

# The DAG Forum

A quarterly newsletter where DAG members and partners express their views and share information

**Spotlight**

## Renewing Commitment to Harmonisation



Co-chairing the HLF (Left to Right) : DAG Co-chair Mr. Howard Taylor (DFID), H.E. Minister Sufian Ahmed (Ministry of Finance and Economic Development –MoFED) DAG Co-Chair Mr. Fidele Sarassoro (UNDP)

and development partners within the DAG to reach a harmonisation agenda for Ethiopia with clear priorities and timeframe.

According to the ToR, the Harmonisation Taskforce will comprise three members nominated from the DAG with the government representation to be drawn from MoFED's macro-economic and bilateral/multilateral departments as well as the advisor to the State Minister.

The Taskforce will be chaired by MoFED, and consolidate prioritised action plan in consultation with Ethiopian Line Ministries and the wider DAG.

Other issues discussed at the 10th HLF were the upcoming general elections scheduled for May 2010, evaluation of the Plan for Accelerated and Sustainable Development for the Eradication of Poverty (PASDEP I) and action plan for the development of PASDEP II, as well as update on the new Charities and Societies Proclamation.

The 10th High Level Forum (HLF) has agreed to re-vitalise the joint Harmonisation Taskforce initially established in 2002 following a working organised by the government on the Harmonisation of multiple donor procedures.

The Taskforce is in line with the Paris Declaration on Aid Effectiveness and complements other existing mechanisms to streamline government-donor dialogue and mutual accountability architectures such as the HLF, and thematic working groups. Specifically, it allows for both the government

## For Africa, Copenhagen is just the beginning

By Yinka Adeyemi

The story is already known: Africa contributes only 3.8% of total greenhouse gas emissions and yet, it is one of the most vulnerable to climate change impacts. Its majority of poor countries and communities will make Africa suffer early and hardest due to weaker resilience and greater reliance on climate-sensitive sectors like agriculture.

By many accounts, many coastal cities in Africa will likely disappear under present conditions. Climate change impacts are already causing significant economic loss. Floods and droughts are reducing economic growth and resulting in huge economic costs--- in some countries, between 5% and 8% of GDP.

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Update: France and Ireland signed the International Health Partnership (IHP) Compact with the Ethiopian government during the 20th Global Fund Board Meeting held at the Addis Ababa Sheraton on 9-11 November 2009. The IHP Compact is based on Ethiopia's Health Sector Development Programme (HSDP), and aims to improve health care services. The compact will be closely monitored by both the government and its global development partners to ensure its effectiveness. (Visit [www.dagethiopia.org](http://www.dagethiopia.org) for the press release issued by the Ministry of Health.)

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## Drafting A Menu of Engagement for 2010 and Beyond

**D**AG Heads of Agency (HoA) have agreed on key areas of focus in the coming years as Ethiopia drafts and implements its second Poverty Reduction Strategy, the Plan for Accelerated and Sustainable Development for the Eradication of Poverty (PASDEP). PASDEP II is expected to be in place by the start of summer 2009.

The priority areas were identified during a one day retreat held on 28 October 2009 and organised to help DAG prepare for the 10th High Level Forum with the government.

Prior to the Retreat the DAG Secretariat had distributed a copy of the latest Annual Progress Report prepared by the government on PASDEP I as well as briefing notes from each DAG Technical Working Group on lessons learned from PASDEP I and recommendations for PASDEP II.



Retreat facilitator Paul Ackroyd leading the board exercise where participants categorised their proposed focus areas.

Following a lively group work exercise the HoAs were able to map out the following 8 key areas that DAG could engage the government of Ethiopia on under PASDEP II in order to improve aid effectiveness in the country:

1. Monitoring and Evaluation
2. Food Security
3. Strengthening Inclusive Governance
4. Gender
5. Climate Change
6. Strengthening Growth and Employment Creation
7. Sound Macro Framework
8. Participatory Process and Partnerships

While commending Ethiopia's progress over the past few years, particularly in the areas of infrastructure and access to social services, the HoAs stressed the importance of reliable information



**Charting the way forward:** (Right to left front row) DAG HoAs Ken Ohashi (World Bank), Bernhard Trautner (German Embassy), Howard Taylor (DFID) and Thomas Staal (USAID). (Back row) Yeshitila Amare (representing JICA).

and data as well as clear indicators in order to monitor and evaluate the impact of all development activities supported by DAG.

The importance of reviewing Ethiopia's performance within a comparative framework with successful African countries was also highlighted.



**Group work exercise** (Left to right) DAG HoAs Virpi Kankare (Finland Embassy), Maria Cruz Ciria (AECID) and Tamirat Kediro (representing Japan Embassy).

## From Our Partners

## DAG's Capacity Building Support

By Tamiru Terefe Cherinet (MoFED)

The capacity building support from DAG to the public sector has had remarkable effect in increasing efficiency at service delivery and outputs of sector institutions in Ethiopia. I have personally benefited from short-term capacity building support in Ethiopia and abroad specifically in: Macro Economic Model Building; Household Income Consumption Expenditure Survey and Welfare Monitoring Survey; Data set to estimate income and non-income dimension of poverty incidence in the country; and Project and program management Poverty mapping and small area estimation.

