGs and relation to SDPRP indicators

MDG Indicator	Indicator suggested	As mentioned in JAR 2002 (Y/N)	Included in PRBS-II indicators (Y/N)	As mentioned in SDPRP matrix (Y/N)
Proportion of population below \$1 per day.	Percentage of people below the poverty line	N	N	Y
Prevalence of underweight children (under 5)	% of stunted children under 5	N	N	Y
Under five mortality rate	Under five mortality rate			
Net enrolment ratio in primary education	Primary (1-8) Gross Enrolment Ratio	Y	Y	Y
Primary Completion Rate	Grade 5 Completion Rate	N	Y	Y
Ratio of girls to boys in: primary education; secondary education; tertiary education	Gender parity index for grade 1 to 8	Y	N	Y
Proportion of births attended by skilled health personnel	Proportion of deliveries attended by skilled health personnel	N	Y	Y
Proportion of 1 year old children immunized against measles	Proportion of children receiving DPT3 vaccination	N	Y	Y
HIV prevalence among 15-24 year old pregnant women	HIV prevalence among 15-24 year old pregnant women	N	Y	Y
Proportion of population with sustainable access to an improved water source	% of population with access to potable water	N	N	Y

Annex 2 Overview per EDF of Commitments, payments, RAC and RAL

(All figures are according to OLAS records by end of 2003)

1

FINANCIAL SITUATION PER CSP FOCAL SECTORS

(All figures are according to OLAS records by end of 2003)

Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment (a)	Individual Commitment (b)	Total Payments ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
RURAL DEVELOPMENT									
1991	6 ACP ET 19	South Shewa Conserve Based Rural	62 (2)	25.150.000,00	15.257.938,12	15.032.099,32	9.892.061,88	225.838,80	10.117.900,68
1991	6 ACP ET 21	PADEP Central Shewa Peasant	152 (3)	51.900.000,00	49.566.754,58	49.565.092,07	2.333.245,42	1.662,51	2.334.907,93
1991	6 ACP ET 26	Peasant Sect Improv Coffee Prod	139 (6)	28.500.000,00	23.770.222,91	23.525.640,99	4.729.777,09	244.581,92	4.974.359,01
1991	6 ACP ET 32	Lake Fisheries Devel Project	87 (2)	7.500.000,00	6.706.824,10	6.694.105,46	793.175,90	12.718,64	805.894,54
1991	6 ACP ET 41	Sectoral Import Programme Agricultural Sector	48 (2)	24.000.000,00	23.130.104,31	22.752.454,05	869.895,69	377.650,26	1.247.545,95
1993	7 ACP ET 28	PARC III/PACE Campaign PH	18 (3)	2.589.783,89	2.589.783,89	2.119.921,55	-	469.862,34	469.862,34
1994	7 ACP ET 68	National Parks Rehabilitation in southern Ethiopia	9 (1)	2.000.000,00	1.946.916,40	1.912.099,99	53.083,60	34.816,41	87.900,01
1996	7 ACP ET 86	FITCA	12 (11)	1.800.000,00	1.508.739,14	1.065.966,29	291.260,86	442.772,85	734.033,71
2001	8 ACP ET 12	Coffee Improvement Program	3 (2)	15.000.000,00	5.064.234,62	2.282.561,27	9.935.765,38	2.781.673,35	12.717.438,73
2003	9 ACP ET 6	Feasibility Study for Pastoral Livelihoods Development	0	135.000,00	-	-	135.000,00	-	135.000,00
TOTAL			530 (32)	158.574.783,89	129.541.518,07	124.949.940,99	29.033.265,82	4.591.577,08	33.624.842,90
Less: Amount to be de-committed (FA expired)							18.671.239,58		
Total							10.362.026,24		
ECONOMIC AND SOCIAL									
1991	6 ACP ET 10	Integrated Training Program	40 (3)	2.500.000,00	1.951.934,21	1.912.823,25	548.065,79	39.110,96	587.176,75
2003	6 ACP ET 65	Feasibility Study for Police Cooperation	2 (2)	76.064,00	75.004,00	58.345,45	1.060,00	16.658,55	17.718,55
2003	6 ACP ET 66	Feasibility Study for Leadership Devt program	1 (1)	79.815,00	79.815,00	63.733,50	-	16.081,50	16.081,50
1994	7 ACP ET 49	Return & Reintegration of qualified African Nationals - Phase III	1 (1)	382.500,00	382.500,00	207.625,61	-	174.874,39	174.874,39
1995	7 ACP ET 74	Afro Arab Trade Faire Oct. 95	1 (1)	24.000,00	24.000,00	23.972,79	-	27,21	27,21
1996	7 ACP ET 82	Strengthening National Training & Research Capacity Economics Higher Education Development	16 (6)	1.050.000,00	1.049.909,45	1.025.780,74	90,55	24.128,71	24.219,26
1997	7 ACP ET 90	Support	9 (7)	1.989.110,89	1.855.785,35	1.725.653,60	133.325,54	130.131,75	263.457,29
1998	7 ACP ET 103	EC-Program support Project	4 (4)	670.000,00	563.000,00	333.351,75	107.000,00	229.648,25	336.648,25
2001	7 ACP ET 107	Micro & Small Enterprise Devt Programme	4 (4)	7.000.000,00	3.033.039,00	207.957,41	3.966.961,00	2.825.081,59	6.792.042,59
2001	7 ACP ET 110	Structural Adjustment Support	3 (3)	1.250.000,00	1.153.300,00	843.437,85	96.700,00	309.862,15	406.562,15
2002	8 ACP ET 9	Support to Education Sector	4 (4)	23.000.000,00	47.200,00	33.971,81	22.952.800,00	13.228,19	22.966.028,19

FINANCIAL SITUATION PER CSP FOCAL SECTORS									
(All figures are according to OLAS records by end of 2003)									
Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment (a)	Individual Commitment (b)	Total Payments ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
2002	8 ACP ET 10	Project Support to the Establishment of a Law Faculty of Mekelle University	3 (3)	1.997.111,00	535.300,00	-	1.461.811,00	535.300,00	1.997.111,00
2002	8 ACP ET 13	Preservation & Conservation of Lalibela Churches	0	5.100.000,00	-	-	5.100.000,00	-	5.100.000,00
2002	8 ACP ET 21	Support to Capacity building in Education	1 (1)	740.000,00	179.500,00	-	560.500,00	179.500,00	740.000,00
2003	8 ACP ET 23	Integrated Financial Management System (IFMS)	0	9.000.000,00	-	-	9.000.000,00	-	9.000.000,00
2003	9 ACP ET 3	Appraisal for Capacity Building for Trade	0	36.000,00	-	-	36.000,00	-	36.000,00
TOTAL			89 (40)	54.894.600,89	10.930.287,01	6.436.653,76	43.964.313,88	4.493.633,25	48.457.947,13
Less: Amount to be de-committed (FA expired)							886.241,88		
Total							43.078.072,00		
GOVERNANCE									
2003	7 ACP ET 113	NAO Support Program	1 (1)	42.150,00	42.150,00	23.615,38	-	18.534,62	18.534,62
2002	8 ACP ET 19	Addis Abab City Governance Study	1 (1)	79.580,00	79.580,00	78.034,95	-	1.545,05	1.545,05
2003	9 ACP ET 2	Non-State Actors Mapping Study	1 (1)	79.988,00	79.300,00	-	688,00	79.300,00	79.988,00
TOTAL			3 (3)	201.718,00	201.030,00	101.650,33	688,00	99.379,67	100.067,67
GRAND TOTAL				565.814.298,37	344.379.546,15	264.485.409,86	221.434.752,22	79.894.136,29	301.328.888,51
Less: Amount to be de-committed (FA expired)							20.242.351,46		
Total							201.192.400,76		

FINANCIAL SITUATION PER CSP FOCAL SECTORS

(All figures are according to OLAS records by end of 2003)

Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment (a)	Individual Commitment (b)	Total Payments ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
INFRASTRUCTURE									
1990	6 ACP RPR 296	EXP ETHIOPIAN AIRL TRAININ CENTRETHIOPIE	1 (0)	46.900,68	46.900,68	46.900,68	-	-	-
1990	6 ACP RPR 333	POSTUD ETHIO KENYA FELE ROAD	1 (0)	50.600,00	50.600,00	50.600,00	-	-	-
1993	7 ACP RPR 96	EVALUATION OF ETHIOPIA-DJIBOUTI RAILWAY PROJECT	1 (0)	43.339,29	43.339,29	43.339,29	-	-	-
1993	7 ACP RPR 116	EXPANSION MULTI-NATION AVIATION TRAINING ENTER A.A.	1 (0)	337.872,28	337.872,28	337.872,28	-	-	-
1998	7 ACP RPR 682	PRE-FEASIBILITY STUDY-ISIOLO-MOYALE ROAD	1 (1)	170.000,00	150.000,00	145.939,21	20.000,00	4.060,79	24.060,79
1999	8 ACP ROR 4	CDE POLICY SUPPORT PROJECT	4 (4)	1.750.000,00	1.431.070,00	103.966,92	318.930,00	1.327.103,08	1.646.033,08
TOTAL			9 (5)	2.398.712,25	2.059.782,25	728.618,38	338.930,00	1.331.163,87	1.670.093,87
Less: Amount to be de-committed (FA expired)							20.000,00		
Total							318.930,00		
RURAL DEVELOPMENT									
1990	6 ACP RPR 246	ILCA RES. IMPROV. LIVESTOCK SUBSETHIOPIE	1 (0)	3.279.102,52	3.279.102,52	3.279.102,52	-	-	-
1993	7 ACP RPR 106	PARC III/PAN AFRICAN RINDERPEST CAMPAIGN PH. III	42 (3)	4.839.009,96	4.839.009,96	4.606.804,88	-	232.205,08	232.205,08
1994	7 ACP RPR 318	WHEAT BREEDING & PATHOLOGY RESEARCH	1 (0)	1.804.608,41	1.804.608,41	1.804.608,41	-	-	-
1994	7 ACP RPR 319	RESEARCH COORDIN. & TRAINING IMPROVED LIVESTOCK PROD. PHASE	1 (0)	1.878.340,65	1.878.340,65	1.878.340,65	-	-	-
TOTAL			45 (3)	11.801.061,54	11.801.061,54	11.568.856,46	-	232.205,08	232.205,08
Less: Amount to be de-committed (FA expired)							-		
Total							-		

FINANCIAL SITUATION PER CSP FOCAL SECTORS

(All figures are according to OLAS records by end of 2003)

Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment (a)	Individual Commitment (b)	Total Payments ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
ECONOMIC AND SOCIAL									
1990	6 ACP RPR 304	AT FOIRE CUIR ADDIS A ETHIOPIE	1 (0)	307.783,58	307.783,58	307.783,58	-	-	-
1994	7 ACP RPR 330	ECONOMICS & POLICY IN AGRICULTURAL RESEARCH SYSTEMS	1 (0)	1.129.966,76	1.129.966,76	1.129.966,76	-	-	-
1995	7 ACP RPR 397	REALIZATION DE FILM "LA TRAVERSE DU JOUR"	1 (0)	460.000,00	460.000,00	460.000,00	-	-	-
1998	7 ACP RPR 726	ANNUAL MEETING OF THE EAST AFRICA NAOS IN 1998	1 (0)	56.190,62	56.190,62	56.190,62	-	-	-
2000	8 ACP ROR 13	EAST AFRICA REGIONAL STATISTICAL TRAINING STRATEGY PROJECT	2 (2)	3.000.000,00	335.000,00	30.000,00	2.665.000,00	305.000,00	2.970.000,00
2000	8 ACP ROR 17	SUPPORT TO THE OAU LIAISON MISSION IN THE ETHIOPIA-ERITREA	1 (1)	850.000,00	850.000,00	425.000,00	-	425.000,00	425.000,00
2000	8 ACP TPS 111	NEW TECHNOLOGIES & REGIONAL INTEGRATION IN AFRICA	1 (1)	1.800.000,00	1.750.000,00	1.500.000,00	50.000,00	250.000,00	300.000,00
2001	8 ACP TPS 121	AFRICA - EUROPE SUMMIT FOLLOW-UP/AU	1(1)	80.000,00	80.000,00	79.840,97	-	159,03	159,03
2001	8 ACP TPS 131	OAU PROJECTS/TRANSITION TO AFRICAN UNION/INSTIT. SUPPORT	1 (1)	62.984,00	62.984,00	56.437,37	-	6.546,63	6.546,63
1992	6 ACP RPR 476	REUNION DES ORDONNATEURS NATIONAUX	1 (0)	23.612,58	23.612,58	23.612,58	-	-	-
TOTAL			11 (6)	7.770.537,54	5.055.537,54	4.068.831,88	2.715.000,00	986.705,66	3.701.705,66
Less: Amount to be de-committed (FA expired)							-		
Total							2.715.000,00		
GRAND TOTAL				21.970.311,33	18.916.381,33	16.366.306,72	3.053.930,00	2.550.074,61	5.604.004,61
Less: Amount to be de-committed (FA expired)							20.000,00		
Total							3.033.930,00		

Annex 3 Country environmental profile

Please visit the website below for a 26 page document, as prepared by the World Bank in 2000 :

