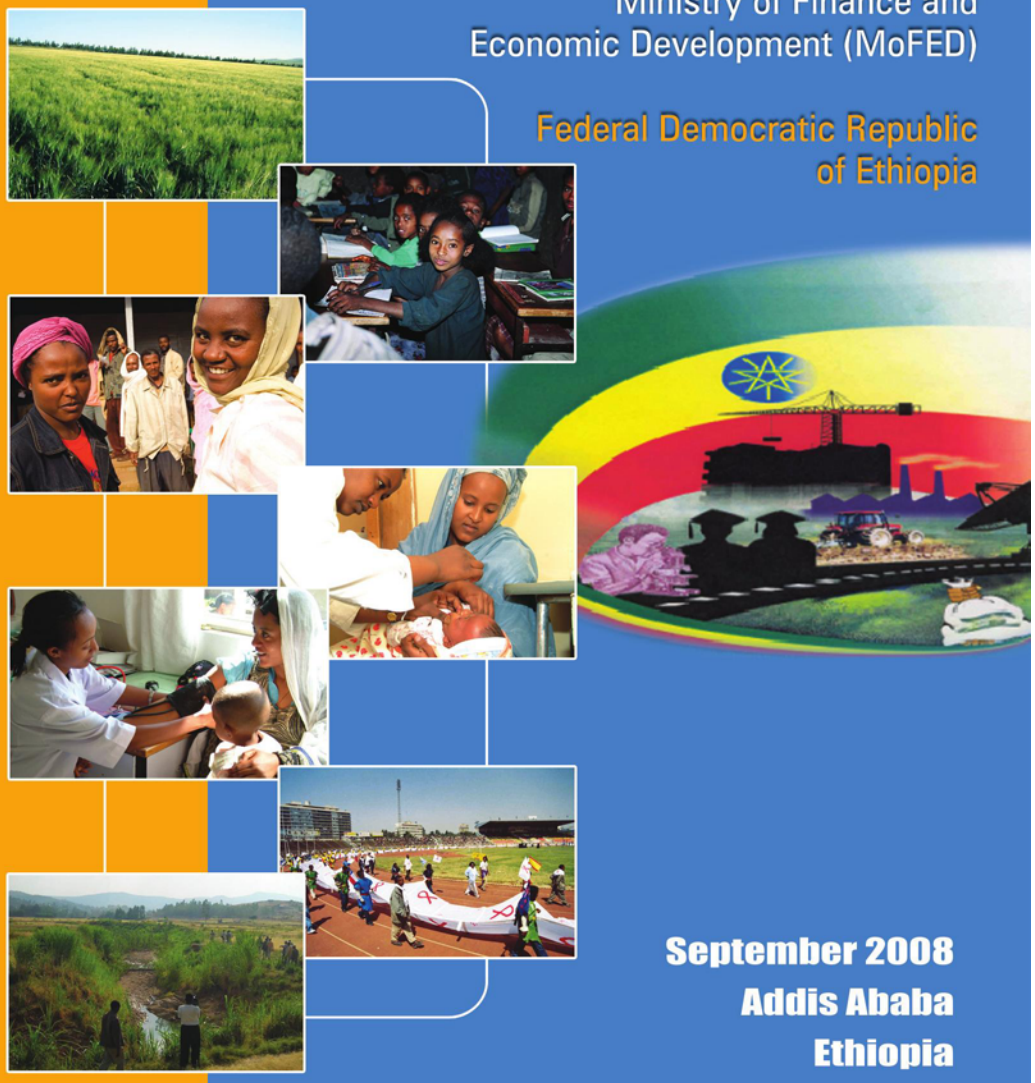
# Ethiopia: Progress Towards Achieving the Millennium Development Goals: Successes, Challenges and Prospects

Ministry of Finance and Economic Development (MoFED)

Federal Democratic Republic of Ethiopia



September 2008
Addis Ababa
Ethiopia

# The Vision of Ethiopia

***"To see Ethiopia become a country where democratic rule, good-governance and social justice reigns, upon the involvement and free will of its peoples; and once extricating itself from poverty becomes a middle-income economy."***

The Recently Inaugurated new Abay (Nile) Bridge: The Renaissance Bridge

# Millennium Development Goals

Goal 1 – Eradicate Extreme Poverty and Hunger


Goal 2 – Achieve Universal Primary Education


Goal 3 – Promote Gender Equality and Empower Women


Goal 4 – Reduce Child Mortality


Goal 5– Improve Maternal Health


Goal 6 – Combat HIV/AIDS, Malaria, and Other Diseases


Goal 7 – Ensure Environmental Sustainability


Goal 8 – Develop a Global Partnership for Development

## Acknowledgment

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## Acronyms

| | |
|---|---|
| ABE | Alternative Basic education |
| ADLI | Agriculture Development Led Industrialization |
| AfDB | African Development Bank |
| AIDS | Acquired Immune Deficiency Syndrome |
| APR | Annual Progress Report |
| ART | Anti Retroviral Treatment |
| AU | African Union |
| CSA | Central Statistical Agency |
| DAG | Development Assistance Group |
| DHS | Demographic and Health Survey |
| DPRD | Development Planning and Research Department |
| ESDP | Education Sector Development Program |
| FGM | Female Genital Mutilation |
| GDP | Gross Domestic Product |
| GoE | Government of Ethiopia |
| HEP | Health Extension Program |
| HICES | Household Income Consumption Expenditure Survey |
| HIV | Human Immunodeficiency Virus |
| HoPR | House of People's Representatives |
| ICT | Information Communication Technology |
| IDGs | International Development Goals |
| IMF | International Monetary Fund |
| Km | Kilo meter |
| MDGs | Millennium Development Goals |
| MoE | Ministry of Education |
| MoFED | Ministry of Finance and Economic Development |
| MoH | Ministry of Health |

| | |
|---|---|
| ODA | Official Development Assistance |
| P.a. | Per Annum |
| PASDEP | Plan for Accelerated and Sustained Development to End Poverty |
| PBS | Protection of Basic Services |
| PLWHA | People Living With HIV AIDS |
| PRSP | Poverty Reduction Strategy Program |
| SDPRP | Sustainable Development and Poverty Reduction Program |
| TB | Tuberculosis |
| UEAP | Universal Electrification Access Program |
| UNDP | United Nations Development Programme |
| UNECA | United Nations Economic Commission for Africa |
| UNFPA | United Nations Fund for Population Activities |
| WB | World Bank |
| WDI | World Development Indicators |
| WMS | Welfare Monitoring Survey |

## *Purpose of the Report*

*The purpose of this Report is to describe the progress Ethiopia has made towards achieving the Millennium Development Goals. It highlights how very far Ethiopia has come relative to the difficult conditions that prevailed at the beginning of the period, as well as assessing how far there still is to go. It describes the policies, programs, and reforms that have been introduced to get there – including examples of several national success stories. It also describes the unique way in which Ethiopia has internalized the MDGs as a core element of national development strategy, with a broad strategic focus on poverty alleviation through diversified, pro-poor growth; as well as the innovative mechanisms adopted in Ethiopia for linking aid management, Government's development program, and attainment of the MDGs in a single unified framework. The report lays out the challenges remaining, and the specific development results that Ethiopia can, and needs, to achieve in the coming years in order to reach the MDGs; along with the required policy actions and associated financing needs. Finally, and above all, it confirms the Government and people of Ethiopia's commitment to meeting or surpassing the MDGs by 2015.*



## I. Introduction and Background

Ethiopia has made tremendous progress towards achieving the Millennium Development Goals (MDGs). Reaching *at least* the MDGs has been adopted by the Government of Ethiopia as a central objective of national development strategy. The programs already implemented as part of this strategy – described below - have resulted in rapid progress in the areas of poverty reduction, education, health care, gender equality, the environment, and food security.

Besides, there are a number of programs and policy reforms currently in place, or in the pipeline, that serves as a basis for an acceleration of progress towards the MDGs. On the basis of current trends, the Government has every confidence that most of the Goals will be achieved by 2015. Nonetheless there remain challenges – related to the fragility of the external environment and financing requirements, and, not least, the very difficult position from which Ethiopia initially started.

**Background:** Ethiopia's human development conditions have started from a very low base. By the early 1990s indicators of poverty, malnutrition, and basic health were among the worst in the world, with widespread hunger and food insecurity, a literacy rate of only 26%, an infant mortality rate of 123 per 1,000, and less than a third of children going to school to mention a few. Against this background, the progress Ethiopia has made has been truly astounding.