All of the above trainings were conducted to build the capacity of experts within the Ministry of Finance and Economic Development and were either customized (only for Ethiopian trainees only) or tailored (together with trainees from other countries).

The place where the training is organized and conducted has various consequences. If the training is conducted in the country this will help minimize the cost and also allow for the possibility of employing two or three

trainers. But when the course is conducted outside the country, especially either tailored or customized mode of training, it is possible to share countries' experiences beyond the actual training.

When DAG provides us with the opportunity for long term capacity building through formal education the implication is two-fold; on the one hand this contributes to a civil servant's career development while on the other hand it takes some of the burden off the government's spending on higher education expense for those studying at graduate level. The chance to learn outside the country through such capacity building support enables knowledge transfer, and access to other cultures and mode of working, which may be an unquantifiable but none the less a major component of a sound learning experience.

In general the capacity building support for public institutions can be said to be an essential input for ensuring the continuous

improvement of the institution's performance and delivery of services.



Tamiru (Centre wearing suit and tie) with colleagues from MoFED and CSA attending DAG sponsored training in Thailand

(Tamiru Terefe Cherinet is the Unit coordinator of the Welfare Monitoring Unit in MoFED)

## Facilitating a working Micro-Finance Modality to Benefit Women

By Biruk Denbel (MOWA)

The Ministry of Women's Affairs (MOWA) believes that in order to alleviate women's economic empowerment problems it is crucial to create a wider and suitable loan services strategy. These types of interventions provide women with adequate opportunities for equal participation and allow them to benefit from the loan service by financial institutions.

Poor women encounter problems in accessing loans and the demand and gaps in the supply of the financial service to them has been seen as a barrier to addressing this specific need. Thus to analyze the status and formulate a possible intervention strategy, MOWA conducted an indicative assessment on the accessibility and process of getting credit services from micro finance institutions (MFIs).

The objective of the indicative assessment has to improve poor women's access to MFI's by preparing a joint micro finance modality that brings onboard all MFIs and beneficiaries.

Thus based on the findings of the study the ministry organized two consultative workshops; During the first workshop the findings of the indicative assessment were presented and inputs obtained from

participants to develop the modality further.

Present at the workshop were participants directly or indirectly concerned with the issue including Regional Women Affairs Bureau heads, regional MFIs, beneficiary women from regions, representatives from National and Commercial Banks of Ethiopia.

During the second workshop the participant discussed in detail the draft document "Women and MFIs working framework" and provided valuable input in order to make it operational and adequately address the aforementioned objectives. This framework is a guideline to a proposed forum which is to be established at federal and regional levels comprising relevant stakeholders.

The forum is expected to shoulder a lot of responsibilities and provide solutions for the varied and complex problems raised by women in accessing loan service and related support.

(Biruk Denbel is the Awareness Mobilisation Officer at MOWA)



State Minister Frenesh Mekuria of MOWA addressing workshop on MFIs

## Word from the Agencies

## IMF Supporting Ethiopia's Efforts to Cope with the Global Financial Crisis

by Sukhwinder Singh

Since the global crisis broke, the IMF has been at the center of coordinated global efforts to contain its impact and ensure a rapid recovery in global growth. While media attention may have focused on the IMF's advice to advanced economies and large-scale financial assistance to emerging markets, the Fund has made great efforts to help its low income members weather the storm. In July the Fund announced billions of dollars of new resources to assist low-income countries; interest rate relief, meaning low-income countries pay zero interest on all concessional IMF loans through 2011; permanently more affordable terms on IMF financing thereafter; and new lending instruments designed to better meet the diverse needs of low-income countries. These efforts are a big help, but are not in themselves enough to offset the effects of the global crisis on poor countries, many of whom were reaping the benefits of better economic policies until the crisis hit. IMF support to low-income countries must be backed by additional sources of external financing to help meet the sharply increased demand for finance without forcing these countries to make damaging spending cuts or take on unsustainable debt.

Ethiopia is a case in point. The country's last program with the IMF ended in 2004, when the IMF contributed to large-scale debt relief under the HIPC Initiative. But recently it has been hit by the fallout from the turbulent international environment. To help address the impact of the global fuel and food price shock of 2008, the IMF provided assistance under the Exogenous Shocks Facility (ESF) in January 2009. This supported the government's macroeconomic program for FY 2008/09 which sought to reign in high inflation and help rebuild foreign exchange reserves from precariously low levels. Following strong implementation of its program, the Ethiopian authorities sought the Fund's advice and financial support to deal with the effects of the global recession on its balance of payments. In August 2009, the IMF Board approved a 14-month arrangement under the ESF of about US\$241 million; the financing is on concessional terms.

About US\$115 million was provided on approval, and the remainder is expected to be disbursed in two tranches in 2010 depending on policy performance.