[http://www.countryanalyticwork.net/Caw/CAWDoclib.nsf/0/F312D3DB3A08D1F285256D09005A5790/\\$file/ET_ENV_UPDATE+June+2000.pdf](http://www.countryanalyticwork.net/Caw/CAWDoclib.nsf/0/F312D3DB3A08D1F285256D09005A5790/$file/ET_ENV_UPDATE+June+2000.pdf)

Annex 4 Chronogramme of activities and indicative timetables (Nairobi tables)

Ethiopia				Amounts in €		2004		Global Commitment	Indiv. Commitment	RAC	1 st Semester	2 nd Semester	TOTAL	1 st Semester	2 nd Semester	TOTAL
YEAR global commit.	Accounting number (global commit.)	N° indiv Commit	Title: Project (Global Commitment)	date end implementation	N° Category old RAL	extension to be requested Y/N*	Amount to be decommitted (D)	ongoing indiv. Commitments	Payments on ongoing indiv. Commitment	RAP	PAYMENTS A	PAYMENTS B	PAYMENTS A+B	PAYMENTS A	PAYMENTS B	PAYMENTS A+B
Total ongoing global commitment				417365007.5			373,502,108	20,735,434	753,903,651	500,271,797	253,631,855					
Total ongoing individual commitment				170,954,490			106,588,986	5,350,610	297,587,736	201,855,961	95,731,775	15,246,531	25,863,687	41,110,218	6,994,750	5,150,000
Total							26,086,043			RAL: 349,363,630		old RAL: 108,228,404				12,144,750
1991	6ACP ET10	0	INTEGRATED TRAINING PROGR		7	N	548,066	2,500,000	1,961,934	548,066			0			0
1991	6ACP ET10	6	C E REG MAN WORK SHOP	19890924	3		1,316	35,332	34,016	1,316		0	0	0	0	0
1991	6ACP ET10	15	MINISTRY OF FOREIGN TRADE	19900731	3		6,825	41,522	34,697	6,825		0	0	0	0	0
1991	6ACP ET10	32	C. EST. 112 TRAINING OF 622 TRAINERS NATIONALITY LANGUAGES	19920606	3		30,970	61,531	30,561	30,970		0	0	0	0	0
Total Individual Commitment								138,385	99,274	39,111			0			0
1991	6ACP ET19	0	SOUTH SHEWA CONSERV BASED RURA		7	N	9,892,062	25,150,000	15,287,938	9,892,062			0			0
1991	6ACP ET19	39	COST EST. 7/95-7/96/6/97 (SEED PROD.)	20000630	3		220,620	370,000	149,380	220,620		0	0	0	0	0
1991	6ACP ET19	50	COST EST 7/97-6/98 PSO	20000630	3		5,219	10,000	4,781	5,219		0	0	0	0	0
Total Individual Commitment								380,000	154,161	225,839			0			0
1991	6ACP ET21	0	PADEP CENTRAL SHEWA PEASANT AG		7	N	2,333,245	51,900,000	49,568,758	2,333,245			0			0
1991	6ACP ET21	57	REHAB OF FARM TRAIN CENTERS	19920803	3		1,653	395,000	393,347	1,653		0	0	0	0	0
1991	6ACP ET21	67	COST EST. PROGRAMME FOR 91/92 SOCIAL AND RURAL PACKAGES	19920731	3		0	295,997	295,997	0		0	0	0	0	0
1991	6ACP ET21	128	COST EST. ROAD AKOBER-BOLHAMO	19970706	3		10	39,310	39,300	10		0	0	0	0	0
Total Individual Commitment								730,307	728,644	1,663			0			0
1991	6ACP ET26	0	PEASANT SECT IMPROV COFFEEPROD		7	N	4,729,777	28,500,000	23,770,223	4,729,777			0			0
1991	6ACP ET26	75	COST EST. 15.9 92/28.6.93 OFFICE & STORE BUILDINGS	19930628	3		36,292	75,000	38,708	36,292		0	0	0	0	0
1991	6ACP ET26	77	LOXROY LTD - TANZANIA - LOC 134		3		2,248	5,211	2,963	2,248		0	0	0	0	0
1991	6ACP ET26	78	LOXROY DAR-ES-SALAAM LTD - LOC 133		3		17,184	39,000	21,816	17,184		0	0	0	0	0
1991	6ACP ET26	79	LOXROY DAR-ES-SALAAM LTD - LOC 135		3		158,399	569,500	411,101	158,399		0	0	0	0	0
1991	6ACP ET26	125	TSEGAYE ABRAHA ROAD CONTRACTOR	19980630	3		30,458	42,000	11,542	30,458		0	0	0	0	0
1991	6ACP ET26	128	Split PHD in Biology Sciences - Plant Breeding	20011130	7		0	75,506	75,506	0		0	0	0	0	0
Total Individual Commitment								806,217	561,635	244,582			0			0
1991	6ACP ET32	0	LAKE FISHERIES DEVEL PROJECT		7	N	793,176	7,800,000	6,706,824	793,176			0			0
1991	6ACP ET32	54	NYALA CONST. (LOT 4)	19980724	7		12,719	96,000	83,281	12,719		0	0	0	0	0
1991	6ACP ET32	63	TEDCON GENERAL	19970630	7		0	105,624	105,624	0		0	0	0	0	0
Total Individual Commitment								201,624	188,905	12,719			0			0
1991	6ACP ET41	0	SECTORAL IMPORT PROGRAMME AGRICULTURAL SECTOR		7	N	869,896	24,000,000	23,130,104	869,896			0			0
1991	6ACP ET41	40	DE DONGE SHIPYARD - NE	20030328	4		305,050	1,724,900	1,410,041	314,859		9,888	9,888	0	0	0
1991	6ACP ET41	41	SIR MACDONALD & PARTNERS LTD - UK	20030328	2		41,287	378,300	315,509	62,791	21,504	0	21,504	0	0	0
Total Individual Commitment								2,103,200	1,725,550	377,650			0			0
1993	7ACP ET28	0	PARC III/PAN AFRICAN RINDERPEST CAMPAIGN PH. III (7 APR 1996)		8	N	0	3,000,000	2,589,784	410,216			0			0
1993	7ACP ET28	6	WORK PROGRAMME/COST ESTIMATE 1998/1999	19990731	3		385,162	848,800	463,638	385,162		0	0	0	0	0
1993	7ACP ET28	16	CITY BUSINESS COMPUTERS/SUPPLY OF COMPUTERS+PRINTERS	20011130	7		78,300	78,300	0	78,300		0	0	0	0	0
1993	7ACP ET28	17	NEJAT COMPUTER SERVICES/NETWORK SERVER	20011130	7		6,400	6,400	0	6,400		0	0	0	0	0
Total Individual Commitment								933,500	463,638	469,862			0			0
1993	7ACP ET35	0	APPUI A L'AJUSTEMENT STRUCTUREL (+7ET76)	20030630	7	N	188,987	78,400,000	78,211,013	188,987			0			0
1993	7ACP ET35	15	PRICE WATERHOUSECOOPERS/DESIGN STUDY FOR A FINANCIAL INFORMAT	20020429	7		103,445	551,160	447,715	103,445		0	0	0	0	0

1993	7ACP ET35	16	PRICEWATERHOUSECOOPERS ASSOCIATES AFRICA LTD (REASSESSMENT)	20030506	2		9,346	67,500	29,077	38,423	29,077		29,077	0	0	0
Total Individual Commitment								618,660	476,792	141,868		0				0
1994	7ACP ET49	0	RETURN & REINTEGRATION QUALIFIED AFRICAN NATIONALS -PHASE#	19991231	7	N	0	382,500	382,500	0		0				0
1994	7ACP ET49	1	OIM VOIR 7 RPR 287 IN HANS FILE		0		174,874	382,500	207,626	174,874	0	0	0	0	0	0
Total Individual Commitment								382,500	207,626	174,874		0				0
1994	7ACP ET65	0	Social rehabilitation programme(+6/62+8/83+7/84)		7	N	0	4,160,701	4,160,701	0		0				0
1994	7ACP ET65	5	Cics (it)		0		0	332,500	332,500	0	0	0	0	0	0	0
Total Individual Commitment								332,500	332,500	0		0				0
1994	7ACP ET68	0	NATIONAL PARKS REHABILITATION IN SOUTHERN ETHIOPIA		7	N	53,084	2,000,000	1,946,916	53,084		0				0
1994	7ACP ET68	8	ETHIOPIAN WILDLIFE CONSERVATION ORG	19980630	3		34,816	494,777	459,961	34,816	0	0	0	0	0	0
Total Individual Commitment								494,777	459,961	34,816		0				0
1995	7ACP ET74	0	AFRO ARAB TRADE FAIR OCT.95		7	N	27	24,000	24,000	0		0				0
1995	7ACP ET74	1	CE (2ND AFRO ARAB FAIR)	19951105	3		27	24,000	23,973	27	0	0	0	0	0	0
Total Individual Commitment								24,000	23,973	27		0				0
1996	7ACP ET82	0	STRENGTHENING NATIONAL TRAINING & RESEARCH CAPACITY ECONOMICS	19990901	7	N	91	1,050,000	1,048,909	91		0				0
1996	7ACP ET82	4	OXFORD UNIVERSITY-EXTENDED WITH ONE YEAR	20010831	7		0	490,000	466,040	23,960	23,960		23,960	0	0	0
1996	7ACP ET82	12	Phd in Economics	20030103	0		0	98,255	102,669	-4,414	0	0	0	0	0	0
1996	7ACP ET82	13	MPIL/PHD IN ECONOMICS	20020930	0		0	78,790	78,342	448	0	0	0	0	0	0
1996	7ACP ET82	14	CFBT EDUCATION SERVICES	20000228	7		2,931	58,100	55,169	2,931	0	0	0	0	0	0
1996	7ACP ET82	15	NEEJAT COMPUTER SERVICES PLC	20020707	7		383	17,300	16,917	383	0	0	0	0	0	0
1996	7ACP ET82	16	CAMBRIDGE ENTERPRISE SUPPLY OF BOOKS	20010828	7		822	10,400	9,578	822	0	0	0	0	0	0
Total Individual Commitment								752,845	728,716	24,129		0				0
1996	7ACP ET84	0	SAFEGUARDING RELIGIOUS TREASURES OF THE ORTHODOX CHURCH	20000301	7	N	210,000	750,000	540,000	210,000		0				0
1996	7ACP ET84	1	ART ET MEDICINE D'ETHIOPIE	20011002	8		112,000	540,000	397,205	142,795	30,795		30,795	0	0	0
Total Individual Commitment								540,000	397,205	142,795		0				0
1996	7ACP ET86	0	FARMING TSETSE CONTROL AREAS EAST (+RPR578+ET86+KE87+UG89)	20041231	1	N	291,261	1,800,000	1,508,739	291,261		0				0
1996	7ACP ET86	2	AGRISTUDIO	20050422	1		0	829,000	419,939	409,061	60,000	60,000	120,000	60,000	0	60,000
1996	7ACP ET86	3	MSC IN VETERINARY EPIDEMIOLOGY	20020930	0		2,748	47,060	44,312	2,748	0	0	0	0	0	0
1996	7ACP ET86	4	MSC IN VETERINARY EPIDEMIOLOGY	20020930	0		2,738	47,060	44,322	2,738	0	0	0	0	0	0
1996	7ACP ET86	5	MSC IN VETERINARY EPIDEMIOLOGY	20020930	0		4,309	47,060	42,751	4,309	0	0	0	0	0	0
1996	7ACP ET86	6	MSC IN VETERINARY EPIDEMIOLOGY	20020930	0		2,738	47,060	44,322	2,738	0	0	0	0	0	0
1996	7ACP ET86	7	MSC IN PHARMACEUTICAL ANALYSIS & QUALITY CONTROL	20021007	0		4,087	42,680	38,593	4,087	0	0	0	0	0	0
1996	7ACP ET86	8	MSC IN PEST MANAGEMENT	20021230	0		6,861	46,080	39,219	6,861	0	0	0	0	0	0
1996	7ACP ET86	9	EIDAWN BIAS LOT NO 8	20020517	7		5,627	52,200	46,573	5,627	0	0	0	0	0	0
1996	7ACP ET86	10	F S E LOTS 6,10&11	20020228	2		79	76,600	76,521	79	0	0	0	0	0	0
1996	7ACP ET86	11	COM INT SPA LOT 3	20020430	2		90	59,500	59,410	90	0	0	0	0	0	0
1996	7ACP ET86	12	SOLADO - LOT 5	20020308	3		29	44,100	39,664	4,436	4,407		4,407	0	0	0
Total Individual Commitment								1,338,400	895,627	442,773		0				0
1997	7ACP ET89	0	ROAD SECTORAL POLICY SUPPORT PROJECT	20040830	1	N	12,808	2,000,000	1,987,192	12,808		0				0
1997	7ACP ET89	3	PETER DRUMMOND TA	20040228	1		96,072	1,060,000	933,928	126,072	30,000		30,000	0	0	0
1997	7ACP ET89	5	STUDY ON AXLE LOAD CONTROL/O'SULLIVAN & GRAHAM	20020331	7		13,490	265,743	252,253	13,490	0	0	0	0	0	0
1997	7ACP ET89	6	TRANSPORT RESEARCH LABORATORY/ROSS SILCOCK	20000131	7		177	211,000	210,823	177	0	0	0	0	0	0
1997	7ACP ET89	7	UPDATING OF RSDP - MONITORING INDICATORS - TEFERRA MENGESHA	20030303	7		13,428	74,260	60,832	13,428	0	0	0	0	0	0
1997	7ACP ET89	8	SPT	20010131	2		36,171	320,600	214,429	106,171		70,000	70,000	0	0	0
Total Individual Commitment								1,931,603	1,672,265	259,338		0				0
1997	7ACP ET90	0	HIGHER EDUCATION DEVELOPMENT SUPPORT	20030131	7	N	133,326	1,989,111	1,855,785	133,326		0				0
1997	7ACP ET90	3	EMNETE ENDESHAW AUDITORIUM AT AWASSA COLLEGE OF AGR	20011018	7		14,789	244,800	230,011	14,789	0	0	0	0	0	0
1997	7ACP ET90	4	ADANE HABTE GEBREAL BUILDING/COLLEGE OF AGRICULTURE	20010624	7		790	167,310	160,262	7,048	0	0	0	0	0	0