## II. Locating the MDGs within Ethiopia's National Development Policy Framework

In response to the conditions confronting Ethiopia, since the mid-1990s the Government has made addressing human development needs and reducing poverty the core of its development strategy. Ethiopia's strategy is predicated on achieving poverty reduction through accelerated growth, while at the same time building the human and institutional capacity the country will need for the longer term and – above all – improving the basic conditions under which the majority of Ethiopians live.



This strategy is laid out in the ***Plan for Accelerated and Sustained Development to End Poverty (PASDEP)*** – Ethiopia's comprehensive policy and program framework spanning the period 2005/06-2009/10. The poverty reduction effort of the Government has taken a longer-term view, with the MDGs placed in perspective, and the PASDEP conceived as a medium-term plan to attain at least the MDGs. The ultimate goal of the PASDEP is to ensure human development among the poor generally, and among women in particular; and in broad economic terms, move Ethiopia along the path to becoming a middle-income country in about 20 years time.

Through the PASDEP, and its precursor the Sustainable Development and Poverty Reduction Program (SDPRP)[1] ,the Government has embarked upon an aggressive program to accelerate progress as quickly as possible, including a big push on education to create human capacity, expanding infrastructure to enhance the competitive advantage of the economy, building institutions, decentralizing government, and mobilizing the power of grass root communities including civil society. This has been accompanied since the mid-1990s by a massive re-orientation of public spending to pro-poor investments, and the launch of nationwide sector development programs to improve health care, education, and food security.

Achieving and sustaining broad-based growth through transforming the agricultural

[1] **The SDPRP, spanning the period 2002/03-2004/05 issued in August 2002**

sector and encouraging private institutions founded on small and medium enterprise development and job creation is considered central to the Government's poverty eradication effort. The efforts include diversification of the economy, and development of a vibrant private sector, as well as a concentration on the types of growth - small-scale agriculture that most benefit the poor. These efforts have already started to bear fruit, as indicated by recent economic growth of over 11% p.a. – well above the level estimated by the United Nations needed by countries to achieve the MDGs[2] and by the measured reductions in poverty levels described under Goal 1 below.

***Placing the MDGs in to the National Context:*** Ethiopia was among the first countries in Africa to embrace the MDGs and put them in to the national context following the issuance of Ethiopia's first generation Poverty Reduction Strategy Program (PRSP) - SDPRP. In the context of Ethiopia, medium-term programs such as the then SDPRP and now PASDEP serves as vehicles towards reaching the MDGs. Having made an early commitment to the MDGs, the Government launched a major exercise in 2004, in collaboration with the United Nations, the World Bank and other donors, to cost the MDGs and determine what was needed to achieve them, culminating in the "Millennium Development Goals Needs Assessment Study" issued in 2005.



The Needs Assessment quantified the financing gap confronting Ethiopia and laid the basis for a major effort to mobilize the massive additional external financing needed if Ethiopia is to achieve the MDGs. The PASDEP was designed to be implemented on the basis of these indicated aid flows. This was accompanied by a strengthened structure for international cooperation to achieve the MDGs, described under the discussion of Goal 8. Nonetheless, the amounts forthcoming have been less than those that were anticipated, and this, together with the difficult global economic climate, present one of the most significant challenges facing Ethiopia in sustaining its progress towards the MDGs.

[2] **The rate of growth of 7% p.a. was estimated as an average at the global level to achieve the MDGs, both by raising incomes and generating the surpluses needed to finance human development programs. It was also the level explicitly estimated to be needed for Ethiopia, in the 2005 MDG Needs Assessment Study.**

Despite the shortfall in financing, tremendous progress has been made: for example primary school enrollment has risen to over 91%; there has been a sustained decline in child malnutrition; infant mortality has fallen from 123 in the early 1990s to 77 by the end of 2005; while the proportion of the population with access to clean water has more than doubled (from 19% in the 1990s to 52.4% by the end of 2006/07). Nonetheless inevitably challenges remain. These are described in the discussion of the individual goals, and the conclusions section, but first and foremost – beyond sustaining the institutional efforts made to date – they include the need for more financing, and the risks posed by an unpredictable global economic environment.

The base that has been laid over the past decade has yielded tremendous results; but equally importantly it has now set the stage for a more rapid take-off in both human and economic development. This base includes the expansion of infrastructure – earlier investment in roads, power supply and telecommunication, which have laid the basis not just for new economic activity, but also for better access to social services; the massive investment in all levels of education and training, which have now created a generation of Ethiopians equipped for both higher productivity and to provide effective public services; opening up of the economy, and financial sector and regulatory reforms, which have laid the basis for expansion of business activity and increased employment; the institutional capacity-building and reform programs that have laid the basis for service delivery efficiency gains; a wide-ranging set of agricultural and food security reforms that have created a basis for better incomes for small farmers, household food security, and better nutrition; and, finally, economic management reforms that have increased the capacity for sustainable financing of pro-poor investments.



The following section describe the current progress made towards each goal, the prospects and the challenges remaining. The final section provides an overview of all of the goals, an assessment of the probability of meeting them under current conditions, and a summary of what is needed of the government and the international community if they are to be met.

## III. Goal-by-Goal Assessment of Progress towards the MDGs in Ethiopia

At the root of poverty in Ethiopia is extremely low level of overall incomes. The distribution of income is fairly even, so reducing absolute poverty depends mainly on accelerating overall economic growth. Progress has been impressive, with two remarkable developments in recent years: firstly the economy has shifted to a substantially higher growth path than in the past, and secondly, the sources of growth have diversified beyond the traditional agricultural and export sectors – meaning that the growth is more resilient, and its impacts more widespread.

Macroeconomic performance has been characterized by strong growth in agriculture - which remains the largest single contributor to incomes and employment - including the expansion of new commercial and export crops; but complemented by impressive increases in industry, services and construction. The Ethiopian economy has registered an annual average real GDP growth rate of 11.8 % during the last four years ending in 2006/07 (See Table 3.1 below). According to the May 2008 International Monetary Fund (IMF) Article

IV consultation staff Report, Ethiopia has had the fastest growing non-oil and mineral economies in Sub-Saharan Africa. This is well above the level of 7% p.a. originally estimated to have been needed to reach to goal of halving the proportion of the population living below the poverty line. Equally importantly, the nature of this growth has changed, shifting to a more pro-poor trajectory. According to the analysis based on the latest (2004/05) Household Income Consumption Expenditure Survey (HICES), the estimated growth elasticity of poverty has risen from –1.3 in 2000 to –1.7 in 2005, meaning that each unit of growth is having a greater impact in terms of reducing the rate of poverty in 2005 than in the early 2000.At the same time, the same study showed that inequality as measured by the Gini coefficient has increased, particularly in urban areas, from 0.34 in 1999/2000 to 0.44 in 2004/05. The inequality elasticity of poverty stood at 1.8 in 2004/05.Overall, growth has become more pro-poor than it used to be in the 1990s and early 2000.

**Table 3.1: Annual Percentage change in Gross Domestic Product (GDP) by Economic Activity at 1999/2000 constant Basic Prices, (2002/03- 2006/07)**

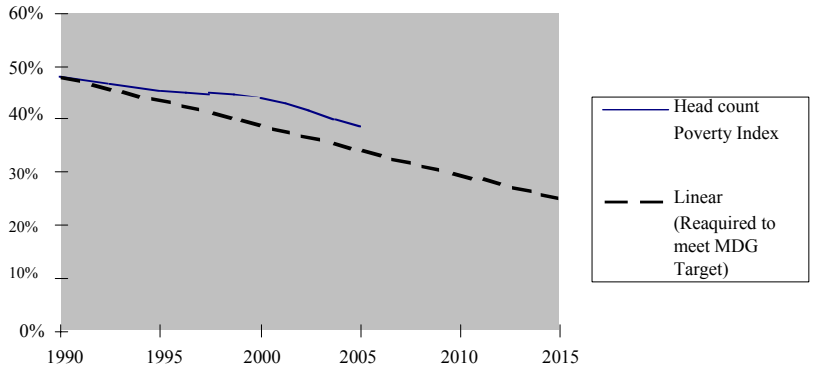


| Item | Annual Percentage Change | | | | |
|---|---|---|---|---|---|
| | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 |
| Agriculture and Allied activities | -10.5 | 16.9 | 13.5 | 10.9 | 9.4 |
| Industry | 6.5 | 11.7 | 9.4 | 10.2 | 11.0 |
| O/w: Manufacturing | 0.8 | 6.6 | 12.8 | 10.6 | 10.5 |
| O/w: Construction | 13.6 | 19.6 | 7.5 | 10.5 | 10.9 |
| **Services** | 6.0 | 6.2 | 12.8 | 13.4 | 13.5 |
| O/w: Distribution services | 5.5 | 6.4 | 14.7 | 14.2 | 15.7 |
| O/w: Other Services | 6.5 | 6.1 | 10.9 | 12.5 | 11.2 |
| Total GDP at 1999/2000 Constant basic prices : | -2.1 | 11.7 | 12.6 | 11.6 | 11.4 |
| O/w: Nonagricultural GDP | 6.0 | 7.5 | 11.8 | 12.2 | 13.2 |