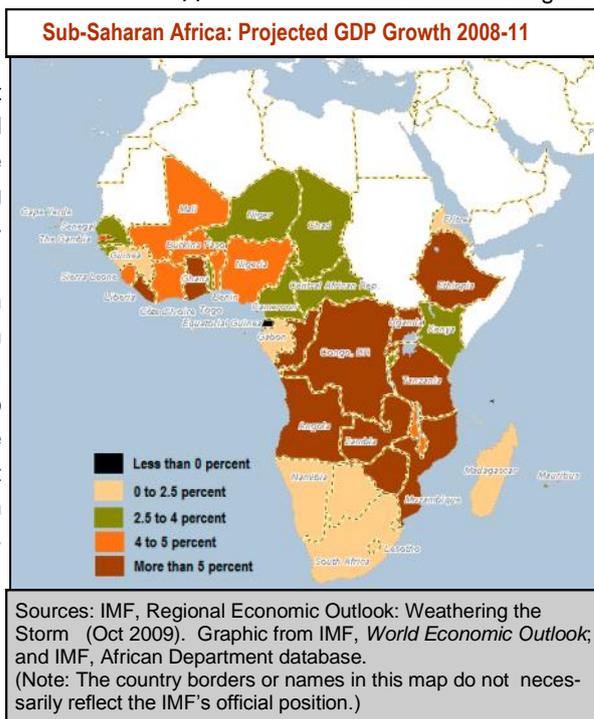
The authorities' key program policies supported by the IMF include limiting domestic borrowing by the public sector; some easing of the fiscal stance from 2008/09; further slowing of the pace of monetary expansion; judicious exchange rate adjustment in a manner that does not destabilize expectations or fuel consumer price inflation; and supporting structural measures, focusing on tax reform, the control of public enterprise borrowing, and the control of liquidity through indirect instruments.

These policies coupled with the Fund's financial support and Ethiopia's increased allocation of Special Drawing Rights (which boosted foreign exchange reserves by about \$180 million at end-August, 2009) are expected to contribute to the rebuilding of international reserves to 2½ months of imports by 2010/11, while maintaining a sound macroeconomic environment for growth and poverty reduction.

In addition to the financial support, other IMF activities provided on an ongoing basis include its policy advice—termed “surveillance”—and its technical assistance in areas such as tax administration and policy, public financial management, banking supervision, and macroeconomic statistics.

The IMF has stepped up to the challenge provided by the worst crisis since the Great Depression of the 1930s. But the IMF cannot go it alone. We think that low-income countries need about \$55 billion in additional external financing for this year and next. Of this, the IMF can provide about one-third, from the SDR allocation and the bump-up in concessional lending. Other international institutions are contributing too. But donors also need to play their part. Aid flows have not kept pace with the increased commitments made at the Gleneagles summit in 2005; in contrast, aid flows are under threat, reflecting budgetary pressures in donor countries. A further scaling up of aid at least in line with Gleneagles commitments is needed urgently to prevent the crisis turning into a disaster for Africa's poor.

(Sukhwinder Singh is the IMF Resident Representative to Ethiopia)



## Q & A with USAID/Ethiopia Mission Director Thomas Staal

by Kimberly Flowers



“Ethiopia is the ultimate challenge for a development professional” according to USAID/Ethiopia Mission Director Thomas Staal and he elaborates, “You have the second largest population in Africa, high rates of poverty and illiteracy, and poor health indicators. On the other hand, you have a government that is focused on development. Ethiopia may be known for famine and disasters, but actually there is a lot of untapped potential, like water resources and fertile land, in this country. The USAID program in Ethiopia is truly comprehensive, working in every sector from agriculture, trade and disaster assistance to primary education, health, environment and governance. We have been and will continue to be focused on food security. We define food security in the broadest sense, including agriculture production, research, infrastructure, trade and livestock programs.”

**Q:** What do you see as the greatest strengths and weaknesses of Ethiopia in order for it to meet the Millennium Development Goals?

**Thomas Staal:** Strengths include committed donors, significant donor resources, and a government that understands the MDGs and is working hard to make real progress towards achieving them. Weaknesses include the high population growth rate, which we must bear in mind no matter how much progress we make in other sectors. The lack of infrastructure and the ability to reach rural populations is also a huge challenge.

**Q:** What would you say is the most important thing for donors to remember about working in development?

**Thomas Staal:** You must take a comprehensive approach and donor coordination is critical. We all have different ways of working, which is all the more reason why we should work together. For example, even though USAID does not provide direct budget support, we provide technical assistance and capacity building for the government from the outside. A mixture of development support from donors is important. Also, the involvement of the private sector is critical for sustainable development.

**Q:** Do you feel the donors in Ethiopia are working well together? What could they be doing better?

**Thomas Staal:** Donors are fortunate to have the government implement a planning structure (in this case the PASDEP) around which development partners are able to coordinate their policy input, activities and funding. A lot of countries don't have that kind of organized collaboration for donors to fit into. There are times when we might be more effective as donors if we

coordinated more with the NGO community, such as including them in our working groups.

**Q:** Where have you traveled in Ethiopia and what has been your most memorable moment?

**Thomas Staal:** While visiting rural health posts in Yirgalem and schools in Tigray, I was amazed at the involvement and passion of the community. They have a desire and willingness to provide from their own meager resources to build up their community. You don't see that everywhere.

**Q:** What is your vision for USAID/Ethiopia and key areas of focus for the next two years?

**Thomas Staal:** I would like to see some real progress on food security, with Ethiopians able to sustainably meet the food and nutrition needs of their population without food aid or disaster assistance.