1997	7ACP ET90	5	COM INT SPA/SUPPLY OF VEHICLES AND SPARE PARTS FOR THREE YEA	20010716	7		870	385,000	384,130	870	0	0	0	0	0	0
1997	7ACP ET90	6	RESEARCH PERIODICALS/BOOK/SUPPLY OF BOOKS AND JOURNALS	20010416	7		37,992	242,000	204,308	37,692	0	0	0	0	0	0
1997	7ACP ET90	7	M/S SPARE - LABORATORY EQUIPMENT	20010725	7		716	246,000	245,284	716	0	0	0	0	0	0
1997	7ACP ET90	8	SOLADO - LOT 2	20020511	2		5	66,700	60,025	6,675	6,670		6,670	0	0	0
1997	7ACP ET90	9	SOLADO-LOT NO 1	20020722	2		0	343,000	274,400	68,600	68,600		68,600	0	0	0
Total Individual Commitment								1,694,810	1,558,420	136,390			0			0
1997	7ACP ET93	0	ADDIS ABABA - MODJO - AWASA ROAD REHABILITATION PROJECT	20041223	1	N	0	58,883,696	56,131,389	2,732,307			0			0
1997	7ACP ET93	1	DRAGADOS-ZEUS (+7 ET.94)	20010615	8		0	50,028,600	43,598,926	6,429,674	2,718,545	3,711,129	6,429,674	0	0	0
1997	7ACP ET93	3	HENRY S MILDENHALL	20040207	1		71,766	960,000	808,234	151,766	80,000		80,000			0
1997	7ACP ET93	7	M.Sc in Transportation and Road Engineering for Development	20000430	0		3,455	35,570	32,115	3,455	0	0	0	0	0	0
1997	7ACP ET93	8	DHV/SUPERVISION OF WORKS CONTRACT	20031231	2		20,638	2,188,000	2,067,362	120,638	50,000	50,000	100,000	0	0	0
1997	7ACP ET93	12	MSc Transportation and Road Engineering for Development	20020401	7		160	38,744	38,584	160	0	0	0	0	0	0
1997	7ACP ET93	13	M Sc Degree in Transportation and Road Engineering	20020418	7		160	38,202	38,042	160	0	0	0	0	0	0
1997	7ACP ET93	14	CE FOR RECRUITMENT OF 2 T.A.S	20010731	7		14,166	25,000	10,834	14,166	0	0	0	0	0	0
1997	7ACP ET93	15	C.E. COURSES FOR ROAD EXECUTIVES	20010831	7		4,785	20,000	15,215	4,785	0	0	0	0	0	0
1997	7ACP ET93	18	MSC IN CONSTRUCTION MANAGEMENT	20020930	7		2,549	37,775	35,226	2,549	0	0	0	0	0	0
1997	7ACP ET93	20	MSC IN PROJECTS AND MANAGEMENT DEVELOPMENT	20021019	7		205	25,320	22,558	2,762			0			0
1997	7ACP ET93	21	JOHN L. HINE	20041213	1		0	550,000	221,821	328,179	90,000	90,000	180,000	90,000		90,000
1997	7ACP ET93	22	COWI (SERVICE CONTRACT 17-JUN-02 : TENDER PREPAR. & EVAL.)	20030116	2		24,582	79,500	14,918	64,582	20,000	20,000	40,000			0
1997	7ACP ET93	23	MSC IN CONSTRUCTION MANAGEMENT	20030926	2		506	32,680	22,174	10,506	4,320	0	4,320	0	0	0
1997	7ACP ET93	24	MSC IN CONSTRUCTION MANAGEMENT	20030926	2		506	32,680	22,174	10,506	4,030		4,030			0
1997	7ACP ET93	25	CANAVAN (A.T. CONTRAT 22-AVR-02)	20041231	1		0	542,200	201,164	341,036	75,000	75,000	150,000	50,000		50,000
1997	7ACP ET93	26	construction management	20050331	1		0	44,062	0	44,062	20,000	10,000	30,000	10,000		10,000
1997	7ACP ET93	27	construction project management	20050331	1		0	44,062	0	44,062	20,000	10,000	30,000	10,000		10,000
1997	7ACP ET93	28	construction management	20040929	1		0	34,234	0	34,234	16,000	16,000	32,000			0
1997	7ACP ET93	29	construction management	20040929	1		0	34,234	0	34,234	16,000	16,000	32,000	0		0
1997	7ACP ET93	30	finance	20040915	1		0	29,899	0	29,899	14,000	14,000	28,000			0
Total Individual Commitment								54,820,762	47,149,347	7,671,415			0			0
1998	7ACP ET99	0	ADDIS ABABA/JIMA ROAD REHABILITATION PROJECT	20061231	1	Y	0	80,000,000	80,000,000	0			0			0
1998	7ACP ET99	1	DRAGADOS - J&P (HELLAS) S.A - JIMA ROAD	20050531	1		0	60,000,000	37,921,281	22,078,719	2,000,000	6,000,000	8,000,000	4,000,000	4,000,000	8,000,000
Total Individual Commitment								60,000,000	37,921,281	22,078,719			0			0
1998	7ACP ET100	0	ADDIS ABABA WATER SUPPLY & SEWERAGE DESIGN & TENDER SERVICES	19990731	7	N	8,000	630,000	622,000	8,000			0			0
1998	7ACP ET100	1	TRACTEBEL-DESIGN STUDY	20001231	3		0	622,000	437,907	184,093	100,000		100,000	0	0	0
Total Individual Commitment								622,000	437,907	184,093			0			0
1998	7ACP ET101	0	ADDIS ABABA WATER SUPPLY PROJECT	20050715	1	Y	0	19,500,000	8,396,400	11,103,600			0			0
1998	7ACP ET101	1	TRACTABEL RIDER NO 1 (SEE ALSO 7.ET.100/1)	20010531	2		0	412,000	240,554	171,446	170,000		170,000	0	0	0
1998	7ACP ET101	2	MOTT MACDONALD LTD	20040621	1		0	720,000	511,310	208,690	150,000	50,000	200,000	0	0	0
1998	7ACP ET101	3	PROJECT ADMINISTRATION	20011220	7		91,211	191,000	99,789	91,211	0	0	0	0	0	0
1998	7ACP ET101	4	NICHOLAS O'DWYER-TA FOR CBWAS	20030416	2		56,129	300,000	234,328	65,672	9,543	0	9,543	0	0	0
1998	7ACP ET101	5	SAINT-GOBAIN PAM	20040930	1		0	5,661,400	4,860,660	800,740	566,140		566,140			0
1998	7ACP ET101	7	WORK PROGRAMME 2002 (YEAR 2)	20030124	7		772,930	1,112,000	526,110	585,890	0	0	0	0	0	0
Total Individual Commitment								8,396,400	6,472,750	1,923,650			0			0
1998	7ACP ET103	0	EC PROGRAMME SUPPORT PROJECT (PSP)	20021231	7	N	107,000	870,000	563,000	107,000			0			0
1998	7ACP ET103	1	WP 1999-2000	20000707	3		46,186	119,000	72,814	46,186	0	0	0	0	0	0
1998	7ACP ET103	2	DT CONSULT-MARK TODD	20010131	7		3,200	30,000	26,800	3,200	0	0	0	0	0	0
1998	7ACP ET103	3	WORK PROGRAMME 01032001-30062002	20020630	3		155,351	304,000	148,649	155,351	0	0	0	0	0	0
1998	7ACP ET103	4	AFRO-CONSULT (SCE CTC 29-JUL-02: STUDY ON IMPACT OF COMSEA	20030101	7		24,911	110,000	85,089	24,911	0	0	0	0	0	0
Total Individual Commitment								563,000	333,352	229,648			0			0
1998	7ACP ET104	0	ADDIS ABABA SANITATION STUDY	20000229	7	N	105,000	595,000	490,000	105,000			0			0
1998	7ACP ET104	1	NEDECO/SERVICE CONTRACT	20020131	7		66,661	490,000	406,706	83,294	16,633		16,633	0	0	0

Total Individual Commitment							490,000	406,706	83,294			0					
1998	8ACP ET3	0	ADDIS ABABA - JIMA ROAD REHABILITATION PROJECT	20061231	1	Y	0	42,000,000	32,659,000	9,341,000		0					0
1998	8ACP ET3	1	DIWI CONSULT	20061130	1		0	5,690,000	3,192,751	2,497,249	500,000	500,000	1,000,000	500,000	500,000	1,000,000	
1998	8ACP ET3	3	DRAGADOS (ADMIN ORDER 11-APR-02 : ADDIS ABABA-JIMA ROAD	20050531	1		0	26,969,000	0	26,969,000	0	0	0	0	0	0	0
Total Individual Commitment								32,659,000	3,192,751	29,466,249		0					0
1999	7ACP ET105	0	LALIBELA SHELTER DESIGN COMPETITION AND BOOK PUBLISHING	20011130	7	N	180,900	525,000	364,100	160,900			0				0
1999	7ACP ET105	1	ADMINISTRATION OF DESIGN COMPETITION	20000502	3		25,942	185,000	158,058	26,942	1,000		1,000				0
1999	7ACP ET105	2	ART ET MEDICINE D'ETHIOPIE (SEE ALSO 7.ET.84/1)	20010411	3		24,082	76,000	28,918	47,082	23,000		23,000				0
1999	7ACP ET105	3	ART ET MEDECINE D'ETHIOPIE- PREPARATION OF BOOK ON LALIBELA	20001031	7		23,410	88,500	65,090	23,410	0	0	0	0	0	0	0
1999	7ACP ET105	4	ACEL&MELETITIKI	20020529	3		600	14,600	6,000	8,600	8,000		8,000	0	0	0	0
Total Individual Commitment								364,100	258,066	106,034			0				0
1999	8ACP ET4	0	ADDIS ABABA - WOLDIYA ROAD REHABILITATION PROJECT	20091231	1	N	0	120,000,000	40,525,100	79,474,900			0				0
1999	8ACP ET4	1	DRAGADOS	20040314	1		0	38,697,300	27,756,070	10,941,230	5,000,000	5,000,000	10,000,000	941,230			941,230
1999	8ACP ET4	2	GAUFF INGENIEURE/SUPERVISION SERVICES	20050731	1		0	1,827,800	1,064,092	763,708	350,000	350,000	700,000	63,708			63,708
Total Individual Commitment								40,525,100	28,820,162	11,704,938			0				0
2000	7ACP ET106	0	LALIBELA : DETAILED DESIGN STUDIES OF SHELTERS AND TA TO THE	20021231	7	N	30,000	750,000	720,000	30,000			0				0
2000	7ACP ET106	1	M PAPANATHASIOU	20030508	2		0	370,000	162,158	207,842	228,178	0	228,178	0	0	0	0
2000	7ACP ET106	2	TEPRIN ASSOCIATI	20010810	2		47,051	350,000	251,015	98,985	51,934		51,934	0	0	0	0
Total Individual Commitment								720,000	413,174	306,826			0				0
2000	8ACP ET5	0	KOMBOLCHA/MILLE ROAD REHAB & UPGRADING PROJECT	20061231	1	N	0	25,000,000	0	25,000,000			0				0
2001	7ACP ET107	0	MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAMME (MSEDP)	20051231	1	N	0	7,000,000	3,033,039	3,966,961			0				0
2001	7ACP ET107	1	LOUIS BERGER S.A. (ESTABLISHMENT OF PSU FOR MICRO AND SMALL	20051203	8		0	0	0	0			0				0
2001	7ACP ET107	2	LOUIS BERGER S.A. (PSU TO MSEDP)	20051203	1		0	595,989	176,376	419,613	100,000	100,000	200,000	100,000	100,000	200,000	
2001	7ACP ET107	3	MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM (START UP	20030822	3		5,469	37,050	31,581	5,469	0	0	0	0	0	0	0
2001	7ACP ET107	4	MSEDP WORK PROGRAMME YEAR 1	20041231	1		0	2,400,000	0	2,400,000	720,000	960,000	1,680,000				0
Total Individual Commitment								3,033,039	207,957	2,825,082			0				0
2001	7ACP ET110	0	STRUCTURAL ADJUSTMENT SUPPORT (SAS II - BIS)	20030630	7	N	96,700	1,250,000	1,153,300	96,700			0				0
2001	7ACP ET110	1	MINISTRY OF REVENUE	20030101	7		0	400,000	400,000	0			0				0
2001	7ACP ET110	2	GALLO ECF	20030630	7		263,898	701,000	393,469	307,531	0	0	0	0	0	0	0
2001	7ACP ET110	3	ADE (SERVICE CT 26-AVR-02 : SAS II-BIS)	20020528	7		2,331	52,300	49,969	2,331			0				0
Total Individual Commitment								1,153,300	843,438	309,862			0				0
2001	7ACP ET111	0	PRE-FEASIBILITY STUDY OF THE GONDAR HUMERA AND ARBA MINCH	20031231	7		170,970	740,000	569,030	170,970			0				0
2001	7ACP ET111	1	PRE-FEASIBILITY STUDY OF 2 ROAD PROJECTS	20031231	2		0	569,030	0	569,030	569,030		569,030	0	0	0	0
Total Individual Commitment								569,030	0	569,030			0				0
2001	8ACP ET11	0	ADDIS ABABA WATER SUPPLY PROJECT II	20050715	1	Y		6,000,000	0	6,000,000			0				0
2001	8ACP ET12	0	COFFEE IMPROVMENT PROGRAMME IV (CIP IV)	20080630	1	N	0	15,000,000	5,064,235	9,935,765			0				0
2001	8ACP ET12	2	COFFEE & TEA AUTHORITY (COFFEE IMPROVEMENT PROGRAM IV-CIP IV	20030930	7		1,541,688	2,771,000	1,229,312	1,541,688	0	0	0	0	0	0	0
2001	8ACP ET12	3	COFFEE IMPROVEMENT PROGRAM IV (CIP - IV) - NOVEMBER 2003 TO	20040930	1		0	2,156,792	0	2,156,792		916,807	916,807	0	0	0	0
Total Individual Commitment								4,927,792	1,229,312	3,698,480			0				0
2001	8ACP ET14	0	STRUCTURAL ADJUSTMENT SUPPORT (SAS II - BIS)	20030630	7	N	0	24,400,000	24,400,000	0			0				0
2001	8ACP ET14	1	STRUCTURAL ADJUSTMENT SUPPORT - SAS II BIS: 24,400,000 EURO	20030630	7		0	24,400,000	24,400,000	0			0				0
Total Individual Commitment								24,400,000	24,400,000	0			0				0
2001	8ACP ET15	0	REHABILITATION AND UPGRADING OF THE HARAR-JUJUA ROAD	20041231	1	N	0	710,000	623,000	87,000			0				0