*Source: - MoFED.*

Progress in raising the consumption of average Ethiopians has been correspondingly impressive, with an increase in average real per capita consumption, as measured in the latest HICES 2004/05, showed a 50% increase over its level based on the first ever HICES of national scope conducted in 1995/96. This has resulted in a decline in the proportion of the population living below the poverty line, from an estimated level of 48% in 1990/91 to an estimated level of 34.6% [3] in 2006/07 (Figure 3.1). Equally significantly, there has been a notable decline in rural poverty, and a decrease in the poverty gap index particularly in rural areas – signifying a decline in the depth of poverty.

**Figure 3.1: Proportion of People Below the Poverty Line**




*Source: WMS and HICES data 1995/96, 1999/2000, and 2004/05, and WDI (1990).*

The shift to a higher growth path is attributable to a combination of factors including: (i) the package of policies adopted by the Government as reflected in the PASDEP such as agricultural diversification and commercialization, diversification of the export base, intensification of non-agricultural production in services and industry; and, capacity-building; (ii) the past decade of sustained sound macroeconomic management; (iii) the effects of a return to stability after a long unsettled period during the 1980s and early 1990s; and, (iv) the pay-off from earlier investments made in education and infrastructure.

Pursuing broad-based growth is at the center of Ethiopia's poverty eradication agenda, focusing on agriculture and rural development. Sustaining the hitherto achieved growth, among others is, therefore, central to achieving Ethiopia's development objectives. The on-going investment expansion in growth enhancing sectors: Roads, Telecommunication including Information Communication Technology (ICT), Power Sector Development

[3] **Projection based on past trends in the poverty head count index.**

including Universal Electricity Access Program (UEAP) and Irrigation development is meant to sustain the recent growth momentum in the coming years.

According to the latest (2006/07) Annual Progress Report (APR) on PASDEP implementation, road density has increased from 29km per 1,000 $Km^2$ in 2000/01 to 38.6 km per 1,000 $Km^2$ in 2006/07. As a result, the average time taken to reach to all weather roads has also been reduced to 4.5 hours in 2006/07 from about 7 hours in early 2000. With regard to telecommunication expansion and ICT, proportion of the population with access to telecommunication center/services (within 5 km radius) reached 49.3% by the end of 2006/07, the PASDEP target for 2009/10 being 100 %. The number of rural Kebeles with basic telecom service reached 7,389. The number of Woreda-Net, School-Net and Agri-Net sites has reached to 513, 175 and 29, respectively. The total number of public telephone stations also reached 936 by the end of 2006/07.

With regard to power expansion, some of the activities undertaken in line with the PASDEP include: construction of the on-going five main hydro electric power generation stations with a total capacity of about 3,000 MW, new power transmission lines and substations are being built and strengthening of old ones is being carried out. A study to develop the geothermal resource is also being carried out. Besides, through the UEAP, it was planned to connect 869 towns and villages located across the country and 758 of them were connected by the end of 2006/07. This brings the number of towns and villages with access to electricity to 1,620. Accordingly, total electricity coverage of the country has increased to 22%, the PASDEP target being to reach 50% of the population by the end of 2009/10.



With regard to irrigation, in all regions, by the end of 2006/07, feasibility study and design of 10 medium and large scale irrigation development projects (ongoing), which can develop up to 403,250 hectares of land, have been carried out. The PASDEP target to increase the proportion of the country's irrigable land (estimated at about 3.5 million hectare) from the base level of around 5% to 8% by the end of 2009/10. The utmost utilization of Ethiopia's water resources in all its forms is considered as a way out to address the vulnerability of the Ethiopian economy from drought shocks.

The shift to more pro-poor growth is supported by key elements in Ethiopia's current strategy, including: a continued emphasis on small-scale agricultural intensification, coupled with off-farm employment, especially through small and medium enterprise development; expansion of microfinance services which are important for improved

access to agricultural inputs for smallholder farmers, and self-employment for low-income urban dwellers; addressing rural-urban linkages, and a new emphasis on the employment-creation aspect of growth.

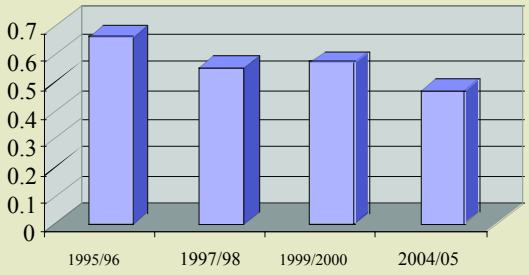
Ethiopia is addressing that aspect of Goal 1 related to reducing ***hunger and food poverty*** through a strategy called Agriculture Development-Led Industrialization (ADLI). Agriculture is the sector from which the bulk of the population derives most of their livelihoods, and it has a direct bearing on the availability of food. This has been supplemented by a national program of targeted interventions to reduce food insecurity. Tremendous progress has been made compared to the 1980s – reflected, above all, in the impressive decline in malnutrition. [See Box 3.1 below]

### *Box 3.1: Reducing Child Malnutrition – A National Success Story*

*Child malnutrition has fallen steadily during the past 10 Years. The four successive Welfare Monitoring Surveys have shown a consistent decline in child malnutrition over time, with a tremendous decline in stunting in both urban and rural areas. Stunting in urban areas fell from 58% in 1996 to 30% in 2004, and in rural areas from 67% to 48% during the same period.*



**Figure 3.2: Stunting - Proportion of Children Below Expected Height for Age**




*Source: WMS, CSA, 2004*

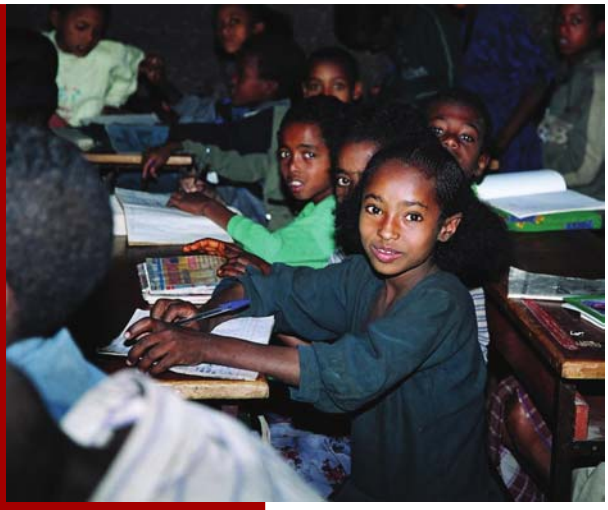
*The reasons for this are a combination of the robust economic growth, that has allowed increased food consumption; the strong emphasis on agricultural reforms which has resulted in more and better quality food production; better education (especially of mothers), and a health extension program that has emphasized nutrition education, combined with more diversified choices of foods.*

*All these impacts have been supplemented by a major National Food Security Program, designed to specifically cater the 5 million people who have been chronically food insecure, through a combination of targeted irrigation and agricultural input support, productive safety net programs, and help with relocation to more productive areas where necessary.*

***Prognosis and Challenges:*** Ethiopia is on track to meet Goal 1 of the MDGs. With continued investment as indicated in the PADEP program of growth, infrastructure, agriculture and food security, and with reasonable performance in terms of the external environment, Ethiopia will be able to meet the target of halving the proportion of the population living below the poverty line by 2015. Nonetheless, there remain substantial challenges: Ethiopia started from far behind other countries in terms of average incomes and nutritional status, so even reaching the target of halving poverty levels will still leave a very large number of people living in absolute poverty[4]. At the same time, Ethiopia is still exposed to external and internal shocks – including oil price increases, international economic disruptions, and unpredictable weather and rainfall. A conscious effort to reduce risk and vulnerability through programmatic interventions is central to managing those portions of the risks that are within Ethiopia's control. To do this, the Government has adopted a program of risk management, through economic diversification, water harvesting and basin management, and cautious macroeconomic stewardship.