(Photos and Interview courtesy Ms. Kimberly Flowers, Development Outreach and Communication Officer for USAID.)

**Thomas H. Staal** arrived in Ethiopia in July 2009 to lead one of the largest USAID Missions in Sub-Saharan Africa. He has spent most of his career working overseas in international development, and has worked for the U.S. Agency for International Development (USAID) since 1988, most recently as Director of the Iraq Reconstruction Office in Washington and the Mission Director for USAID/Lebanon.

Brought up by parents who were missionaries in the Middle East, Staal grew up in Iraq and Kuwait, and attended boarding school in India.

(More introductions to new DAG Heads of Agency on page 11)

## DAG Secretariat UPDATE

### Sharing lessons on Donor-Government Coordination

A delegation from Sudan comprising officials from the Ministry of International Cooperation held an experience sharing meeting with the Development Assistance Group (DAG) Secretariat on issues of donor – government coordination and aid effectiveness.

The Sudanese delegation, accompanied by staff from UNDP Sudan, was on a week-long (5-9 October 2009) official study tour of Ethiopia to learn lessons on government structure that manages aid; the aid process including integration into government's budgetary process; aid modalities and resource mobilization procedures; recording of aid flow information and projects; and existence of a



Member of the Sudanese delegation.

government aid policy cooperation framework.

The Sudanese delegation noted that since the early 1990's their country had not been receiving much ODA from bilateral but that there was now renewed engagement with development partners.

They stressed eagerness to further dialogue with UNDP Ethiopia, particularly the DAG Secretariat on learning lessons on donor-government facilitation, and how UNDP Sudan can act as a neutral body to facilitate donor engagement with governments as the country works on its development strategy.

The visiting delegation indicated their country's interest to consult Ethiopia as it sets up a roadmap and guidelines on implementation of the Accra Agenda for Action.

The nine-person Sudanese delegation was hosted by the External Resource Mobilisation Department at the Ethiopian Ministry of Finance and Economic Development (MoFED).

### Non DAG Donors show interest in the Group

The Korean International Cooperation Agency (KOICA) has expressed interest in the DAG. KOICA, the Korean official aid agency, currently holds observer status in the Water and Education Technical Working Groups.

During a visit to Ethiopia the Director of Development Cooperation Division, Mr. Kim Hyung-Tae, reported that Korea was very interested in the Paris Declaration agenda on aid effectiveness and plans to join the OECD DAC countries next year. Korea will be hosting the 4<sup>th</sup> High Level Forum (HLF) in 2011, and has already held an international conference to identify priorities for the HLF.



Korean delegation led by (Centre) the Director of the Development Cooperation Division within the Ministry of Foreign Affairs and Trade

According to the director Korea will be scaling up its ODA by three quarters to 3billion USD by 2015.

Korea's Country Assistance Strategy comprises grant aid and soft loans. Korea will be using Ethiopia as a pilot/model case and merging the two approaches. Ethiopia is Korea's 'Enhanced Partner Country', and as such ODA to the country will also be scaled up from 2010-2012 to 20million USD, mostly in the form of grants.

The DAG Secretariat was also approached by the Turkish International Cooperation and Development Agency (TIKA). According to information provided by the TIKA office in Ethiopia the agency was established in 1992 and set up its presence in Addis Ababa in 2005. Two of its main activities on the continent are the TIKA for Africa Health Programme as well as the TIKA Agricultural Development Programme in Africa.

#### Update on DAG Pooled Funds

The DAG Pooled Funds for Education as well as Gender will be undergoing a re-design in 2010.

The re-design of the Education Pooled Fund will be led by the recommendation and findings of the independent pooled fund review conducted in 2009, and both the international and national consultants came on board at the end of November 2009 to work on the new programme document.

The review of the Gender Pooled Fund was on the most part made necessary by a request from the Ministry of Women Affairs (MOWA) for an expansion in the scope of the fund to allow for support to women's economic empowerment.

## Humanitarian Situation Roundup for 2009

by Kristen Knutson

2009 has been a year of increasing humanitarian need in Ethiopia, as poor seasonal rains led to widespread failure of the *belg* (short-cycle) harvest and contributed to poor *meher* (long-cycle) harvests in many areas of the country. As a result, the need to respond to growing food and nutritional insecurity has dominated the humanitarian agenda throughout the year, as in 2008.

In January 2009, the Government and humanitarian partners issued a Humanitarian Requirements Document (HRD), which identified 4.9 million people in need of emergency food aid; that figure increased to a projected 6.2 million in July 2009 and was confirmed in the revised HRD issued in late October.

Resource shortfalls and transport constraints however, among other factors, have limited the amount of food assistance distributed throughout the country: only 7 of the original 12 rounds of general food distributions will have been conducted by the end of the year.

### Sever Acute Malnutrition (SAM)

Treatment of SAM has been channelled through the National Nutrition Strategy, supported by the roll-out of Therapeutic Feeding Programmes (TFPs) planned in 342 districts. Better preparedness in 2009, including pre-positioning of Ready-to-Use Therapeutic Food (RUTF) stocks and training of health extension workers to identify and treat uncomplicated cases of SAM in the field, has contributed to a timelier and better treatment of SAM in children admitted to outpatient and inpatient treatment facilities in many areas.