2001	8ACP ET15	1	SCETAURROUTE TENDER ASSISTANCE HARAR-JIJIGA ROAD	20041231	1		0	623,000	0	623,000	150,000	300,000	450,000	150,000	150,000
Total Individual Commitment								623,000	0	623,000			0		0
2002	7ACP ET109	0	PRESERVATION AND CONSERVATION OF THE LALIBELA CHURCHES	20041231	1	Y	0	4,000,000	0	4,000,000			0		0
2002	8ACP ET9	0	SUPPORT TO THE EDUCATION SECTOR DEVELOPMENT PROGRAMME (ESDP)	20060731	1	N	0	23,000,000	47,200	22,952,800			0		0
2002	8ACP ET9	1	GRAPHIC PRINTERS PRIVATE LIMITED COMPANY	20030215	7		1,676	10,700	9,024	1,676	0	0	0	0	0
2002	8ACP ET9	2	CROSSROADS (2002 JOINT REVIEW MISSION ESDP)	20030304	7		0	0	0	0	0	0	0	0	0
2002	8ACP ET9	3	CROSSROADS (2002 JOINT REVIEW MISSION ESDP)	20030304	7		115	15,700	15,585	115	0	0	0	0	0
2002	8ACP ET9	4	JOINT REVIEW MISSION ESDP 2003	20031116	7		2,075	20,800	9,363	11,438	9,363		9,363		0
Total Individual Commitment								47,200	33,972	13,228			0		0
2002	8ACP ET10	0	SUPPORT TO ESTABLISHMENT LAW FACULTY AT MEKELLE UNIVERSITY	20060831	1	N	0	1,997,111	835,300	1,461,811			0		0
2002	8ACP ET10	1	SUPPORT TO THE ESTABLISHMENT OF LAW FACULTY AT MEKELLE	20041130	1		0	93,300	0	93,300		27,990	27,990	9,330	9,330
2002	8ACP ET10	2	LOT 2 SUPPORT TO THE ESTABLISHMENT OF LAW FACULTY AT	20050131	1		0	127,000	0	127,000	76,200	38,100	114,300	12,700	12,700
2002	8ACP ET10	3	UNIVERSITEIT GENT STAFF CAPACITY BUILDING FOR MEKELLE	20060831	1		0	315,000	0	315,000	50,000	50,000	100,000	50,000	100,000
Total Individual Commitment								535,300	0	535,300			0		0
2002	8ACP ET13	0	PRESERVATION AND CONSERVATION OF THE LALIBELA CHURCHES	20041231	1	Y	0	5,100,000	0	5,100,000			0		0
2002	8ACP ET16	0	POVERTY REDUCTION BUDGETARY SUPPORT (PRBS-I)	20041231	1	N	0	38,300,000	36,673,000	1,627,000			0		0
2002	8ACP ET16	1	PRBS-I	20041231	1		0	36,500,000	30,667,000	5,833,000		5,833,000	5,833,000		0
2002	8ACP ET16	2	ETC CRYSTAL (PARTICIPATION TO JRM AND HSDP)	20030303	7		1,662	26,000	24,338	1,662	0	0	0	0	0
2002	8ACP ET16	3	ECORYS NEDERLAND BV	20030625	7		5,578	147,000	70,711	76,289	70,711		70,711	0	0
Total Individual Commitment								36,673,000	30,762,049	5,910,951			0		0
2002	8ACP ET17	0	POVERTY REDUCTION BUDGETARY SUPPORT (PRBS-I)	20041231	1		0	5,745,000	5,745,000	0			0		0
2002	8ACP ET17	1	SAF/SD	20041231	7		0	5,745,000	5,745,000	0			0		0
Total Individual Commitment								5,745,000	5,745,000	0			0		0
2002	8ACP ET19	0	ADDIS ABABA CITY GOVERNANCE STUDY	20020720	7		0	79,580	79,580	0			0		0
2002	8ACP ET19	1	VERWALTUNGS-WIRTSCHAFTSAKADEMIE BADEN	20020719	7		1,545	79,580	78,035	1,545	0	0	0	0	0
Total Individual Commitment								79,580	78,035	1,545			0		0
2002	8ACP ET21	0	SUPPORT TO CAPACITY BUILDING IN EDUCATION	20050430	1		0	740,000	179,500	560,500			0		0
2002	8ACP ET21	1	BRITISH COUNCIL CAPACITY BUILDING FOR STAFF IN SOCIAL	20050130	1		0	179,500	0	179,500	35,900	107,700	143,600	35,900	35,900
Total Individual Commitment								179,500	0	179,500			0		0
2002	8ACP ET22	0	KOMBOLCHA MILLE ROAD	20061231	1	N	0	30,000,000	59,100	29,940,900			0		0
2002	8ACP ET22	1	CARL BRO WORKS TENDER ASSISTANCE	20040531	1		0	59,100	20,521	38,579	19,290	19,290	38,580		0
Total Individual Commitment								59,100	20,521	38,579			0		0
2002	8ACP ET24	0	PERFORMANCE AUDIT OF EC PROGRAMMES	20040101	1		0	79,500	79,500	0			0		0
2002	8ACP ET24	1	PERFORMANCE AUDIT OF EC PROJECTS IN THE TRANSPORT SECTOR	20031220	7		0	79,500	15,900	63,600	47,700	15,900	63,600		0
Total Individual Commitment								79,500	15,900	63,600			0		0
2002	8ACP ET25	0	REINTEGRATION OF ETHIOPIANS DISPLACED FROM ERITREA FOLLOWING	20060630	1	N	0	6,643,436	6,643,436	30,000			0		0
2002	8ACP ET25	1	GRANT TO GTZ REINTEGRATION OF ETHIOPIANS DISPLACED	20060529	1		0	4,153,492	1,370,112	2,783,380	500,000	500,000	1,000,000	500,000	1,000,000
2002	8ACP ET25	2	ZOA REINTEGRATION OF ETHIOPIANS DISPLACED FROM ERITREA	20060529	1		0	2,489,944	923,583	1,566,361	230,896	923,583	1,154,479	411,882	411,882
Total Individual Commitment								6,643,436	2,293,695	4,349,741			0		0
2003	6ACP ET85	0	FEASIBILITY STUDY FOR POLICE CO-OPERATION	20030731	7	N	1,060	76,064	75,004	1,060			0		0
2003	6ACP ET85	1	STRENGTHENING THE FEDERAL AND STATE POLICE FORCES OF THE FOR	20030731	7		2,892	37,502	30,103	7,399	4,507		4,507	0	0
2003	6ACP ET85	2	STRENGTHENING THE FEDERAL AND STATE POLICE FORCES OF THE FOR	20030731	7		2,195	37,502	28,242	9,260	7,065		7,065		0

Total Individual Commitment							75,004	58,345	16,659			0			0
2003	6ACP ET66	0	FEASIBILITY STUDY FOR LEADERSHIP DEVELOPMENT PROGRAM	20030731	7	N	0	79,815	79,815	0		0			0
2003	6ACP ET66	1	INSTITUTE FOR HOUSING AND URBAN DEVELOPMENT STUDIES	20030731	7		16,082	79,815	63,734	16,082	0	0	0	0	0
Total Individual Commitment							79,815	63,734	16,082			0			0
2003	7ACP ET113	0	NAO SUPPORT PROGRAMME	20040331	1	N	0	42,150	42,150	0		0			0
2003	7ACP ET113	1	NAO SUPPORT PROGRAMME 31 MAY 2003 - 31 MARCH 2004	20040331	1		0	42,150	23,615	18,535	18,534		18,534	0	0
Total Individual Commitment							42,150	23,615	18,535			0			0
2003	8ACP ET23	0	INTEGRATED FINANCIAL MANAGEMENT SYSTEM (IFMS) PILOT PHASE	20060930	1	N	0	9,000,000	0	9,000,000			0		0
2003	9ACP ET1	0	POVERTY REDUCTION BUDGETARY SUPPORT (PRBS-II)	20081231	1	N	0	0	0	0			0		0
2003	9ACP ET2	0	NON-STATE ACTORS MAPPING STUDY	20060531	1	N	0	79,988	79,300	688			0		0
2003	9ACP ET2	1	BRITISH COUNCIL NON-STATE ACTORS MAPPING STUDY	20040418	1		0	79,300	0	79,300	60,000	19,300	79,300		0
Total Individual Commitment							79,300	0	79,300			0			0
2003	9ACP ET3	0	APPRAISAL FOR CAPACITY BUILDING FOR TRADE PROJECT	20060331	1	N	0	36,000	0	36,000			0		0
2003	9ACP ET4	0	TECHNICAL COOPERATION FACILITY (TCF)	20081231	1	N	0	0	0	0			0		0
2003	9ACP ET5	0	DJIBOUTI-ETHIOPIAN RAILWAY LINE - MINIMUM SAFETY WORKS	20100930	1	N	0	10,000,000	0	10,000,000			0		0
2003	9ACP ET6	0	FEASIBILITY STUDY FOR PASTORAL LIVELIHOODS PROGRAMME	20081231	1	N	0	135,000	0	135,000			0		0

2nd Semester2nd Semester

Ethiopia				FORECAST 2004						FORECAST 2005								
				Amount in €			1 st Semester		2 nd Semester		TOTAL		1 st Semester		2 nd Semester		TOTAL	
				Title	Project (Global Commitment)	Month 2004	Amount	RISK	indiv comm A	payments B	indiv comm C	payments D	indiv comm A+C	payments B+D	indiv comm A	payments B	indiv comm C	payments D
TOTAL				237,380,000		32,400,000	30,100,000	51,600,000	22,100,000	84,000,000	52,200,000	16,500,000	16,100,000	52,800,000	29,300,000	69,300,000	45,400,000	
Technical Cooperation Facility (TCF)				January	5,380,000	1		100,000	600,000	400,000	1,000,000	500,000	500,000	400,000	800,000	600,000	1,300,000	
Harar-Jijiga Road				November	35,000,000	1					0	0			25,000,000		25,000,000	
Budget Support (PRSBII)				March	95,000,000	1	30,000,000	30,000,000	30,000,000	15,000,000	60,000,000	45,000,000	15,000,000	15,000,000	15,000,000	15,000,000	30,000,000	30,000,000
Civil society Fund & Support to NSA				November	10,000,000	1	2,000,000	0	3,000,000	3,500,000	5,000,000	3,500,000	0	500,000	0	200,000	0	
Support for local leadership				May 2005	2,000,000	1	0	0	2,000,000	1,000,000	2,000,000	1,000,000	0	0	0	800,000	0	
Safety Nets Programme				Jun 2005	60,000,000	2					0	0			10,000,000	10,000,000	10,000,000	10,000,000
ERA Capacity Building				November	6,000,000	2					0	0					PM	PM
National Transport Master Plan Study				November	2,000,000	2					0	0			1,500,000	300,000	1,500,000	300,000
Police Training				April 2005	5,000,000	2	0	0	5,000,000	2,000,000	5,000,000	2,000,000	0	0	0	2,000,000	0	
Capacity Building Trade				June 2005	5,000,000	1	0	0	1,000,000	200,000	1,000,000	200,000	1,000,000	200,000	500,000	400,000	1,500,000	600,000
Additional cost Addis Awasa				November	10,000,000	2			10,000,000		10,000,000							4,000,000
Study for Mieso-Dire Road				June	2,000,000	1										PM		PM