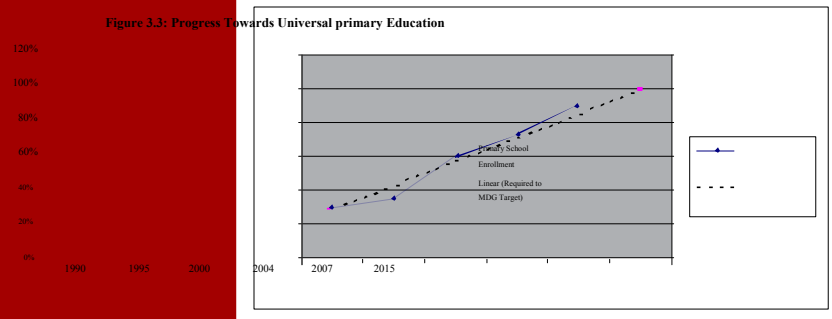
[4] **Estimated at about 19 million living in poverty by 2015.**



Ethiopia is well on track to meet Goal 2 of the MDGs. Primary school gross enrollment has risen from 32% in 1990/91 to over 91% by the end of 2006/07. The number of children in school has more than tripled from 3.8 million in 1995/96 to over 14 million in 2006/07; and more of them are completing school. At the same time, the gender parity has improved dramatically with a ratio of 0.93 in the lower primary cycle by the end of 2006/07, and many more of the poor are currently attending schools.



**Figure 3.3: Progress Towards Universal primary Education**




*Source: MoE annual statistical bulletins[6] .*

These impressive results have been achieved through a massive nationwide effort on education. The

[5] Note that, benefit-incidence data and results of household surveys both show that the proportion of poor Ethiopians going to primary school has been increasing.

[6] The graph shows gross primary enrollment. It is worth noting that the end-points for primary education were changed during the MDG period, and is now Grade 4 for lower primary and Grade 8 for upper primary – results for the lower primary cycle are reported for Ethiopia, as they are more comparable with other countries.

Government has made achieving universal primary education a central plank of public policy: public spending on education has increased by 170% in real terms in the decade between 1996/97 and 2006/07, successive five year nationwide Education Sector Development Programs (ESDPs) have been implemented (ESDP I & ESDP II had been already implemented while ESDP III is currently under implementation), with support from all donors, over 120,000 new teachers have been recruited, and over 9,000 new schools were opened[7].

Ethiopia realizes that increasing the coverage of education is only part of the battle, and the push to increase coverage has been accompanied in recent years by a national program to improve the quality of education delivered, to keep children in school and reduce drop-out rates, and to ensure the relevance of the curriculum. The fruits of this effort are beginning to show in increased completion rates – the other target under Goal 2 – and improved literacy (Table 3.2).

**Table 3.2: Selected Primary Education Achievements and Outcomes**

| Items | 1995/96 | 2000/01 | 2006/07 |
|---|---|---|---|
| No. of Students | 3.8 million. | 8.1 million. | 14 million |
| Completion Rate (%) | - | 42 | 65 |
| - o/w % of Female Students | 37 | 41 | 47 |
| Literacy Rate (%) | 26 (1996) | 29 (2000) | 38 (2004/05) |

*Sources: MoE administrative data; WMS (literacy); Completion rate and % of female students refer to the first cycle of primary education.*

***Prognosis and Challenges:*** Ethiopia is well on track to achieving the Goal of universal primary education by 2015. As Ethiopia – or any country- approaches the 100% enrollment level, it becomes harder to reach those who have been left behind –pastoral and semi-pastoral communities, those who live in remote areas, and the very poor. Ethiopia is addressing this by launching a program of special interventions under PASDEP, including development of informal education programs for out-of-school youth, mobile and community schools for pastoral areas, and a national program of Alternative Basic Education (ABE). At the same time, increasing the quality of education, and reducing drop-outs rates and repetition rates remain a challenge, and is being addressed through a combination of upgraded teacher training, better student-teacher ratios, and textbook and curriculum reform which are currently well underway.

[7] **Based on 10,752 grade 1-8 schools in 1997/98 and 19,412 in 2005/06.**

The Government of Ethiopia has undertaken major steps to improve the status of women, and to integrate them more fully into the development process. A massively scaled up effort is being undertaken as part of the PASDEP to release the untapped potential of Ethiopian women. Direct interventions include: (i) major efforts to get more girls into, and completing school, with a target of gender parity by the end of the 5-year period; (ii) major efforts to improve women's health, through an extensive program of female outreach health workers who will get down to the village and family level; and a nationwide Making Pregnancy Safe Program to ensure healthier pregnancies and the safer delivery of babies; (iii) liberating girls' and women's time from the unproductive hours spent fetching water, by making water supply available within 0.5 km. for 85% of the population by 2010; (iv) adapting economic programs to be more responsive to the women clients, including a wide range of programs designed to boost productivity; including agricultural extension, micro-credit, natural resource management, and small

business promotion; and, (v) continuing legislative and institutional reforms to protect the rights of and open opportunities for women, including implementing the National Plan of Action for Women.

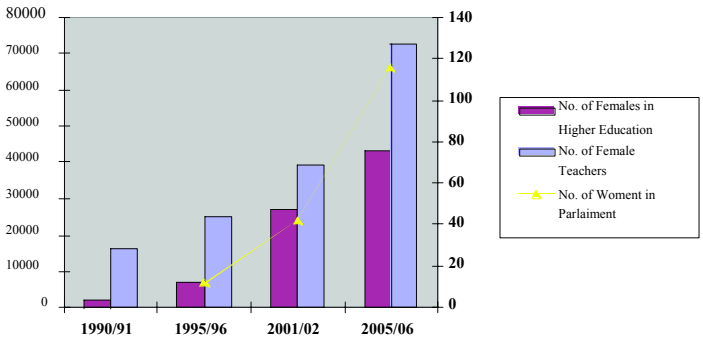
Safeguarding rights such as access to land, credit, and other productive resources are central to the strategy, as is protecting women from the multiple forms of other deprivations, such as longer working days, and violence and discrimination against women which are still widespread in the country. Specific steps in the last two years have included a program to register the names of both spouses for land certification, revision of the Penal Code to outlaw Female Genital Mutilation (FGM), and adoption of specific laws against gender-based violence.

Ethiopia is one of only a handful of countries in the developing world that has quotas for affirmative action for women in leadership and politics. The number of women representatives in the House of People's Representatives (HoPR) reached 117 by the end of 2005 and the proportion of elected women at regional councils level has increased to 40% in the more advanced regions, although it still lags far behind in emerging and less-developed regions. In addition, a significant number of initiatives are underway, including the National Action Plan on Gender, which forms the core of the gender strategy under PASDEP, as well as analytical initiatives such as a gender budget analysis, and strengthening gender-disaggregated data reporting to better inform policy.



These policy steps have been complemented by conscious choices to promote the participation of women in essential public services, for example in education, where the number of girls in primary school has risen by over 4.6 million in the last ten years, representing an increase of 420% since 1995/96; in secondary education where it has more than doubled, and in tertiary education where it has increased by over six-fold; the target to ultimately deploy 30,000 female Health Extension Workers is well underway and 60% has so far been achieved (by the end of 2006/07), to provide services directly to women at the community level. With respect to the target of gender parity by 2015, the ratio of females to males has risen to 0.93 in 2006/07 for the first cycle of primary education, and to 0.78 for the second cycle and secondary education. The graph below illustrates the massive change in the number of females participating in some key national areas since the onset of the International Development Goals (IDGs) in the early 1990s which evolved in to the MDGs in the early 2000.

**Figure 3.4: The Changing Role of Women in Ethiopian Society**




*Sources:MoE; GoE (Women in Parliament). Note that right-hand scale corresponds to number of women in Parliament.*

***Challenges:*** While much progress has been made, this is a more challenging goal than most, since achieving it depends not only on the actions of government, but also on changes to attitudes and cultural values, which takes time to evolve. Public policy is designed to speed up these changes, by both increasing education levels and increasing the role of women in public life – but also by intentionally raising awareness and sensitivity through the National Plan of Action for Women, and the activities of the Ministry of Women's Affairs at the national and local levels; and – most importantly, mainstreaming gender awareness and concerns into all public programs.