Low reporting rates on admissions to TFPs at the regional level and potential for a resurgence of new SAM cases continue to be a concern given the erosion of household coping mechanisms resulting from several consecutive seasons of poor rains and associated harvests.

In lowland, pastoral areas, the lack of adequate rainfall has meant scarcity of water and pasture availability for livestock consumption, contributing to declining body conditions and livestock death. Drought across the region led to massive influxes of livestock from neighbouring parts of Kenya and Somalia. In response, the Government and humanitarian partners have undertaken emergency water trucking interventions in parts of Afar, Oromia, Somali and Tigray regions throughout the year. Renewed *deyr* (October-December) rains have alleviated the situation only temporarily in Somali and lowland parts of Oromia; their early curtailment means that pasture and water sources in some parts have not been sufficiently replenished to last throughout the long dry season.

### Acute Watery Diarrhoea (AWD)

The outbreak of AWD, first reported in March in the Moyale area of Somali and Oromia regions and in May in Afar and SNNP, spread to other areas of Oromia, Somali, Amhara, Dire Dawa and

Harari and by September had affected all ten sub-cities of the capital Addis Ababa.

Contingency planning for response to the outbreak was undertaken in August on the basis of more than 132,000 people being at risk. Inadequate protection of water sources, poor hygiene practices and insufficient community awareness of how AWD is spread, as well as the lack of sufficient materials and trained health staff to treat AWD all continue to contribute to the persistence of AWD.

### Access

Community-level conflict also took a toll on the humanitarian situation. More than 100,000 people were displaced by fighting in Borena (Oromia) and Liben (Somali) zones in February 2009, while at least another 20,000 were displaced in the same regions when the new conflict flared in September. In Gambella region, the arrival of Southern Sudanese fleeing conflict in their own country resulted in the displacement of some 24,000 people from Akobo woreda. A positive development, however, was the organization, under Government leadership, of joint assessments and responses to these situations of internal displacement.

Throughout 2009, restrictions on humanitarian access to the conflict-affected zones of the Somali Region have continued to limit the response there for both UN agencies and NGOs across the sectors. Other constraints to humanitarian access emerged in the nutritional response, with some humanitarian actors unable to continue their activities in some areas, as well as in terms of the AWD outbreak, where restrictions on information sharing have challenged an effective response. Moreover, the delay in issuance of the biannual humanitarian requirements documents epitomized the continued inability to establish agreement on methodologies for assessing the full scope of humanitarian need in the country and hampered effective fundraising for response.

### Donor Assistance

Donor support for humanitarian operations remained generous through the year, given the above consideration. OCHA's financial tracking has identified more than US\$ 579 million in humanitarian financing to Ethiopia, including US\$ 60.1 million channelled through the Humanitarian Response Fund (HRF), including US\$ 30.3 million in carry-over from 2008. Ethiopia also received nearly US\$ 16 million in two rounds from the Central Emergency Response Fund (CERF) Under-Funded Emergency window.

### Way Forward

Looking ahead to 2010, the humanitarian community remains concerned over the potential for further deterioration in the situation if vulnerable groups are subjected to additional, external shocks, coupled with the lack of investment in early recovery livelihood programmes at the household level and access to basic services in the most affected areas.

**(Kristen Knutson is the Public Information and Reports Officer for UNOCHA-Ethiopia)**

## Connecting Ethiopians: A Multi-Donor Study on Accessibility

by Yoshi Kawasumi

**A**ccessibility is a multi-dimensional concept encompassing physical and economic distance, infrastructure and service availability, operational efficiency, and institutional intervention.

In the geographical and economic context of Ethiopia, accessibility is widely viewed as one of the key prerequisites as well as driving forces of development. In spite of remarkable development in the road infrastructure in the past decade, however, utilization of the road network in Ethiopia has not reached its full potential.

For example, motorization rate, despite recent growth, is far lower than those of neighboring countries when compared against the size of the federal road network:

As of 2008, there are about 5 vehicles per kilometer of classified roads in Ethiopia, whereas Kenya has over 10 vehicles per km. The difference may be more if we look at the truck numbers. This suggests that aspects other than physical distance and connectivity to trunk road networks may be limiting accessibility, and consequently, its impact on economic development.

The recent DAG Transport Sector Working Group meeting noted such a phenomenon and recognized the benefits of a "learn together objectively and share knowledge openly" approach in correctly understanding the transport sector development issues and national development constraints. In this respect, a multi-donor study on accessibility, "Connecting Ethiopians", was proposed to look into transport activities and their trends in detail, and to identify both physical and non-physical barriers to their growth with the involvement of DAG TWG members.

The study is intended to provide a platform and process through which the Government of Ethiopia (GoE) and the donor community can reach a consensus on key transport issues that go beyond mere infrastructure.

The final product of the study is expected to provide clear guidelines for the next steps to improve accessibility on various fronts. The GoE and DAG TWG members have agreed on an arrangement for a multi-donor collaboration on this study. A technical committee will be established under the TWG and will be responsible for steering the study process.

The World Bank transport team will finance and manage the first component, while the European Commission has committed to support the second component. It is anticipated that other members of the DAG community will also provide financial and technical supports throughout the study, possibly even for the third component.