			FORECAST 2004						FORECAST 2005					
Ethiopia			1 st Semester		2 nd Semester		TOTAL		1 st Semester		2 nd Semester		TOTAL	
YEAR	Accounting number	Title New Individual Commitment	indiv. commit	payments	indiv. commit	payments	indiv. commit	payments	indiv. commit	payments	indiv. commit	payments	indiv. commit	payments
Global commit	(global commitment)		A	B	C	D	A+C	B+D	A	B	C	D	A+C	B+D
Total ongoing new individual commitments and payments			5,220,000	1,280,000	119,325,000	36,110,000	124,545,000	37,390,000	26,400,000	15,400,000	0	15,545,000	26,400,000	30,945,000
1998	7 ACP ET 101	Addis Ababa Water Supply Project - Work Programme (Y-3)	800,000	400,000			800,000	400,000		400,000			0	400,000
1999	7 ACP ET 101	Addis Ababa Water Supply Project - Gafarsa dam-Works							11,000,000	3,000,000		1,000,000	11,000,000	4,000,000
1999	7 ACP ET 101	Addis Ababa Water Supply Project - Gafarsa dam-Supervision							2,000,000	400,000		100,000	2,000,000	500,000
1999	8 ACP ET 4	Addis Ababa Woldiya Road Rehabilitation Lot 1- Design & Supervision			2,800,000	100,000	2,800,000	100,000				400,000	0	400,000
1999	8 ACP ET 4	Addis Ababa Woldiya Road Rehabilitation Lot 3- Works			50,000,000	15,000,000	50,000,000	15,000,000		4,000,000		4,000,000	0	8,000,000
1999	8 ACP ET 4	Addis Ababa Woldiya Road Rehabilitation Lot 3- Supervision			2,300,000	450,000	2,300,000	450,000		400,000		300,000	0	700,000
2000	8 ACP ET 5	Kombolcha/Mille Road Rehabilitation & Upgrading -Works contract			25,000,000	16,000,000	25,000,000	16,000,000		4,000,000		5,000,000	0	9,000,000
2001	8 ACP ET 12	Technical Assistance	1,800,000			360,000	1,800,000	360,000		225,000			0	450,000
2001	8 ACP ET 12	Supplies contracts			2,000,000	1,000,000	2,000,000	1,000,000		800,000		200,000	0	1,000,000
2001	7 ACP ET 107	Second Annual Work Programme			1,500,000	450,000	1,500,000	450,000		450,000			0	1050000
2002	8 ACP ET 009	Technical Assistance for ESDP	0	0	2,000,000	400,000	2,000,000	400,000	0	400,000	0	300,000	-	700000
2002	8 ACP ET 009	Support to ARM and JRM	30,000	30,000	0	0	30,000	30,000		0	0	0	-	0
2002	8 ACP ET 010	Construction Law Faculty Mekele University	0	0	1,300,000	500,000	1,300,000	500,000	0	500,000	0	200,000	700,000	700000
2002	8 ACP ET 010	Supplies of books	40,000	20,000	25,000	30,000	65,000	50,000	0	15,000			-	15000
2002	8 ACP ET 23	TA IFMS Implementation	600,000	120,000		120,000	600,000	240,000		120,000		120,000		240000
2002	8 ACP ET 23	Procurement hard and software							7,000,000			1,000,000	7,000,000	1000000
2002	8 ACP ET 17	Transfer to TPAR	500,000	500,000			500,000	500,000						
2002	8 ACP ET 17	Transfer to TPAR	1,000,000			1,000,000	1,000,000	1,000,000						
2002	8 ACP ET 22	Kombolcha/Mille Road Rehabilitation & Upgrading -Works contract (cont'd)			30,000,000	0	30,000,000	0					0	0
2002	8 ACP ET 22	Kombolcha/Mille Road Rehabilitation & Upgrading - Supervision contract			2,300,000	450,000	2,300,000	450,000		400,000		300,000	0	700,000
2002	7 ACP ET 109	Preservation - Conservation of the Lalibela Churches -Study							1,000,000	200,000		200,000	1,000,000	400,000
2002	7 ACP ET 109	Preservation - Conservation of the Lalibela Churches - Works							5,000,000			1,500,000	5,000,000	1,500,000
2002	7 ACP ET 109	Preservation - Conservation of the Lalibela Churches - Supervision							400,000			100,000	400,000	100,000
2003	8 ACP ET 021	Capacity building for education-supplies	300,000	150,000	0	150,000	300,000	300,000						
2003	8 ACP ET 021	Capacity building for education-work programme	150,000	60,000	100,000	100,000	250,000	150,000	0	90,000				90000

Chronogramme of activities and indicative timetables (Nairobi tables)

EDF or LB	Title of Project	2003	2004	2005	2006	2007	Total 2003 - 2007	Comments
8	Financial Management System	9,000,000	0	0	0	0	9,000,000	Decided in 2003. Advance from 8 to 9th EDF. Tender launched
9A	Additional cost Kombolcha Mille	30,000,000					30,000,000	FA in 2002. Funds advanced from 8th to 9th EDF
9A	Budget Support (PRSBII)	0	95,000,000	0	0	0	95,000,000	FA expected Feb.04.
9A	Budget Support (PRBS-III)				98,000,000			
9A	Additional cost Kombolcha Mille			11,000,000	0		11,000,000	No any NAO request received. Ridder to be established on 8th EDF project from 9th EDF funds
9A	Food Security/Rural Development	0		60,000,000	0	0	60,000,000	Draft FP under preparation for Dec.04 as project support
	Pastoralism Development Programme			15,000,000			15,000,000	Draft FP under preparation for Dec.04 as project support
9A	Additional cost Addis-Jima Road			15,000,000			15,000,000	NAO wants to see project fro progress before asking for a rider
9A	Civil society Fund & Support to NSA	0	10,000,000	0	0	0	10,000,000	FP circulated in HQ. EDF committee Sept. 043.
9A	Police training	0		5,000,000	0	0	5,000,000	DFP exists. EDF com. Sept. 04
9A	Technical Cooperation Facility (TCF)	0	5,380,000	0	0	0	5,380,000	FA expected March.04
9A	Capacity Building Trade & Economic Integration	0		5,000,000	0	0	5,000,000	Study produced no result because TA withdrew. AIDCO to help. Retender?
9A	Studies for Mieso-Dire Dawa - Guillele road	0	0	2,000,000	0	0	2,000,000	FA signed.....Prequal. To be done.
9A	Support for local leadership	0		2,000,000	0	0	2,000,000	FA to be signed May 04
9A	Kombolcha-Gundewein (co-financing IT&SW)	0	0	40,000,000	0	0	40,000,000	prefeasibility, feasibility studies needed 175ME, co fin. It, Sw, EC. No NAO request yet. To be reconsidered?
9A	Support to Legal sector Reform	0	0	6,000,000	0	0	6,000,000	FP under preparation. Possible combination with Police Training project?
9A	ERA Capacity Building	0	0	6,000,000	0	0	6,000,000	mission B. Thompson 3/03 results and combine with transport policy project?
9A	Additional cost Addis-Modjo-Awasa		10,000,000	0	0		10,000,000	Litigation on final 20 kms for provisional acceptance. Some final acceptance also outstanding.

9A	Additional cost Addis Woldyia				50,000,000		50,000,000	3 lots: lot 2 exceeds by 20M€, lots 1 and 3 at tendering stage tender launching after April 04
9A	CDE	10,000,000					10,000,000	Linked to regional IGAD project of 30 M€, FA signed Jan 04 Tender dossier under assesment
9A	Harrar-Jijiga road	0	35,000,000	0	0	0	35,000,000	Prefeasability study completed.
9A	National transport masterplan study	0	2,000,000	0	0	0	2,000,000	mission B Thompson 3/03 results. To combine with ERA Capacity Building project?
	Total national projects	49,000,000	157,380,000	167,000,000	50,098,000	0	423,380,000	
9A	IGAD CPMR (Conflict Prevention Management and Resolution)			5,000,000	7,000,000	5,000,000	17,000,000	identification ongoing. One Decision and 3 FA
	IGAD Food Security Programme			8,000,000			8,000,000	Preparation Study first quarter 2005
9A	AU AMIB (African Mission in Burundi)		25,000,000				25,000,000	FA at AU for signature in Feb. 04
9A	AU Peace Facility		40,000,000	80,000,000	80,000,000	50,000,000	250,000,000	FP to EDF Comitee in march 04 One decision and several global commitments
9A	CDE (Railway min. safety works)	30,000,000					30,000,000	FA signed Jan. 04. Linked to ET/NIP with 10M€. Tender dossier under assessment.
	Total Regional Indicative Programme	30,000,000	65,000,000	93,000,000	87,000,000	55,000,000	330,000,000	
		79,000,000	222,380,000	260,000,000	137,098,000	55,000,000	753,380,000	

Annex 5 Regional projects

ANNEX 5 Regional Projects			FINANCIAL SITUATION						
			(All figures are according to OLAS records by end of 2003)						
Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment - Open (a)	Individual Commitment - Open (b)	Total Payments - Open ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
	6 EDF								
1990	6 ACP RPR 246	ILCA RES. IMPROV. LIVESTOCK SUBSETHIOPIE	1 (0)	3,279,102.52	3,279,102.52	3,279,102.52	-	-	-
1990	6 ACP RPR 296	EXP ETHIOPIAN AIRL TRAININ CENTRETHIOPIE	1 (0)	46,900.68	46,900.68	46,900.68	-	-	-
1990	6 ACP RPR 304	AT FOIRE CUIR ADDIS A ETHIOPIE	1 (0)	307,783.58	307,783.58	307,783.58	-	-	-
1990	6 ACP RPR 333	PSTUD ETHIO KENYA FELE ROAD	1 (0)	50,600.00	50,600.00	50,600.00	-	-	-
1992	6 ACP RPR 476	REUNION DES ORDONNATEURS NATIONAUX	1 (0)	23,612.58	23,612.58	23,612.58	-	-	-
Total before 2001			5 (0)	3,707,999.36	3,707,999.36	3,707,999.36	-	-	-
GRAND TOTAL (6 th EDF)				3,707,999.36	3,707,999.36	3,707,999.36	-	-	-
Less: Amount to be de-committed (FA expired)							0.00		
Total							0.00		

FINANCIAL SITUATION									
(All figures are according to OLAS records by end of 2003)									
Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment - Open (a)	Individual Commitment - Open (b)	Total Payments - Open ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
	7 EDF								
1993	7 ACP RPR 96	EVALUATION OF ETHIOPIA-DJIBOUTI RAILWAY PROJECT	1 (0)	43,339.29	43,339.29	43,339.29	-	-	-
1993	7 ACP RPR 106	PARC III/PAN AFRICAN RINDERPEST CAMPAIGN PH. III	42 (3)	4,839,009.96	4,839,009.96	4,606,804.88	-	232,205.08	232,205.08
1993	7 ACP RPR 116	EXPANSION MULTI-NATION AVIATION TRAINING ENTER A.A.	1 (0)	337,872.28	337,872.28	337,872.28	-	-	-
1994	7 ACP RPR 318	WHEAT BREEDING & PATHOLOGY RESEARCH	1 (0)	1,804,608.41	1,804,608.41	1,804,608.41	-	-	-
1994	7 ACP RPR 319	RESEARCH COORDIN. & TRAINING IMPROVED LIVESTOCK PROD. PHASE	1 (0)	1,878,340.65	1,878,340.65	1,878,340.65	-	-	-
1994	7 ACP RPR 330	ECONOMICS & POLICY IN AGRICULTURAL RESEARCH SYSTEMS	1 (0)	1,129,966.76	1,129,966.76	1,129,966.76	-	-	-
1995	7 ACP RPR 397	REALIZATION DE FILM "LA TRAVERSEE DU JOUR"	1 (0)	460,000.00	460,000.00	460,000.00	-	-	-
1998	7 ACP RPR 682	PRE-FEASIBILITY STUDY- ISOLO-MOYALE ROAD	1 (1)	170,000.00	150,000.00	145,939.21	20,000.00	4,060.79	24,060.79
1998	7 ACP RPR 726	ANNUAL MEETING OF THE EAST AFRICA NAOS IN 1998	1 (0)	56,190.62	56,190.62	56,190.62	-	-	-
Total before 2001			50 (1)	10,719,327.97	10,699,327.97	10,463,062.10	20,000.00	236,265.87	256,265.87
GRAND TOTAL (7th EDF)				10,719,327.97	10,699,327.97	10,463,062.10	20,000.00	236,265.87	256,265.87
Less: Amount to be de-committed (FA expired)							20,000.00		
Total							-		