As noted in the recent Africa-wide review of progress on the MDGs by the UN Economic Commission for Africa (UNECA) and the African Union[8] (AU), Ethiopia is one of the few countries to have made significant progress in reducing child mortality in recent years (See Table 3.3 below). The strategy to achieve this has included a focus on delivering an essential package of care that is most related to the diseases affecting children and the poor; a push to improve coverage and delivery of health services in rural areas; and a major effort on vaccination, which has been particularly successful. [See Box 3.2 below]



**Table 3.3: Infant and Child Mortality Rates – Selected Years**

| Item | 1992/93 | 2001/02 | 2004/05 | | |
|---|---|---|---|---|---|
| Infant Mortality Rate | 123 | 97 | 77 | | |
| Under 5 Mortality Rate | 180 | 167 | 123 | | |

*Sources: MoH and WDI.*

Reduce child mortality

[8] Assessing Progress Towards the Millennium Development Goals in Africa – 2008; The UN Economic Commission for Africa, African Union Commission, and African Development Bank, 2008.

The national policy framework in the health sector includes the National Child Survival Strategy, which has set the overall objective of reducing under-five mortality to 63/1,000 by 2015 to the level needed to achieve the MDG. The strategy addresses the major causes of child mortality that account for 90% of under-five deaths i.e. pneumonia, neonatal conditions, malaria, diarrhea, measles, malnutrition and HIV/AIDS.

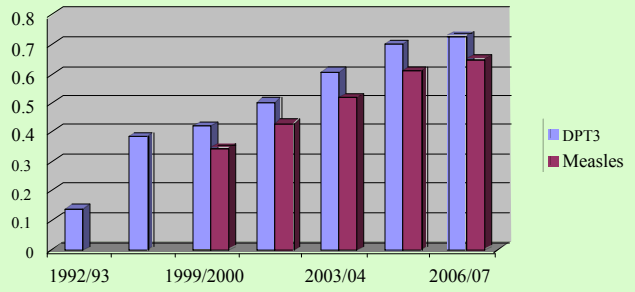
Main implementation modalities include: (i) the *Health Services Extension Program,* which involves use of female workers to deliver 16 packages in four main areas i.e. hygiene and environmental sanitation, disease prevention and control, family health services, and health education and communication on an outreach basis. The program has been piloted over the past three years, with early success, and is now being rolled out nationwide. (ii) The *Accelerated Expansion of Primary Health Care Coverage:* with a view to achieving universal coverage of primary health care to the rural population. (iii) A *Health Care Financing Strategy:* aimed at increasing resource flows to the health sector; and (iv) *The Health Sector Human Resource Development Plan:* aimed at resolving staff shortages and distribution issues. There are also important developments in related sectors that are critical to achieving the child mortality Goal especially in water supply and sanitation and hygiene, population, nutrition, and HIV/AIDS, which are discussed elsewhere in this report.



***Box 3.2: Success Story: The Extended Program of Immunization: Vaccinating Ethiopia's Children against Preventable Diseases***

*Reducing the burden of preventable childhood diseases through vaccination is one of the most effective – and cost-effective - ways of making progress towards Goal 4. Ethiopia has been engaged in a massive national campaign to immunize children against measles and diphtheria, pertusis, and tetanus (DPT3),using a combination of specialized traveling teams and camps, and much increased capacity at outreach health facilities. The success has been remarkable, as shown in the graph below, with rates of immunization increasing four-fold since the early 1990s. As reported in the recent Africa-wide review of progress on the MDGs, Ethiopia is one of the few countries in Africa to have achieved an annual increase of more than 5% in the proportion of children immunized against measles.*

**Figure 3.5: EPI Coverage - Share of Children Immunized Aganist Diptheria, Pertusis and Tetanus, and Measles**




*Source: WMS and MoH Annual Data*

*In just 7 years (from 1999/2000 to 2006/07), the proportion of children fully immunized, against all major childhood diseases, has more than doubled, from 22.3% to 53%. How has this come about? A combination of factors: including better educated mothers who seek to have their children immunized, more concentrated populations in urban areas and small towns, who have easier access to services, but above all, a major national effort to cover the country with immunization services, based on better outreach of health services to rural areas and the poor, and massive additional funding from the Government, established donors, and new programs such as the Global Fund.*



***Prognosis and Challenges:*** Ethiopia's rate of under-5 mortality (123 per 1,000 in 2004/05) is below the Africa-wide average of 160, and represents a substantial achievement compared to both the base year level (190 per 1,000) and to other countries at similar income levels. Whether Ethiopia can achieve the goal of reducing child mortality by two-thirds depends on sustained progress in strengthening delivery of basic health services, and continuation of the specialized programs of immunization, Safe Motherhood, Child Survival, and malaria. This in turn depends on continued intensive external financing for these programs, and sustained attention to staffing and service delivery reforms. Achieving the goal also depends on continued progress in food security and agricultural production, as well as continued implementation of mechanisms under the disaster prevention and response system.

Many of the same measures outlined above to achieve Goal 4 (reduced child mortality) are also those needed for improving maternal mortality - for example providing essential health services geared especially to the needs of mothers and young children, expanded coverage of rural outreach programs, and the recent innovative approach in the delivery of a package of health services in rural areas through female health extension workers. In addition, there are two specialized programs: Making Pregnancy Safe, and Integrated Management of Childhood Illnesses, that are central to improved maternal health. The Government's emphasis on female education is also an important aspect of the strategy for improving maternal health outcomes; while the intensified program of reproductive health and family planning is intended to reduce the number and frequency of pregnancies.

The other target under this Goal relates to access to reproductive health. The contraceptive acceptance rate has risen from a little over 4% of married women in 1992/93 to about 33.6% by the end of 2006/07. While this is a tremendous achievement, it still leaves

Ethiopia below the level needed to have a major impact on both population growth rates and the levels of maternal mortality. However, given the trend, there is reason for cautious optimism, since the improvements of the last decade have been driven by changes in demand pattern for services- owing to more urbanized and better educated women – combined with a major effort to improve the availability of safe and reliable family planning services.

It is worth noting at this juncture that as in many low-income countries, maternal mortality can only be measured intermittently, as most births take place outside of the health system. However, within the limitations of this constraint, the most recent available data show progress and according to the recent APRs on the first and second years of PASDEP implementation (2005/06 and 2006/07) maternal mortality declined to 673 per 100,000 births in 2005/06, compared to base rate estimated at about 871 per 100,000 in the early 1990s. The chance of meeting Goal 5 of the MDGs (for that matter all MDGs) should not be judged by trends observed in the past. Rather, by what is in the pipeline by way of implementing the on-going Health Extension Programs (HEP) which have already started to bear fruit.



***Challenges:*** Despite the progress made, this could obviously be one of the most challenging goals for Ethiopia, since it is starting from a position of one of the highest maternal mortality rates (871 per 100,000 in the early 1990s). To reach the 2015 goal of 290 per 100,000, the rate of maternal mortality would need to fall by about 7% annually for the rest of the period. However, despite the progress to date, based on the available estimates, the rate has been falling by less than 2% a year. Although progress is being made with better coverage, and the outreach under the Safe Motherhood Program, fewer than one-fifth of births are attended by skilled personnel[9] ; and the proportion of pregnant mothers with one or more antenatal visits (27%) are both well below the average for Africa and for low-income countries. Against this background, even significant improvements will still leave large numbers of women at risk; and even if tremendous progress could be made in the coming 7 years, it could still be a challenge to achieve a full two-thirds reduction by 2015. It all depends on the pace of implementation which in turn could be dictated by the availability of resources (financial) for full scale implementation of programs that are being envisaged and those in the pipeline in line with the PASDEP and Ethiopia's MDGs Plan.

[9] **As with Maternal Mortality, the estimates of service coverage range widely, but even the highest estimate, from the Ministry of Health are that only 16% of births are attended by skilled health personnel.**

***HIV/AIDS:*** The incidence of HIV infection in Ethiopia (about 2.1% in 2006/07) is not as high as in many other African countries. However, given the large population, this means that there are still an estimated 1.5 million people living with HIV/AIDS, and the number of orphans (estimated at over 800,000) is particularly high.