For more information email Roger Gorham, Transport Economist, Africa Transport Unit, World Bank on [rgorham@worldbank.org](mailto:rgorham@worldbank.org).

**(Yoshi Kawasumi is Senior Highway Engineer and Task Manager of the Ethiopia Road Project financed by the World Bank. He is a member of the DAG Transport Working Group)**

So far, the TWG has agreed that the study should frame three components of accessibility:

- **The first component will assess the effectiveness of transport infrastructure investment in fostering accessibility as a development strategy. This component will investigate to what degree road infrastructure has contributed to development of transport services and economic potentials of agriculture.**
- **The second component will examine the efficiency of trade facilitation and logistics, which is critical to the country's growth given its reliance on international trade for agricultural inputs and its condition as a landlocked country.**
- **Under the proposed third component, a specialized focus will be given on urbanization and its impacts on sustainable growth. This component will investigate how motorization and development are likely to affect each other in Ethiopia, and what needs to be done to promote sustainable rural-urban interactions.**

The first two components will be addressed in the current fiscal year; the third will be tackled next year.

Photo copyright AICD

**Publication Update** - Africa's Infrastructure: A Time for Transformation by the Africa Infrastructure Country Diagnostic (AICD). The document can be downloaded from <http://www.infrastructureafrica.org/aicd/>

Overview: Infrastructure accounts for a large share of Africa's recent growth performance, and could contribute much more. But Africa's basic infrastructure lags far behind that of other developing regions. Infrastructure services are twice as expensive in Africa as elsewhere. To raise Africa's infrastructure endowment to a reasonable level within the next decade, will cost \$93 billion a year, split two to one between investment and maintenance. Africa already spends \$45 billion, half the required amount. Efficiency gains could raise an additional \$17 billion from within the existing envelope. Even then, an annual funding gap of \$31 billion would remain.

The AICD is implemented by the World Bank on behalf of a steering committee chaired by the African Union Commission, and comprising the New Partnership for Africa's Development, the African Development Bank, Africa's regional economic communities, and donors investing in African infrastructure.

## Cont. from page 1. For Africa Copenhagen is just the beginning

Many analysts believe that the Conference of Parties (COP-15) will do little to change the state of things. But Africa is not waiting to disappear without a fight: those who historically have been responsible for global emissions, the Annex 1 countries, must reduce their emissions in line with the Kyoto Protocol and vigorously support Africa's adaptation programmes. The continent's strategy-in-chief is a common position at the 15<sup>th</sup> meeting of the COP-15 in Copenhagen in December 2009. The response is being crystallized through the African ministerial council on the environment (AMCEN) which has organized several meetings for the African Group of Negotiators -- in Naivasha, Kenya (2006); Abuja (2007), Algeria (2008), Nairobi (2009) and Addis Ababa (2009).

African negotiators said recently in Addis Ababa: "Africa will neither accept a replacement of Kyoto Protocol nor its merger with any new agreement".

### **Addressing Adaptation and Mitigation**

Adaptation must have the highest priority while adaptation financing should be **significant, new and additional**. There are also demands on clean development mechanisms (CDM). Of the 1186 CDM projects in the world, only 17 are in Africa, a majority of them in South Africa. That is millions of dollars in lost revenues. For Africa, this is unacceptable.

African ministers want the skewed distribution of CDM projects rectified urgently while calling for carbon markets to be supplemented by financial flows from private and public sectors.

Africa's position is that all mitigation actions for the continent should be **voluntary and nationally appropriate**, as well as fully supported and enabled by technology transfer, finance, and capacity building from developed countries. These ensure access by developing countries to affordable, appropriate and adaptable technologies for enhanced action on mitigation and adaptation to address the immediate needs of Africa.

### **What Next After Copenhagen?**

While many people are not certain of any sort of outcome that will satisfy Africa in Copenhagen; most agree that the real work will begin after COP-15. African Ministers have urged the continent's regional organizations, the African Union Commission, the African Development Bank and the UN Economic

Commission for Africa (ECA) to work together to further Africa's climate change agenda.

That is why the three organizations have established the Climate Information for Development in Africa (ClimDev/Africa) whose goal is sustainable attainment of poverty reduction and other MDGs in Africa. Headquartered at the ECA in Addis Ababa, ClimDev/Africa aims to ensure that policies and decisions on practices in Africa take full account of climate change risks and opportunities at all levels (regional, sub-regional, national, local, community and individual). It will pursue this goal by, among other things, strengthening Africa's climate and development institutions and increasing the level of activities for adaptation to climate change in Africa.

ClimDev's engine is the African Climate Policy Centre (ACPC), which was established to generate and share knowledge to strengthen the capacities and efforts of African countries to address the challenge that climate change poses for sustainable development.

Resource requirements for setting up and running the ACPC for an initial phase of five years are estimated at US\$ 25 million. ACPC counts among its technical partners the UN Environment Programme, World Meteorological Organization (WMO) and the Energy and Resources Institute (TERI), whose Director General, Prof. Rajendra Pachauri, led the work of Nobel prize-winning Intergovernmental Panel on Climate Change (IPCC).

The Centre's core activities are **knowledge generation, sharing and networking; Advocacy and consensus building and Advisory services and technical cooperation**.