FINANCIAL SITUATION									
(All figures are according to OLAS records by end of 2003)									
Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment - Open (a)	Individual Commitment - Open (b)	Total Payments - Open ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
	8 EDF								
1999	8 ACP ROR 4	CDE POLICY SUPPORT PROJECT	4 (4)	1,750,000.00	1,431,070.00	103,966.92	318,930.00	1,327,103.08	1,646,033.08
2000	8 ACP ROR 13	EAST AFRICA REGIONAL STATISTICAL TRAINING STRATEGY PROJECT	2 (2)	3,000,000.00	335,000.00	30,000.00	2,665,000.00	305,000.00	2,970,000.00
2000	8 ACP ROR 17	SUPPORT TO THE OAU LIAISON MISSION IN THE ETHIOPIA-ERITREA	1 (1)	850,000.00	850,000.00	425,000.00	-	425,000.00	425,000.00
2000	8 ACP TPS 111	NEW TECHNOLOGIES & REGIONAL INTEGRATION IN AFRICA	1 (1)	1,800,000.00	1,750,000.00	1,500,000.00	50,000.00	250,000.00	300,000.00
Total before 2001			8 (8)	7,400,000.00	4,366,070.00	2,058,966.92	3,033,930.00	2,307,103.08	5,341,033.08
2001	8 ACP TPS 121	AFRICA - EUROPE SUMMIT FOLLOW-UP/AU	1(1)	80,000.00	80,000.00	79,840.97	-	159.03	159.03
2001	8 ACP TPS 131	OAU PROJECTS/TRANSITION TO AFRICAN UNION/INSTIT. SUPPORT	1 (1)	62,984.00	62,984.00	56,437.37	-	6,546.63	6,546.63
Total from 2001 to 2003			5 (4)	142,984.00	142,984.00	136,278.34	-	6,705.66	6,705.66
GRAND TOTAL (8th EDF)				7,542,984.00	4,509,054.00	2,195,245.26	3,033,930.00	2,313,808.74	5,347,738.74
Less: Amount to be de-committed (FA expired)							0.00		
Total							3,033,930.00		
GRAND TOTAL (6th to 8th EDF)							3,053,930.00		
Less: Amount to be de-committed (FA expired)							20,000.00		
TOTAL							3,033,930.00		

SUMMARY OF ANNEX 5

EDF No.	Project No. (Open)	Global Commitment (a)	Individual Commitment (b)	Total Payments ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
6 EDF	5 (0)	3,707,999.36	3,707,999.36	3,707,999.36	-		
Total before 2001	5 (0)	3,707,999.36	3,707,999.36	3,707,999.36	-		
7 EDF	50 (1)	10,719,327.97	10,699,327.97	10,463,062.10	20,000.00	236,265.87	256,265.87
Total before 2001	50 (1)	10,719,327.97	10,699,327.97	10,463,062.10	20,000.00	236,265.87	256,265.87
8 EDF	13 (12)	7,542,984.00	4,509,054.00	2,195,245.26	3,033,930.00	2,313,808.74	5,347,738.74
Total before 2001	8 (8)	7,400,000.00	4,366,070.00	2,058,966.92	3,033,930.00	2,307,103.08	5,341,033.08
Total from 2001 to 2003	5 (4)	142,984.00	142,984.00	136,278.34	-	6,705.66	6,705.66
GRAND TOTAL		21,970,311.33	18,916,381.33	16,366,306.72	3,053,930.00	2,550,074.61	5,604,004.61

FINANCIAL SITUATION PER CSP FOCAL SECTORS
(All figures are according to OLAS records by end of 2003)

Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment (a)	Individual Commitment (b)	Total Payments ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
INFRASTRUCTURE									
1990	6 ACP RPR 296	EXP ETHIOPIAN AIRL TRAININ CENTRETHIOPIE	1 (0)	46,900.68	46,900.68	46,900.68	-	-	-
1990	6 ACP RPR 333	PSTUD ETHIO KENYA FELE ROAD	1 (0)	50,600.00	50,600.00	50,600.00	-	-	-
1993	7 ACP RPR 96	EVALUATION OF ETHIOPIA- DJIBOUTI RAILWAY PROJECT	1 (0)	43,339.29	43,339.29	43,339.29	-	-	-
1993	7 ACP RPR 116	EXPANSION MULTI-NATION AVIATION TRAINING ENTER A.A.	1 (0)	337,872.28	337,872.28	337,872.28	-	-	-
1998	7 ACP RPR 682	PRE-FEASIBILITY STUDY-ISIOLO MOYALE ROAD	1 (1)	170,000.00	150,000.00	145,939.21	20,000.00	4,060.79	24,060.79
1999	8 ACP ROR 4	CDE POLICY SUPPORT PROJECT	4 (4)	1,750,000.00	1,431,070.00	103,966.92	318,930.00	1,327,103.08	1,646,033.08
TOTAL			9 (5)	2,398,712.25	2,059,782.25	728,618.38	338,930.00	1,331,163.87	1,670,093.87
Less: Amount to be de-committed (FA expired)							20,000.00		
Total							318,930.00		
RURAL DEVELOPMENT									
1990	6 ACP RPR 246	ILCA RES. IMPROV. LIVESTOCK SUBSETHIOPIE	1 (0)	3,279,102.52	3,279,102.52	3,279,102.52	-	-	-
1993	7 ACP RPR 106	PARC III/PAN AFRICAN RINDERPEST CAMPAIGN PH. III	42 (3)	4,839,009.96	4,839,009.96	4,606,804.88	-	232,205.08	232,205.08
1994	7 ACP RPR 318	WHEAT BREEDING & PATHOLOGY RESEARCH	1 (0)	1,804,608.41	1,804,608.41	1,804,608.41	-	-	-
1994	7 ACP RPR 319	RESEARCH COORDIN. & TRAINING IMPROVED LIVESTOCK PROD. PHASE	1 (0)	1,878,340.65	1,878,340.65	1,878,340.65	-	-	-
TOTAL			45 (3)	11,801,061.54	11,801,061.54	11,568,856.46	-	232,205.08	232,205.08
Less: Amount to be de-committed (FA expired)							-		
Total							-		

FINANCIAL SITUATION PER CSP FOCAL SECTORS

(All figures are according to OLAS records by end of 2003)

Year	Project No.	Project Title	No. of Contracts (Open)	Global Commitment (a)	Individual Commitment (b)	Total Payments ©	RAC (a-b)	RAP (b-c)	RAL (a-c)
ECONOMIC AND SOCIAL									
1990	6 ACP RPR 304	AT FOIRE CUIR ADDIS A ETHIOPIE	1 (0)	307,783.58	307,783.58	307,783.58	-	-	-
1994	7 ACP RPR 330	ECONOMICS & POLICY IN AGRICULTURAL RESEARCH SYSTEMS	1 (0)	1,129,966.76	1,129,966.76	1,129,966.76	-	-	-
1995	7 ACP RPR 397	REALIZATION DE FILM "LA TRAVERSEE DU JOUR"	1 (0)	460,000.00	460,000.00	460,000.00	-	-	-
1998	7 ACP RPR 726	ANNUAL MEETING OF THE EAST AFRICA NAOS IN 1998	1 (0)	56,190.62	56,190.62	56,190.62	-	-	-
2000	8 ACP ROR 13	EAST AFRICA REGIONAL STATISTICAL TRAINING STRATEGY PROJECT	2 (2)	3,000,000.00	335,000.00	30,000.00	2,665,000.00	305,000.00	2,970,000.00
2000	8 ACP ROR 17	SUPPORT TO THE OAU LIAISON MISSION IN THE ETHIOPIA- ERITREA	1 (1)	850,000.00	850,000.00	425,000.00	-	425,000.00	425,000.00
2000	8 ACP TPS 111	NEW TECHNOLOGIES & REGIONAL INTEGRATION IN AFRICA	1 (1)	1,800,000.00	1,750,000.00	1,500,000.00	50,000.00	250,000.00	300,000.00
2001	8 ACP TPS 121	AFRICA - EUROPE SUMMIT FOLLOW-UP/AU	1(1)	80,000.00	80,000.00	79,840.97	-	159.03	159.03
2001	8 ACP TPS 131	OAU PROJECTS/TRANSITION TO AFRICAN UNION/INSTIT.	1 (1)	62,984.00	62,984.00	56,437.37	-	6,546.63	6,546.63
1992	6 ACP RPR 476	SUPPORT REUNION DES ORDONNATEURS NATIONAUX	1 (0)	23,612.58	23,612.58	23,612.58	-	-	-
TOTAL			11 (6)	7,770,537.54	5,055,537.54	4,068,831.88	2,715,000.00	986,705.66	3,701,705.66
Less: Amount to be de-committed (FA expired)									
Total							2,715,000.00		
GRAND TOTAL				21,970,311.33	18,916,381.33	16,366,306.72	3,053,930.00	2,550,074.61	5,604,004.61
Less: Amount to be de-committed (FA expired)							20,000.00		
Total							3,033,930.00		

Annex 6 a Commitments

Commitments		Actual commitments					Forecast				
Macro-economic support	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
9th EDF											
1. Budget support	CSP-B			(80)		95				(80) 90	
2. Private sector support	CSP-CB/IF							(5)			
3. Trade & regional integration	CSP-CB		(5)				5				
4. Public finance management	CSP-CB				(3)		3.5	0.5	(2) 0.5	0.5	
6th, 7th and 8th EDF *											
5. MSED P (€ 7 mio for 2001)											
6. IFMS		(6)		9							

Commitments		Actual commitments					Forecast				
FS Budget Line/ 9 th EDF	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
Food Security/BL											
1998 IFSP	BL				5.7						
2000 IFSP	BL				2.9						
2002 FSP	BL		25								
2002 FA	BL			41							
2003 FA	BL			21							
2004/5 FSP	BL						60				
Food Security	CSP-B						60				

Commitments		Actual commitments					Forecast				
Transport	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
Addis – Jima Road(8 th EDF)	CSS-P	(PM)17	30		(25)	11	35(OK ?)		(50)		
Kombolcha -Mille	CSS-P	I think									
Harar – Jijiga Road	CSS-P	2 nd									
Mieso – Dire Dawa – Guelile	CSS-P	semester									
Arba Minch – Jinka Road	CSS-P										
Gonder-Humera Road	CSS-P		(5)	(2)			6				
ERA Capacity Building	CSS-CB	(PM)									
Transport policy support	CSS-CB	(PM)					2				

Commitments		Actual commitments					Forecast				
Non-Focal Area	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
9th EDF											
Support to civil society	CSP-CB/BL		(5)			2	3				
Legal, judicial reform and police	CSP-CB				(6)		5	6			
Civil service reform			(2)								
Administrative decentralization	CSP-CB				(4)		2				
Previous EDFs											
Mekelle university (€2 mio)	CSP-P	2									
ESDP (€23 mio)	CSP-CB/P	23									
Gafarsa Dam (€ 2 mio)	CSP- P										
Community based Water and Sanitation	CSP – P										
Lalibela Churches (€8 mio)	CSP –P										
Min. Railway Safety Works CDE (€ 40 million)	CSP - P				40						

Annex 6 b Payments

Payments		Actual payments					Forecast				
	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
9th EDF											
Budget support	CSP-B				(30)	30	(30) 15	15	(20) 15	15	(20)
Private sector support	CSP-CB/IF				(1)				(1)	(1)	(2)
Trade & regional integration	CSP-CB			(2)	(1)	(1)	0.5(1)	1	2	1	0.5
Public finance management	CSP-CB				0.2	0.5 (1)	2.5 (1)	0.5 (1)	0.5 (0.5)	0.5 (1)	0.5 (0.5)
6th, 7th and 8th EDF *											
MSEDP (€ 7 mio for 2001)				0.1	0.2	1.1	1.2	1.2	1.2	1	
IFMS						0.2	2.4	4	2	0.4	
PRBS-I				10.5							

Payments		Actual payments					Forecast				
FS Budget line/ 9 th EDF	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
Food Security											
1998 IFSP	BL					4.6	1.1				
2000 IFSP	BL					2.6	0.3				
2002 FSP	BL			9.0****			8.0*****		5.0*****		
2002 FA	BL				30.6		10.4				
2003 FA	BL				20.7		0.3				
2004/5 FSP	BL										
Food Security	CSP-B							10.0	10.0*****	10.0*****	10.0*****
										10.0	15.0

**** Conditional disbursement depending on progress on implementation of the policy reforms matrix & justification of funds and of the foreign exchange facility.