Cognizant of the potentially huge devastating impact of the HIV/AIDS epidemic, the government's response was initiated as early as 1985. A national AIDS Policy was issued in 1998 and the Strategic Framework for the National Response updated in 2002. These have served as the basis for a multi-sectoral national response that includes:

- Mainstreaming of HIV/AIDS programs in all government and non-government sectors;
- A major ***mass-media and community mobilization campaign,*** including focuses on in-school and out-of-school youth, and workplace interventions.
- Much increased social marketing of ***condoms,*** with an objective of access for all sexually active

persons, and 60% use coverage (the level considered satisfactory for effective HIV prevention);

- Expansion and upgrading of ***voluntary testing and counseling;***
- Expansion of programs to ***prevent mother-to child transmission,*** with a target of 100% of HIV-positive mothers and their infants to be covered by testing and support by 2010;
- ***Improved blood safety,*** with expansion of blood banks, basic protection materials and training to all health care providers;
- Increased ***palliative care and provision of Anti-retroviral treatment (ART)***, with a target of giving proper palliative care to those who reach severe stage; and expanded ART provision (with a target of 39% of People Living With HIV/AIDS (PLWHA) by 2009/10); and,
- Improved ***home-based care,*** with a target of reaching 50% of PLWHA and other support for persons living with AIDS, including help with income-generating activities.

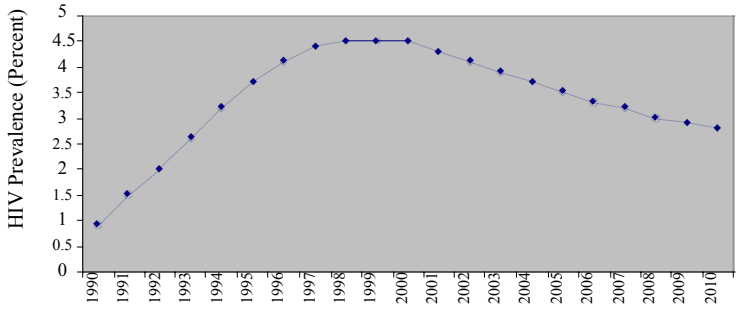
With a significant infusion of funding from both domestic and international sources, progress in decreasing prevalence rates is now being recorded, and many of the necessary national and local-level structures are now in place and functioning to provide effective programs for prevention, treatment, and care.



Recent data suggests that Ethiopia has not only achieved the goal of halting the rise in the incidence of HIV/AIDS, but appears to be experiencing the beginnings of a decline. While there is variance between areas, many of the sentinel sites used to measure AIDS prevalence report a decline between 2003 and 2005; and the estimated and projected levels of AIDS prevalence suggest prevalence peaked in the late 1990s and has begun a slow decline since 2000 (Figure 3.6 below). Furthermore, Ethiopia is making significant progress in coverage of anti-retroviral treatment and programs of prevention and support for people living with HIV/AIDS. The most recent data suggest that 37% of people with HIV/AIDS are now receiving anti-retroviral treatment, up from almost none just four years ago. Does this mean that one can be complacent about the HIV/AIDS situation? No, there are still new cases emerging daily; and relaxing the major programs of intervention could easily result in a reversal of the recent positive trends.

**Figure 3.6: Estimated and Projected HIV Prevalence by Year**

(Population Aged 15-49; 1990-2010)




*Source: 6th Annual Report on AIDS in Ethiopia – MoH/NAPCO*

***Malaria and Other Diseases:*** Many of the elements described in the section on child mortality – the Health Services Extension Program and the Accelerated Expansion of Primary Health Care Coverage - are also those needed to prevent the spread of Malaria, Tuberculosis (TB), and other major communicable diseases. In addition, there are specialized national campaigns underway, including the Roll-Back Malaria initiative, which funds increased surveillance and treatment, and covers the nationwide distribution of treated bed nets; and a national campaign to improve TB treatment through improved monitoring and interventions.



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Owing to these rigorous intervention measures, no major national Malaria epidemic occurred during the last four years including the just ended fiscal year (2007/08) and the proportion of households with treated bed nets in Malaria-prone areas has increased from 43% in 2005/06 to 91% in 2006/07; while the national TB treatment success rate has reached 85%, in line with international standards.

As with maternal mortality, it is only possible to accurately measure the incidence of these diseases on a nation-wide scale intermittently[10]. It is, therefore, difficult to be definitive about recent progress towards the MDG goal; however the most recent data suggest that the stated goal, of halting and slowly reversing the spread of these diseases, will be reached.

[10] **Since most people who get sick never interact with the health system, so specialized surveys are required to measure incidence accurately. Comparing routine data on disease surveillance with earlier years is not meaningful, since a much larger share of the population now interact with the health system, so many more cases of malaria and TB are detected than were previously.**

***Prognosis and Challenges:*** On the basis of available evidence, it appears that Ethiopia has currently achieved the Goal of halting and reversing the spread of HIV/AIDS and of Malaria. Maintaining the momentum on this goal depends on perseverance with implementation of the specialized Malaria, TB, and AIDS programs that have shown success in their early years, including continued dedicated funding from both domestic and external sources.

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Environmental sustainability has become a particularly critical issue for Ethiopia; especially since the majority of the poor depend directly on the natural environment for their livelihoods. There exist three key elements under Goal 7: (i) access to safe drinking water; (ii) reversing soil and forest degradation; and (iii) improving the conditions of urban slum-dwellers.

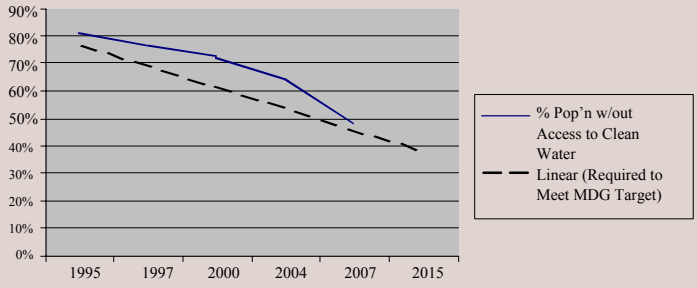
***Access to Safe Water.:*** Progress on water supply has been particularly encouraging. As Box 3.3 below shows, the share of the population with access to clean water has increased dramatically since 1994/95, and given current trends, Ethiopia seems to be on track to reach the MDG target of halving the population without access to clean water by 2015.

*Photo: Relief Society of Tigray*

***Box 3.3: Improving Access to Safe Water – An Ethiopian Success Story***

*The graph below shows the progress made in about a decade – from 1995/96 to 2006/07. Extrapolating this trend to 2015, Ethiopia would meet the target of halving the proportion of the population without access to clean water. It is particularly encouraging to note that the proportion in* ***rural*** *areas with access to clean water has already doubled since 1990 (from 23% to 46%); although given the small base, this means there are still a large number of Ethiopians, and communities, without safe drinking water.*

**Figure 3.7: Proportion of People without Access to Clean Water**




*Source: WMS Data; 2006/07 PASDEP APRs 2005/06 and 2006/07.*

*Addressing the access to safe water goal has involved a two-pronged approach, aimed separately at the urban and rural populations. The urban program involves very large-scale construction, expansion, and rehabilitation of city water supplies, for which major funding has been allocated over the past 5 years, and is planned for the remainder of the period. The rural program involves a more disbursed program of developing small village and town water supply systems, using low-cost technologies, combined with strengthening local community and NGO implementation capacity.*



***Forest/soil Degradation and Biodiversity:*** Some encouraging progress has been made but there remain major challenges: the fragile initial conditions, combined with major population pressure, mean that the government and communities are fighting a continuous battle to halt and reverse the degradation of soils and forests.

Ethiopia's strategy, as laid out in the PASDEP, revolves around: (i) ensuring community-led environmental protection and sustainable use of environmental resources for gender

equity and improved livelihoods; (ii) to rehabilitate affected ecosystems and enhance the capacity of ecosystems to deliver goods and services, particularly biomass, for food, feed, and household energy; (iii) to prevent environmental pollution; and to integrate environmental objectives – including mainstreaming gender equity aspects - in all development activities. Programs to implement this strategy include water harvesting, reforestation, composting, improved use of fertilizers, and diversification of fuels away from reliance on firewood and charcoal. A particularly successful campaign in the past year has been the launch of a program to plant two trees for every Ethiopian during the Ethiopian Millennium year of 2007/08, which is now being extended and scaled up.