DAG members interested to learn more information about the ACPC and the African Climate Policy Centre should contact [yadeyemi@uneca.org](mailto:yadeyemi@uneca.org)

**Yinka Adeyemi is a Communication Officer at the UN Economic Commission for Africa and oversees advocacy and communications work for the ACPC**

**African ministers have a few demands on the negotiating table: By 2020, developed countries should reduce emissions by 25-40% below 1990 levels and between 80% and 95% of the 1990 levels by 2050.**

**Earlier in September 2009, during a special session of the Africa Partnership Forum (made up of NEPAD Secretariat, AUC and OECD), Prime Minister Meles Zenawi declared: "We will use our numbers to delegitimize any agreement that is not consistent with our minimal position. If need be, we are prepared to walk out of any negotiations that threatens to be another rape of our continent."**

The Poverty Action Network of Civil Society Organizations in Ethiopia (PANE) is currently conducting a desk study assessing the impact of climate change on PASDEP and MDGs in the country. The draft policy recommendation shared with participants at a workshop on 2 December 2009 includes calls for the establishment of a National Agency for Research on Climate and Environment. Visit <http://www.pane.org.et/>

**Announcement : A high level forum organised by the African Development Bank (AfDB) and partners in November has adopted a 'Tunis Declaration on Public Procurement Reform in Africa'. A network of procurement practitioners across the continent has also been established. According to AfDB release, President Donald Kaberuka stressed the pre-requisites for the system to function as capacity and political will.**

For more visit <http://www.afdb.org/en/topics-sectors/sectors/economic-financial-governance/>

## Working Group Update

### DAG Working Groups Strengthen Ties with Government

#### DAG Water Sector Working Group Established

A joint government-donor Water Sector Working Group has been established in order to scale up the dialogue in the sector, according to Minister Asfaw Dingamo of Water Resources (MORAD).

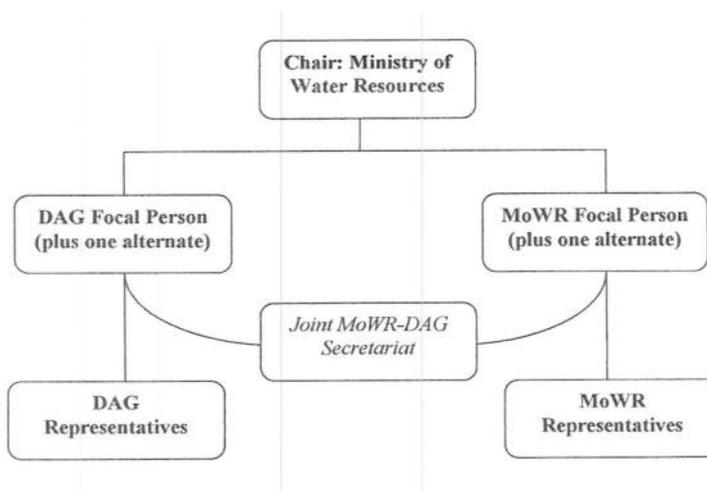
In his letter to the DAG Co-chairs, Minister Asfaw noted that, 'with the sector now moving rapidly towards a harmonized sector-wide approach in various areas, it has become increasingly important to also coordinate the dialogue between government and its development partners, and to increase the focus on policy and strategy issues of national importance.'

According to the ToR the main function of the new Sector Working Group will be:

- Sector Financing: reaching consensus on how the government and donors can

jointly deliver finance to best meet the needs of the sector;

- Strategy and Planning: provide a forum to consult on key sector-wide strategy and planning issues (e.g. next PAS-DEP revision);
- Monitoring: Provide a forum to mutually review the implementation status on the basis of PASDEP objectives



Structure of the new Water Sector Working Group

and targets, and address challenges;

- Harmonisation and Alignment: reinforce the Paris Declaration agenda through coordinated dialogue and as a means to identify how to practically improve harmonization and alignment in the sector; and
- Information sharing: provide a forum for both government and donors to share information on their ongoing and planned initiatives as a means to improve coordination in the sector.

The Water Sector Working Group will be open to all active members of the DAG Technical Working Group, which will continue with its own monthly donor-only meetings. The first Sector Working Group meeting was held in August 2009.

#### Joint Sector Working Group on Gender Equality and Child Rights

The Ethiopian government and donors are in the process of developing a work programme for 2010 for the new joint Sector Working Group on Gender Equality and Child Rights (JSWG-GEER).

The Sector Working Group, established in 2009, is expected to focus on policy dialogue and strategy, as well as monitoring & evaluation of gender mainstreaming into the country's development framework.

Therefore membership to the Sector Working Group strongly reflects the mainstreaming agenda with government representatives to be drawn from ministries of Education; Health; Water; Agri-

culture and Rural Development; Finance and Economic Development; Works and Urban Development; and Justice.

According to the ToR, membership will be open to five donor agencies, on a rotating bases to those that meet the following criteria: are active participants in the area; play a leadership role in the DAG Gender Donor Group (DGGE); and provide financial contribution to the Gender Pooled Fund.

Current donor members of the Sector Working Group are:

- Netherlands Embassy and UNIFEM (co-chairs of the DGGE);
- Italian Cooperation (representing the DAG Child Sub Group);

- Irish Aid and SIDA (contributors to the DAG Gender Pooled Fund).