***** Depending on the successful implementation of the 2002 FSP

Acronyms: CSP: Country Support Strategy P: Project support CB: Capacity Building B: Budget Support IF: Investment Facility BL: EC Budget Line

Payments		Actual					Forecast				
Transport	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
Addis -- Jima Road(8 th EDF)	CSS-P	(PM) 0.6	4.0	5.7	0.5	10	5	4	3	10	10
Kombolcha -Mille	CSS-P						16	4	6	2	1
Harar -- Jijiga Road	CSS-P					(10)	(10)	(5)	(5)	(5)	
Mieso -- Dire Dawa -- Guelile	CSS-P										(10)
Arba Minch -- Jinka Road	CSS-P										
Gonder-Humera Road	CSS-P										
ERA Capacity Building	CSS-CB			(0.5)	(0.5)	(1.0)	(1.0)	(1.0)	(0.5) 0.5	(0.5) 0.5	0.5
Transport policy support	CSS-CB			(0.5)	(0.5)	(0.5)	(0.5)		0.5	0.5	0.5
Budget Support Road Fund	CSS-B										

Acronyms: CSP: Country Support Strategy P: Project support CB: Capacity Building B: Budget Support IF: Investment Facility BL: EC Budget Line

Payments		Actual					Forecast				
Non-Focal Area	Instrument	2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
9th EDF											
Support to civil society	CSP-CB/BL			(1)	(2)	(1)	(1) 3,5	0.5	0.2		
Legal, judicial reform and police	CSP-CB					(1)	(1) 2	(1)	(1) 4	(1) 2	(1) 2
Civil service reform					(0.5)	(0.5)	(0.5)	(0.5)			
Administrative decentralization	CSP-CB						(0.5) 1	(1)	(1) 1	(1)	(0.5)
Previous EDFs											
Mekelle university (€2 mio)	CSP-P					0.5	0.5	1			
ESDP (€23 mio)	CSP-CB/P					1	10	2	10		
Gafarsa Dam (€ 2 mio)	CSP- P							3.4	1.4	3.4	3.4
Community based Water and Sanitation	CSP-P					0.4		0.4			
Lalibela Churches (€8 mio)						2.82	1.41	3.05			
Min. Railway Safety Works CDE	CSP-P							10	10	10	10

Acronyms: CSP: Country Support Strategy P: Project support CB: Capacity Building B: Budget Support IF: Investment Facility BL: EC Budget Line

ANNEX 7 INTERVENTION FRAMEWORK

Infrastructure

OBJECTIVES		Performance Indicators		RESULTS		
		Description / Units	2000 (RSDP-II) Start ref. - Actual	2003 MTR Actual/ est.	2007 (target)	COMMENTS
<p>Medium-term targets (I-PRSP / RSDP):</p> <p>1. increased road network density</p>	PRSP / RSDP:					
	- road network coverage of 80% by 2007; with and without low-standard rural roads in km/km ² and in km/1000 population)	without low-standard rural roads [km/km ²]	27.5	30.8	31.0	Not in the original indicators. Progress as per RSDP, 2007 target likely to be met
		without [km/1000 population]	0.45	0.47	0.51	Not in the original indicators. Progress as per RSDP, 2007 target likely to be met
		with low-standard rural roads [km/km ²]	28.7	30.5	36.7	Not in the original indicators. Progress as per RSDP, 2007 target needs attention
		with low-standard rural roads [km/1000 population]	0.48	0.49	0.50	In the original indicators. Progress as per RSDP, 2007 target needs attention
		distance to nearest road [km]	17	16	12	Not in the original indicators. Progress as per RSDP, 2007 target needs attention
	average distance to nearest road reduced to 3 hours by 2007	distance to nearest road (at 4km/h) - [hours]	4.25	4	3	In the original indicators. Progress as per RSDP, 2007 target needs attention
	2. increased share of expenditures for roads					In the original indicators. Progress as per RSDP, 2007 target likely to be met
	3. improved quality of roads network					In the original indicators. Progress as per RSDP, 2007 target needs attention
	- 10% of total public expenditure by 2003	All roads in good condition (average of %)	25%	32%	62%	In the original indicators. Progress as per RSDP, 2007 target likely to be met
	- 65% of road network in good condition by 2007;					Not in the original indicators. Progress as per RSDP, 2007 target almost achieved
	road maintenance budget as % of total public expenditures	[past and present year moving average]	88%	97%	100%	
	road maintenance expenditure as % of est maintenance needs					

Objectives	PERFORMANCE INDICATORS	DESCRIPTION / UNITS	2000 (RSDP-II) Start ref. - Actual	2003 MTR Actual/ est.	2007 (target)	COMMENTS
EU-intervention objectives:						
1. improved and expanded roads network	- expanded roads network coverage and % of network in good condition	<i>All roads in good condition (average of %)</i>	25%	32%	62%	<i>In the original indicators. Progress as per RSDP. 2007 target needs attention</i>
2. increased flows of traffic and goods	- number of vehicles using road network and	[Vehicles]	117,972	135,000 (est)		<i>In the original indicators. Progress evident.</i>
		travelled distance [million km]	4.5	5.0 (est)		Not in the original indicators. Progress evident.
	- quantity of goods transported					
3. improved road-connectivity with neighbouring countries	- number of vehicles, persons and goods crossing borders;	Djibouti traffic				
	reduced travel time	Heavy trucks [min/km]	2.2	2.0		
		Light vehicles [min/km]	0.98	0.93		<i>In the original indicators. Progress evident.</i>
4. improved transport policy development and implementation	- number and quality of new legislation passed	<i>Negarit Gazeta; evaluations</i>	N/A	N/A	N/A	<i>In the original indicators. Progress evident.</i>
Expected Results:	Result indicators:					
1. a number of roads upgraded	- number of kms rehabilitated	<i>EDF projects [km]</i>	75	380	1190	<i>In the original indicators. Progress needs attention</i>
		EDF physical output [km/annum]	33	100		Not specified in the original indicators. To achieve required output, acceleration of the maturing programme required. Increased relative financial output due to changes in design.
		EDF financial output (exclude advances) [ME/annum]	10	24		
2. improved maintenance of road network	- reduction of maintenance backlog; better road quality; % private contractors; budget Road Fund	<i>maintenance backlog [km]</i>				
		<i>roads in good condition [%]</i>	25%	32%	62%	<i>In the original indicators. Progress needs attention</i>
		<i>private Sector/ total km road construction</i>	53%	75%		<i>In the original indicators. No specific target set. Progress evident</i>
		<i>private Sector/ amount in ETB for road constr.</i>	85%	95%		<i>In the original indicators. No specific target set. Progress evident</i>
		<i>maintenance by ERA force acc. / private Contr. [two-year aver]</i>	70%	30%		<i>In the original indicators. No specific target set. Progress evident.</i>

Objectives	PERFORMANCE INDICATORS	DESCRIPTION / UNITS	2000 (RSDP-II) Start ref. - Actual	2003 MTR Actual/ est.	2007 (target)	COMMENTS
EU-intervention Results (cont'd):						
3. improved ERA-capacity to manage RSDP	- number of ERA-staff trained;	[No] of MSc. Completed	1	8		<i>In the original indicators. Progress evident</i>
		[No] of staff with CB short-term training				
	better design quality;	financial resources [€/km]	1,000	5,000		Not specified in the original indicators. Progress evident – results expected
	reduction of delays in project implementation	EDF physical/output/contract [km/month]	2.8	2.8		Not specified in the original indicators. No specific target set. Increased financial output with same physical due to changes in design
4. new transport legislation promulgated and enforced	- enhanced capacity to enforce regulation; % reduction of accidents	EDF financial output/contract (excluding advances) [av. M€/month]	0.5	0.8		
		capacity to enforce	N/A	N/A	N/A	<i>In the original indicator. See qualitative assessment in the main text.</i>
		fatalities/total accidents	23%	20% (2002)		No specific target set in the original indicators. Needs attention
		accidents / 1000 vehicle-km.	1.45	1.90 (2002)		No specific target set in the original indicators. Needs attention as progress not secured

Food Security and Rural Development

OBJECTIVES	PERFORMANCE INDICATORS	RESULTS
General: Poverty Reduction	See PRSP	
Specific: Increase food security	Physical indicators of permanent and temporary hunger and malnutrition are improved. Number of people in need of food aid decreased.	Despite a significant improvement in agricultural production after the 2002/2003 drought (estimated 50-60% output increase for cereals), vulnerable people in need of food aid still number more than 7 million. Expectations are that, under the present circumstances, recurrent crises will increase the caseload of people chronically dependent on food aid. While transitory malnutrition has stabilized, levels of stunting have not shown any improvement
Result: Increased supply		
<i>Activity:</i> Increased internal farm gate prices by linking internal prices to IPP	Prices on rural markets Development of commercial imports is an evidence that domestic prices > IPP, in some areas	Cereal and livestock prices have stabilized in 2004 after a steep fall in terms of trade in 2003. Despite good production, the expected fall in cereal prices has not materialized so far in 2004. The fall in coffee prices was compensated by increased export volumes thus protecting BoP. No sign of commercial imports developing for cereals.
<i>Activity:</i> Improved market efficiency, roads, storage facilities, improved competitiveness in internal trade and competitiveness in transport sector	Existence of efficient market information system Number of markets, of rural road rehabilitated and of storage facilities for rent increased Number of effective private operators is increased	Market information system as yet undeveloped. Number of private warehouses likely to increase with implementation of pilot warehouse receipts programme from December 2003. Number of private cereal traders and their capacity have increased, mostly due to the cereal local purchase operations financed by donors (for relief food aid)
<i>Activity:</i> Increased land productivity through land tenure security, access to inputs and improved agricultural practices	Strengthening the land tenure leasehold system Crop assessment Availability of inputs is increased Access to rural finance/micro credit is improved Number of input distributors and retailers goes up	Regional legislation on land tenure has been approved in 4 regions (T,A,O,S) but has yet to be implemented. Land productivity has decreased because of the drought but shows a stagnant trend over longer period as gains in productivity in some areas offset by expansion of production into marginal land. Use of inputs has improved compared to the sharp fall in 2002 but is still below the last 5 year average. Only 40% of approved loans were disbursed, a factor likely to lead to a reduction in smallholder credit made available by NBE. No change so far in the input supplier situation.
Result: Increased effective demand		
<i>Activity:</i> Increased non agricultural income	No of persons migrating/region Increase of non-farm income as % of GDP Secondary cities developed, education indicators	Resettlement programme has moved around 300,000 people in 2003 and 2004 but to other rural areas rather than urban areas. No information on development of secondary cities. For education indicators please refer to Macro-economic table.
<i>Activity:</i> Income support to vulnerable groups is provided in cash not food	% of disabled, chronically food insecure	No change in provision of income support to vulnerable populations. Safety Nets programme being designed and should start implementation by 2005.
<i>Activity:</i> Increased non-cereal agricultural income, exports are diversified, export performance for coffee, livestock is enhanced	Research and extension includes livestock and cash crops (coffee, potato, horticulture) Balance of payments	See above coffee
Result: Improved crisis management		
<i>Activity:</i> Enhanced crisis prevention capacity	Effective emergency response Effective early warning system Improved targeting	DPPC has improved its early warning system and alerted donors to incoming crisis early (July 2002). National targeting guidelines have been developed and piloted in some woredas. Larger scale training of officials is ongoing
<i>Activity:</i> Support to relief-rehabilitation is provided	Cash for work in 50% of all EGS EGS are better planned and programmed	Cash for work has not been expanded and EGS has shown severe limitations. Implementation capacity still limited to allow 80% of food aid to be distributed through EGS. Safety Nets should replace EGS by 2007 with more predictable and multi-annual resources.

Macro Economic Support

TARGETS/OBJECTIVES/RESULTS	PERFORMANCE INDICATORS	Results
Medium-term targets (PRGF/I-PRSP): <ul style="list-style-type: none"> - Average annual GDP growth (at constant prices) of 7% in period 2001-2003 - To achieve further macro-economic stabilization - To substantially reduce defense spending and to give priority to poverty related expenditures in planning and budgeting; - To improve public finance management in view of expected additional external resources (HIPC, PRSP, Budget support) 	<ul style="list-style-type: none"> - average income per head increased to 150 USD by 2003 - reduction of BOP-deficit to 128 million USD and of budget deficit to 6.2% of GDP (including grants) by 2003 - by 2003 increased shares in public expenditure for poverty reduction to: education (14.5%), health (7%), agriculture (10%) and roads (10%) 	<p>Recent economic developments were adversely affected by a severe drought. Preliminary data indicate that mainly as a result of a 25 percent drop in agricultural production, real GDP for 2003 was minus 3.8%</p> <p>The BOP deficit per ultimo 2003 was minus 310 million USD (current account balance). The budget deficit for EFY 1995 (ending July 2003) was 9.1 % of GDP.</p> <p>Social expenditures rose to 47 % of total budget spending. The breakdown over the sectors is: education 17.2%, health 4.6%, agriculture and natural resources 13.1 % and roads 14% (percentage of total spending).</p>
EC-intervention objectives: <ul style="list-style-type: none"> - Macro-economic and fiscal stabilisation - Increase of poverty reduction related expenditures - Increased over-all and gender-balanced education enrolment rates - Higher share of private sector actors in overall economic activity - Enhanced negotiation capacity related to trade/economic integration - Improved systems of public finance management 	<ul style="list-style-type: none"> - PRSP-targets - gross enrolment ratio in primary education of 50% by 2002 and 65% by 2005; ratio of girls to boy students of 47% in 2005 at primary level - % target - number of trade meetings in which Ethiopia plays active role - % of aid disbursed in form of direct budget support - backlog (months) of financial reports 	<p>The macro targets foresaw a 6.5% growth of GDP and low inflation. Inflation for 2003 was around 15%.</p> <p>GER has now reached 64.4% and is likely to exceed 65% by 2005. The gender gap is increasing, but special programmes are being designed to address this gap.</p> <p>The indicator for share of private sector actors was not specified. In general it can be observed that government is encouraging private sector participation by a number of supporting measures and relaxation of procedures. With regard to negotiation capacity for trade integration, a Diagnostic Trade Integration Study was carried out in 2003. An institutional support programme will be prepared to enhance the negotiation capacity.</p> <p>In 2003 the Commission prepared PRBS-II. The finalisation was delayed by the late approval of the indicator matrix. The backlog of financial reports was significantly reduced. In most cases to four months.</p>
Expected Results: <ul style="list-style-type: none"> - Substantial reduction of BOP and budget deficits - Attainment of (i)PRSP/ESDP targets for poverty reduction in education - Strengthened capacity of entrepreneurs and intermediary organisations - Satisfactory outcome of REPA negotiations and regional programming - Higher volume of Ethiopian exports towards EU market - Timely achievement of annual planning/budget cycles - Improved accounting, reporting & auditing standards 	Result indicators: <ul style="list-style-type: none"> - acceptable level - see PRSP - number of entrepreneurs/staff trained; employment created - REPA agreement/ RSS - level to be identified - respect of calendar - timely publication and frequency of reports 	<p>See above</p> <p>See above</p> <p>In 2003 the Micro and Small Enterprise Development Programme (€ 7 million) was implemented, supporting intermediary organizations and individual entrepreneurs. EPA negotiations are slowly starting to take place. Preparatory studies have been carried out.</p> <p>As reported in the Country Financial Accountability Assessment, the planning cycle is improving. There remain however a number of issues to be improved. A new Chart of Accounts has been approved and is being rolled out in the country.</p>