The first part of the goal, which is defined as "integrate the principles of sustainable development into country policies and programs to reverse the loss of environmental resources" will be met, and has in a sense already been met, with the implementation of Ethiopia's cross-cutting nation-wide environmental strategy. Measuring specific progress on the second part of the Goal, however ("reduce biodiversity loss, achieving by 2010 a significant reduction in the rate of loss") is difficult, because of the early stage of development of systems to measure, for example, forest cover and biodiversity on a consistent basis.



***Tackling Urban Poverty:*** Ethiopia has primarily been a rural agrarian country. About 80% of the poor still live in the countryside. So, until recently, Ethiopia has not faced the same levels of massive urban poverty and squalor prevalent in many other parts of the developing world. However, this is changing with the steady movement of people into towns, resulting in the beginnings of over-crowding, the growth of slums, and youth unemployment. The objective during the PASDEP period is to achieve the goals of the National Urban Development Policy, which include:

- **Reducing slums in Ethiopia's main cities** by 50% by launching a national integrated housing development program, based on lessons learned in a successful Addis pilot, that integrates public and private sector investment with micro enterprise development and provision of basic services;
- **Reducing urban unemployment** to below 20% in those towns with a population of at least 50,000 through support for small and micro enterprises and acceleration of the creation of urban-based employment, including vocational and technical training programs; a community-based and labor-intensive urban works program; expanding micro-finance institutions; and providing market support and serviced premises for small and micro enterprises;

- **Creating jobs and access to serviced land and urban infrastructure and services** by designing urban infrastructure program and experimenting with alternative standards and management approaches; improving urban land management; and implementation of solid waste disposal and water-borne sewage disposal systems in the 6 major cities; and,
- **Improving rural-urban linkages,** to better integrate the flow of people and resources between cities and the rural economy, and take advantage of the opportunities created by developing small towns and rural growth poles.

Given that these interventions have been introduced recently, it is too early to assess what impact they will have on the conditions of the urban poor.

***Prognosis and Challenges:*** With respect to water supply, given the trends to date, there is reason for optimism that Ethiopia will meet the MDG target. It will be increasingly harder to reach underserved populations at the margin – because they are more disbursed, living in places where it is more expensive and difficult to install and maintain water supply systems; while reaching the urban target is going to require very large amounts of continued capital financing. Improving the situation in rural areas also depends on people using clean water effectively – which requires education and behavioral change, which the community health extension program is designed to help address. It also depends on the village water systems functioning properly, for which programs of community ownership, maintenance and operations are being implemented, but these do not yet have nationwide coverage, and are labor-intensive to implement.



Progress on the natural physical environment is going to continue to be difficult, given the very hard initial condition, a population that is growing by almost 2 million people per year, and the risk of deteriorating climatic conditions. Achieving the reversal of degradation depends as much on achieving population program targets, and on favorable climate conditions, as on direct interventions to address deforestation and soil conservation. Finally, given the programs in place, there is reason for cautious optimism regarding the target of improving conditions for urban slum-dwellers; but as noted, these interventions are new, and it is too early to assess what impact they have had so far. But judged by what is already in the pipe line in the areas of urban development and housing and Small and Medium enterprise development across towns in Ethiopia , conditions for urban slum dwellers is expected to improve significantly in the remaining 7 years.

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This was intended more as a global goal than a country-specific one, nonetheless a few observations could be made on the successful implementation of programs related to Goal 8 in Ethiopia.



Since 2000 Ethiopia has taken significant steps to better integrate and coordinate development partnerships behind a unified national program. All development assistance has been brought under the umbrella of a single High Level Forum made up of the government and donors, with separate sub-groups for managing aid in each of the major sectors (for example health, education, and food security). At the same time, a harmonized system of budget support has been adopted; and a series of country-wide Sector-Development Programs developed. More recently, general budget support has been focused under the Protection of Basic Services (PBS) program, which channels funds directly to local-level governments to finance pro-poor services and investments.

A major effort has been made to channel all aid resources in support of PASDEP, so that external aid

supports a single national poverty reduction program. The results have been impressive, with widespread international acknowledgement that Ethiopia has been successful in allocating aid to the highest priority uses; and in ensuring accountability and the effective use of aid, with very low levels of leakage or corruption[11]. The MDG Needs Assessment extended this process, by laying the basis for a major mobilization of additional support from the international community to help achieve the MDGs.

As a result, there has been a significant commitment of new aid resources over the past 10 years, from about US$ 500 million to a little over US$ 1.5 billion in 2006/07.It is to be noted however that Ethiopia still receives significantly less per capita Official Development Assistance (ODA) than most other very-low-income countries, and significant concerns remain regarding the predictability of aid flows. Moreover, in the case of Ethiopia, ODA figures are distorted as they include emergency aid and technical assistance.

## IV. Conclusions



Ethiopia's progress towards achieving the MDGs has been extremely impressive. However, because it was starting from such low initial conditions, for many of the indicators, Ethiopia still has far to go – in absolute terms often as far as other countries did at the beginning of the MDG period in 1990. Within this framework, it is remarkable that Ethiopia has been able to make the progress that it has (See Annex Table 1 which summarizes progress to date and the MDGs targets ).

As mentioned above, Ethiopia is well on track to meet the universal primary education goal; and likely those for water supply, gender, and HIV/AIDS Malaria and TB. With favorable external conditions, it may well also be able to reach the MDGs for income and food poverty, and may be able to approach close to the child mortality goal. The maternal mortality goal will probably be difficult to achieve within the next 5 years, given the very high initial level, and the fact that most pregnancies and births still take place outside the health system; although with the massive expansion of the health facilities and deployment of health extension agents throughout the country, and increasing investment on health and other pro-poor sectors(See Annex Table 2), if the trend continues and is supported by intensive financial assistance, this goal might also be met.

As described above, tremendous progress has been made. Challenges remain, certainly, but there is reason for optimism - not just on the basis of progress already made, but

[11] **See for example successive Country Financial and Accounting Assessments.**

also because of the scaling-up that is currently going on of programs in the pipeline – including for example the intensification of the health extension workers program and water supply construction programs through the Universal Access Program, the improvements in quality of education - and also because the base that has been laid so far, in terms of a much larger pool of trained and educated people, and better communication and transport infrastructure, is starting to pay off as is the Government's commitment to further strengthen governance to reduce poverty and ensure sustained development.

***Challenges:*** Despite the favorable prognosis, there are substantial risks and challenges. Ethiopia remains extremely vulnerable to both internal and external shocks – drought, climate change, world economic and geopolitical conditions, and the rising costs of essential inputs such as fuel, and fertilizer and imported grains. While the government is taking every effort in its strategy to cushion these risks, ultimately many of them are factors beyond Ethiopia's control, and achieving the MDGs will continue to depend on favorable external circumstances, as well on the global partnership to achieve the internationally-agreed agenda of achieving the MDGs.

***What is needed?*** The obvious challenges – already cited – are to maintain the momentum of new programs and policy innovations in areas such as health delivery, education, and gender, and agriculture and food security; and to ensure that women, pastoralist communities, and those living in the most remote areas benefit adequately from development initiatives.



By and large, the measures and programs are in place to address these challenges: for example the ongoing expansion of health facility coverage and roll-out of rural outreach services under the Health Extension Workers Programs, expansion of the Agricultural Extension Program, the Alternative Basic Education Program, and the Integrated National Food Security Program.

A second related challenge is maintaining the momentum of improved service delivery. A number of initiatives are in place to ensure this, including an on-going national Capacity-Building program for both the public and private sectors, on-going civil service reform programs which will improve the incentives and responsiveness of public services; the progressive social and political opening up that is mobilizing the capacity of communities and civil society; and the decentralization of authority, budgets and staff to the local government level.

To mitigate the risks posed by a volatile external environment, the Government has a comprehensive range of policy reforms and programs in place. They include, among others, irrigation to insulate small farmers from drought shocks; promotion of private sector development and export diversification to spread economic risk, the education of farmers to enhance productivity, and on-going tax reform measures to increase the ability to finance domestically.

In addition to the need for continued institutional strengthening and risk management, Ethiopia will need substantial additional financing. The Government has made every effort to raise additional revenue, to the point where Ethiopia now collects more tax proportionally than many other developing countries (15% of GDP on average during recent several years). However, with a per capita income of about US$200, there are severe limits on how much surplus can be collected by the government without negatively impacting household consumption, or constraining overall economic growth, so external financing is essential to fund the progress Ethiopia needs to reach the MDGs. The water supply investments, the immunization, health outreach, and HIV programs, and education system are all intensive in their use of resources, especially in their use of recurrent resources needed to meet the needs of 75 million people.



The past two years have seen Ethiopia facing increasing balance of payments pressures, as a result of record-setting oil prices and costs for imported food grains. This has resulted in pressure on domestic inflation – which hurts the poor, particularly the urban poor – as well as increased costs of development programs, including those intended to reach the MDGs. While the government is doing everything in its power to manage this process (including for example stringent macroeconomic management to contain inflation, and food distribution for the urban poor) Ethiopia is suffering from a shortfall in the resources that have been expected from the international community to help reach the MDGs.

Implementation of the PASDEP, and Ethiopia's plans to reach the MDGs, were based on a conservative assumption of 'business-as-usual' aid financing[12] .However, implementation experiences for the first two years of the PASDEP shows that even these levels have not been forthcoming. Although Ethiopia has benefited from debt cancellation, the scaling-up of additional aid consistent with the Millennium Summit and Gleneagles commitments has not materialized, and new commitments from some donors have in fact been leveling off.

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[12] **And 'business-as-usual 'in the case of Ethiopia means that the levels of external finance for PASDEP have been estimated on the basis of past trends which has been traditionally low, compared to other countries; for example Ethiopia has received an average of about US$ 15 per person in development assistance in the recent past, compared to about US$ 30 per capita in Ghana or Tanzania (Estimates for most recent year for which comparable data were readily available, absolute numbers may have changed since.)**

The Government of Ethiopia remains steadfast in its commitment to achieve or surpass the MDGs, and will continue to do everything in its power to raise revenue, to increase pro-poor spending, and to implement the on-going aggressive program of reforms and services. Ethiopia is doing its part, it is now expecting the international community to reaffirm, and deliver on its commitments in support of the country's efforts to achieve the MDGs.

During the MDGs Needs Assessment, the financing requirements remaining after the maximum possible contribution of resources by private actors, communities, and government through domestic resources were estimated to imply very roughly the need for foreign financing equivalent to about US$ 65 per capita per year over the 10 year period 2005/06-2014/15. While actual external financing including emergency Aid and technical assistance has risen to about US$20 per capita (2006/07) from the earlier level of US$13 per capita, it is still far below the level needed to reach the MDGs.

**Annex Table 1: Ethiopia – Progress Towards The Millennium Development Goals – Key Targets and Indicators**

| Goal and Ethiopian Indicator | Base Level (1990) | MDG Target (2015) | 1995/96 | 2000/01 | 2004/05 | 2006/07 (or most recent) |
|---|---|---|---|---|---|---|
| Goal 1- Poverty & Hunger | | | | | | |
| Population Living Below the Poverty Line[13](%) | 48 | 24 | 45.5 | 44.2 (1999/00) | 38.7 | 34.6 (Trend Estimate) |
| Poverty Gap Ratio | - | - | 12.9 | 11.9 (1999/00) | 8.3 | - |
| Stunting: % of Children below weight-for-age[14] | - | - | 66 | 57 (1999/00) | 47 | - |
| Children underweight (%)[15] | - | - | 45.4 (1996) | 45.0 (1999/00) | 37 | - |
| Goal 2 – Universal Primary Education | | | | | | |
| Primary Gross Enrollment Ratio[16] (Grade 1-8) (%) | 32 | 100 | 37.4 | 61.1 | 79.8 | 91.6 |
| Primary Completion Rate(%) | - | 100 | - | 44.2 | 34 | 42.9 |
| Literacy Rate[17](%)<br>Male<br>Female | - | - | 26<br>35<br>17 | 29<br>40<br>19 | 38<br>50<br>27 | -<br>-<br>- |
| Goal 3 – Gender | | | | | | |
| Ratio of Girls to Boys in:<br>- Primary Education [18] | | 1.0 | 0.61 | 0.69 | 0.87 | 0.93 |
| - Secondary Education | - | 1.0 | - | 0.64 (2001/02) | 0.57 | 0.78 |
| - Higher Education | | 1.0 | - | 0.19 | 0.24 | 0.30 |
| Number of Women in Parliament (HoPR) | - | - | 12 | 42 | 117 (2005/06) | 116 (2007/08) |

[13] Source: Poverty analysis based on HICES and WMS
[14] Source: Welfare Monitoring Surveys (WMS)
[15] Source: WMS
[16] Source: MoE statistical bulletins; note there was a shift in the terminal point for primary schooling during the period, data after 2000 apply to Grades 1-8 ; Completion rates are through Grade 5
[17] Source: WMS
[18] MoE statistical bulletins, and PASDEP APR 2006/07

| Goal and Ethiopian Indicator | Base Level (1990) | MDG Target (2015) | 1995/96 | 2000/01 | 2004/05 | 2006/07 (or most recent) |
|---|---|---|---|---|---|---|
| Goal 4 –Child Health | | | | | | |
| Under-5 Mortality Rate [19](per 1,000) | 190 | 63 | - | 167 (2001/02) | 123 | - |
| Infant Morality (per 1,000) | 123 (1992/93) | - | - | 97 (2001/02) | 77 | - |
| Immunization [20] - Measles (%) | - | - | - | 42 (2001/02) | 61 | 65 |
| Immunization - DPT3 (%) | 14 | - | 59 | 47 | 70 | 73 |
| Goal 5 – Maternal Health | | | | | | |
| Maternal Mortality Ratio [21] (per 100,000) | 871 | 290 | - | 871 | 871 | 673 (2005/06) |
| Contraceptive Preva-lence Rate [22](%) | 4 | - | 8 | 13.3 (2001/02) | 15 | 33 |
| Proportion of Births Attended by Skilled Personnel (%) [23] | - | - | - | 9 | 9 | 16 |
| Ante - Natal Coverage [24] | - | - | 20.7 (1992/93) | 29.1 | 46 | 52 |
| Goal 6 – HIV/AIDS and Other Diseases | | | | | | |
| **Overall HIV/AIDS Prevalence Rate (%)** | - | - | - | 7.3 | 4.4 | 2.1 |



19 Source: MoH Estimates, DHS , and WDI
20 Source: MoH Statistical bulletins.
21 Note: maternal mortality is very difficult to measure in a country such as Ethiopia, estimates of the Maternal Mortality Rate vary widely depending on the source
22 Sources: MoH data, UNFPA, and WB reports.
23 Source: MoH administrative data.

| Goal and Ethiopian Indicator | Base Level (1990) | MDG Target (2015) | 1995/96 | 2000/01 | 2004/05 | 2006/07 (or most recent) |
|---|---|---|---|---|---|---|
| - HIV/AIDS Prevalence among 15-24 old pregnant Women (%) | 0.9 | <4.5 | 2.7 | 4.5 (2000) | 8.6 | 5.6 |
| - % of HIV/AIDS receiving Anti-retroviral Treatment(%) | - | 100 | - | - | 10 | 37.1 |
| % Population w/ Treated Bednets[25](%) | - | - | - | - | 1 | 91 |
| TB Prevention & Control (% cases successfully treated with DOTS) | - | - | - | 60 | 76 | 85 |
| Goal 7 – Environment | | | | | | |
| % Population without Access to Safe Water[26] | 81 | 40.5 | 81 | 72 | 64 | 47.6 |



**N.B "-" Stands for information not available**

**Annex Table 2: Ethiopia – Allocating Public Resources to Pro-Poor Sectors**

**Spending (Percentage of total Government Expenditure)**

| Sector | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 6 Year Average |
|---|---|---|---|---|---|---|---|
| Education | 14.2 | 16.1 | 20.4 | 19.7 | 21.8 | 23.7 | 19.3 |
| Health | 5.9 | 4.9 | 4.3 | 4.8 | 4.6 | 6.6 | 5.2 |
| Agriculture and Food Security | 9.2 | 8.1 | 13.4 | 16.3 | 16.8 | 12.5 | 12.7 |
| Road | 10.7 | 9.9 | 9.6 | 11.3 | 12.5 | 14.1 | 11.4 |
| Water & Sanitation | 2.8 | 2.9 | 2.0 | 4.5 | 4.4 | 6.0 | 3.8 |
| **Total** | **43** | **42** | **50** | **57** | **60.1** | **62.9** | **52.5** |

*Source:- MoFED, PASDEP APR 2006/07*

[24] As reported by MoH in routine annual data, definition referes to 1-visit level

[25] Source: PASDEP APR 2006/07

[26] Sources: WMS, except 2006/07 PASDEP APR

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