Non-focal Sector

TARGETS/OBJECTIVES/RESULTS	PERFORMANCE INDICATORS ¹	Results
Long-term targets: 1. More effective, accountable and service oriented civil service at federal and decentralized levels. 2. Improved and more widely spread application of the rule of law and Constitutional provisions. 3. More pronounced role of civil society in appropriate areas of Governance.	- No. of high level civil servants trained in management skills Service Delivery Policy implemented -No. of trained legal professionals increased -Backlog of court cases reduced <i>-Pre-trial detention periods reduced</i> -No. of operational Human Rights and Legal Advocacy Organisations -Outreach of private media -Membership of independent trade unions	- Civil service reform ongoing. Full-scale training program funded mainly by World Bank still under preparation. - Comprehensive justice sector reform program is underway. <i>- Civil Society / NSA role still limited to service delivery. No real substantial change regarding NSA advocacy capacity.</i> - No substantial changes regarding outreach of private media. No private radio/TV yet operational - no substantial changes
EC-intervention objectives: 1. To improve the effectiveness of the civil service at federal and decentralised levels. 2. To expand and upgrade the quality of the court system in Ethiopia. 3. To enhance the capacity of civil society to play an active role in selected governance areas in Ethiopia	Timeliness and quality of financial and progress reporting in Sector Development Programmes -No. of qualified staff operating in the various courts. -Increased speed of handling court cases. -Increased level of Civil Society involvement in advocacy for and enforcement of human rights, democracy and conflict prevention	- Civil Service Reform ongoing. CSR is also a declared priority of the GoE - There are efforts to address this problem, but the comprehensive justice sector reform is underway. GoE is using increasingly public consultations/debates as an input in the preparation of important decisions and laws. There is however no systematic involvement of NSA/CSO in this process yet
Expected Results: 1. Enhanced capacity of selected civil service organs to effectively perform assigned tasks. 2. Improved capacities for civil service management. 3. Increased number of qualified legal practitioners in the Ethiopian court system. 4. Improved system of court administration and management. 5. Enhanced capacity of civil society in advocacy, negotiations and implementation of Governance activities.	Result indicators: <i>- Reduced number of vacancies in managerial and implementation positions in key sectors</i> <i>- Improved availability and use of supportive equipment</i> - No. of appropriately trained managers in the civil service -No. of qualified lawyers working in the court system. -Information system in place that can track all pending court cases and files. -No. of successful activities in Governance by Civil Society	- See above - Capacity of the Civil Service College has been increased - See above - See above - See above

¹ In the area of Capacity Building for Governance most performance indicators presented are of a quantitative nature, but lack baseline yardsticks and specific target levels. Progress will therefore have to be measured in terms of general directions. Moreover, much of the long-term development targets are qualitative in nature, which also requires qualitative assessments along with an assessment of quantitative performance progress. Furthermore, one should note that Government policy in this area needs further development and that specific EC interventions will be formulated at a later stage, which may both lead to a redefinition of performance indicators.

ANNEX 8 IMPLEMENTATION SCHEDULE

Implementation Schedule for 2004-2006 (only new commitments)

SECTORS/TITLES	M €	Identification date	Appraisal date	FP ready	Commit-ment	Remarks
Transport						
1. Addis-Jima	PM	PM	PM	PM	PM	* Dependent on possible conversion of programme to a sectoral budget support programme
2. Harrar-Ijiga *	35	May 2004	Dec 2004	May 2005	Nov 2005	
3. Mieso-Dire Dawa study	2.0	May 2002	July 2002	Sep 2002	Apr 2004	
4. ERA capacity building *	6.0	Apr 2005	May 2005	June 2005	Dec 2005	
5. Transport policy support	2.0	Dec 2004	Feb 2005	Mar 2005	July 2005	
6. Road Sector Program Support (SPSP)*	50.0-100.0	Mar 2005	Apr 2005	June 2005	Dec 2005	
Macro-economic support & economic reform						
1. Budget support (PRBS-III)	80	March 2005	March 2005	Sept. 2005	Dec.2005	
2. Capacity building Trade ¹	11.6	June 2004	Sept. 2004	Dec. 2004	June 2005	
Food Security						
1. Safety Nets Programme	60	Febr. 2004	Oct. 2004	Dec. 2004	June 2005	
2. Food Aid	30			Jun 2004	Nov 2004	
Capacity building						
1. Civil Society Fund	10	May 2003	Sept 2003	March 2004	Nov 2004	
2. Legal/judiciary reform	6	Jan 2005	Mar 2005	July 2005	Dec 2005	
3. Police Cooperation	5	June 2003	Sept 2003	Dec 2004	April 2005	
4. Leadership Programme	2	June 2003	Sept 2003	Jan 2005	May 2005	
5. TCF	5	Dec 2003	Mar 2004	June 2004	Sept 2004	
TOTAL COMMITMENT 2004-2006	334					

¹ Split into 5 million for Trade Capacity Building and 6.6 million for support to ...

ANNEX 9 Total allocation after MTR

NIP: Ethiopia project commitments and pipeline as per December 2004

Version of 14 Dec 2004

Projects by focal sector	2003	2004	2005	2006	Total	Status December 2004
I. Infrastructure:						
* Allocation after MTR: 171,0						
Kombolcha-Mille	30.0					FA signed in 2002. Negotiation with contractor should be completed during the first quarter of 2005.
CDE Minimum rail safety works		10.0				FA signed in January 2004
Mieso Dire-Dawa Study		2.0				FA signed in June 2004
Addis-Mojo-Awassa additional costs				10.0		Depending on Dispute Resolution Study. Results of study expected in May 2005.
Addis-Jimma additional costs				15.0		Depending on Dispute Resolution Study. Results of study expected in May 2005.
Kombolcha-Mille additional costs			11.0			Depending on negotiation with successful tenderer. Results expected in April 2005.
ERA Capacity Building			6.0			Depending on study for Sectoral Budget Support Programme. Results study expected May 2005. To be included in the SPSP.
National Transport Masterplan Study			2.0			Decision on FP March 2005.
Harar-Jijiga*				35.0		Depending on study for Sectoral Budget Support Programme, could be financed through SPSP.
Infrastructure Sector Budget Support			50.0			Depending on study for Sectoral Budget Support Programme. Results study expected May 2005.
Total projects foreseen Infrastructure	30.0	12.0	69.0	60.0	171.0	
II. Macro economic support						
* Allocation after MTR: 186.6						
PRBS-II		95.0				FA signed June 2004
Trade Capacity Building			5.0			Decision on FP expected May 2005.
PRBS-III				84.6		Identification mission foreseen for March 2005. Total amount could be increased to Euro 100 mio.
Monitoring and Evaluation			2.0			Contribution Agreement with the UNDP (May 2005)
Total projects foreseen Macro economic support	0.0	95.0	7.0	84.6	186.6	
Rider PRBS-II (B-envelope)			18.0			Rider to be approved April 2005.

Projects by focal sector	2003	2004	2005	2006	Total	Status December 2004
III. Rural Development/Food Security						
* Allocation after MTR:	60,0					
Food Security/Safety Nets			60.0			Decision on FP expected May 2005.
Pastoralist livestock development			15.0			It is the Government's position to utilize the fund for Education through SPSP.
Total projects foreseen RD/FS	0.0	0.0	75.0	0.0	75.0	
IV. Non Focal						
* Allocation after MTR:	28.4					
Civil Society Fund			10.0			FA to be signed February 2005.
Police Cooperation			5.0			FP to be finalised in January 2005. Decision could be expected in June 2005.
Leadership and legal sector support			8.0			Contribution Agreement to be prepared for an earmarked contribution for PSCAP.
TCF		5.4				FA signed May 2004
Support to the NAO Office			2.0			FP to be prepared after the TA mission in January 2005.
Education Sector Budget Support			20.0			FP to be prepared by TA in March 2005.
Total projects foreseen Non Focal Sector	0.0	5.4	45.0	0.0	50.4	
Total allocation after MTR:	446,0**				446.0	
Total already committed:	30.0	112.4			142.4	
Total to be committed:			196.0	144.6	340.6	
Total already committed and to be committed:					483.0	
Difference MTR allocation and total costs foreseen to be covered from decommitments in 2004/2005					37.0	

= already committed

* Might be included in the Infrastructure Sector Budget Support Programme

** The Total of available funds is subject to off-setting procedures for recovery of unjustified balances.

ANNEX 10 DONOR MAPPING

Donor Matrix 2004 - 2006

Donor	Economic Reform & Public Finance Management	Trade & Regional Integration	Private Sector Development	Civil Service Reform	Decentralization	Food Security & Agriculture	Roads & Transport	Energy	Telecommunication	Water Supply & Sanitation	Education	Health	HIV/AIDS	Population & Gender	Democratization/ Human Rights	Legal Reform	Environment
IMF	PT		BP	BP	BP												
WB	BPT		PT	PT	IPT	IPT	IPT	IPT	P	IPT	IPT	IPT	IPT	IPT	IT	IPT	PT
ADB	BTPE		IT			ITP	IT	IT		IT	IT	IT	TP	TP	TP	TP	TP
UNDAF	PT	PT	PT	PT	PI	TPE			T	PT	PT	PT	PT	PT	PT	PT	PT
EU	IPT	PT	ITP	IPT		IPTE	IPT	I		ITE	BIPT	E			ITP	IT	
France						I	IT			I	IT	I				ITP	
AFD						IT				IT							
UK						B				B	B	BT					
USA	ITP	P	T	ITP	P	IPTE				IPTE	ITP	ITP	ITP	ITP	ITP	ITP	ITP
Austria						IT		IT				IT		IT	IT		
Spain						E				I	T	IT			TP		
Japan						ITP	ITP	I	ITP	ITP	IT	IT	ITP	I			
Belgium						ITPE				IE	IB	BI	IT	PT	IPT		I
Netherlands			I			ITPE				I	IBTP	IBTP	IPT	PT	IPT	IPT	IPT
Canada				IP		ITP				ITP				T	T	TP	
Sweden			T	IP	IBT	BTE	IT			ITP	BT	IBT	IT	IT	IT	IT	IT
Norway			I	IB				IT		ITP	IT				IPT	IT	
Finland						ITP				ITP	IT		T		IT		TP
Germany			ITP	ITP	ITP	ITP	ITP	ITP		ITP	ITP	ITP	ITP	IP	ITP		T
Italy		IPT	IT			IT	I	IPT		I	IT	IT	T	IT	T		IPT
Ireland				IPT	IPT	IPT	IPT			I	IPT	IPT	I		IP		
Switzerland			TP			E				E							

Explanation:

Concentration Sector (=more than 10% of total country envelope)

<i>I</i>	=	Investment Projects
<i>B</i>	=	Budgetary Support
<i>T</i>	=	Training & Other Capacity Building
<i>P</i>	=	Policy Advise
<i>E</i>	=	Emergency Relief
<i>*</i>	=	Support Instruments to be decided



EUROPEAN UNION

DELEGATION OF THE EUROPEAN
COMMISSION TO ETHIOPIA

Dev/C - 20.5.05
- 1/4221

The Head of Delegation

Addis Ababa, 12 May 2005

Ref.: 695/05-MH

File: JAR 2003 Ethiopia

Note to the Director of DEV/C, Mr Anders Henriksson

Subject: Joint Annual Report for Ethiopia 2003

Ref.: Final submission of JAR 2003

Please find attached the signed version of the JAR 2003. Please note that the Delegation submitted, on 11 March 2004, the draft JAR 2003 and the cover note. The actual finalisation of the JAR was however delayed because of the Mid-Term Review which took place in December 2004. However, due to the fact that the report was already very late the finalisation of the JAR was not given a high priority by the authorities.

The draft JAR 2004 has already been submitted in April 2004. We trust that we will be able to finalise this JAR within the given deadlines.

Yours sincerely,

Tim CLARKE
Head of Delegation



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የፕፕዘብና የኢኮኖሚ ልማት ሚኒስቴር

The Federal Democratic Republic of Ethiopia
Ministry of Finance and Economic Development

ቁጥር ML-9/3.0/969/05
Ref.No

ቀን
Date 24 MAR 2005

**Delegation of the European Commission
to Ethiopia
Addis Ababa**

Subject: Joint Annual Report 2003 Ethiopia

As per the Cotonou agreement Article 5 No.1 (a) and No. 5, we had been preparing the Joint Annual Report 2003 Ethiopia in close cooperation with your good office. In addition to fully involving in the preparation exercise, we were able to clarify our queries and incorporate our suggestions during the series of discussions held between both sides. Hence, we would like to use this opportunity to thank your good office for supporting fruitful discussion during the finalization of the document.

We hereby enclose the final Joint Annual Report, which is duly signed by our office.

Sincerely,

Fisseha Abera
Head, Multilateral Cooperation
Department