The joint DAG-Government Sector Working Group is expected to focus on:

- Programme policy review and reform;
- Programme planning and implementation;
- Monitoring and evaluation; and
- Harmonisation

The ToR stresses the need for government ownership and leadership of the process to be reflected in the working modality and as such the Sector Working Group will be chaired by the Ministry of Women's Affairs, which will also act as focal point for all correspondence to and from the group.

## New Faces in the DAG



Lamin Barrow arrived in October 2009 to take up the post of Resident Representative for the African Development Bank (AfDB) in Ethiopia.

An economist by profession, Barrow joined the AfDB in 2000 and worked in the area of infrastructure and regional integration as financial analyst, including task management of the NEPAD Infrastructure Projects Preparation Facility (NEPAD-IPPF), a multi-donor facility hosted and managed by the AfDB. Prior to coming to Ethiopia, he served as the Officer-in-Charge of the Bank's Kenya Country Office and more recently as the Principle Country Programme Officer in Rwanda.

"Besides contributions to consolidate the quality of the Bank Group's portfolio in Ethiopia," he tells The DAG Forum, "I hope that my background and experience, particularly in the infrastructure sector, will enable me to make some modest contributions to the Government of Ethiopia's efforts towards strengthening its policy framework guiding public sector investments." He also puts great emphasis on the AfDB's support to, "ongoing initiatives aimed at improving the efficiency of public investments in order to enhance their contribution to economic growth and poverty reduction."

Lamin Barrow hopes to use his term in Ethiopia and within the DAG to contribute to the aid effectiveness agenda, with particular attention to strengthening harmonization, alignment and coordination of activities.



Denis Thieulin took up his position as Head of Cooperation for the European Commission (EC) in September 2009. Ethiopia is one of the European Commission's largest development assistance programmes in Africa, with special attention given to Rural Development and Food Security, Transport & Infrastructure, Macro-Economic and Governance.

Thieulin has been working for the European Commission since 1995 and joins the team in Ethiopia from Nigeria where he also served as Head of Cooperation.

Prior to that he was head of the infrastructure sections in the European Delegations to Madagascar and Cameroon.



Geert Geut arrived in Ethiopia in October 2009 to serve as Head of Development Cooperation in the Embassy of the Kingdom of the Netherlands. An economist by training, he has been working in Development Cooperation for all of his professional life and has lived in Côte d'Ivoire, Mali, Niger, Senegal, Rwanda, Somalia, Sri Lanka, Costa Rica and Ecuador. At the beginning of his career he worked as a volunteer for the Dutch Organization for Development Cooperation SNV and later as a Country Director. He was briefly "on loan" to UNHCR-Somalia during the Ogaden War of 1980. He joined the Ministry of Foreign Affairs in 1992. Geert Geut is looking forward to constructive and productive partnership within the DAG to implement the Harmonization and Alignment Agenda, especially in the Health and Education Sectors, where The Netherlands is a major contributor.

### Upcoming meetings Provisional Schedule

Executive Committee			Heads of Agency		
8	December	2009	17	December	2009
12	January	2010	14	January	2010
9	February	2010	11	February	2010
9	March	2010	11	March	2010
6	April	2010	8	April	2010

Venue	
Executive Committee	- Small Conference Room
Heads of Agency	- UNDP Conference Room
Humanitarian Group	- UNDP Conference Room

**DAG Humanitarian Group Meeting**  
Last Monday of each month

## UN Update

## UN in Ethiopia: Advancing the Delivering as One Agenda

by Paul Ackroyd

Over the past 12 months the 25 UN agencies based in Ethiopia have been rolling out a Delivering as One programme aimed at improving the efficiency and effectiveness of UN assistance to Ethiopia.

The process is under the leadership of the Ethiopian government and has a High-Level Steering Committee with representatives from government, UN agencies and donors. The committee is co-chaired by the State Minister in MOFED and the UN Resident Coordinator.

#### The Delivering as One programme has five components:

- One Programme (more jointworking);
- One Leader (clearer accountability);
- One Budget and One Fund (transparency and predictability);
- One Voice (joint communications); and
- One Office (sharing more services)

As with any change management programme there are upfront costs. The UN is not well structured to meet these additional coordination costs. UN agencies have been making a contribution to funding additional posts in the Resident Coordinator's Office but more is required. A proposal was submitted to DAG members earlier in the year requesting funds to support the process: mainly additional staff and consultancies. Responses are still awaited.

#### UNDAF Mid-Term Review

The United Nations Development Assistance Framework (UNDAF) is the common strategic framework for the operational activities of the UN system in Ethiopia. A Mid-term Review of UNDAF undertaken during 2009 found that UN activities were well formulated to support PASDEP priorities but the activities of the UN were too diffuse and covered too many areas.

The UN has been very successful in mobilising resources for its programmes with \$2.7 million spent in the first 3 years of the UNDAF, 85% going to Humanitarian Response Recovery and Food security. The Mid Term review of the UNDAF has been used to improve the focus of UN supported activity and to identify more opportunities for joint working.

#### Launching Joint Programmes

UN agencies have now collaborated in developing 5 proposals for joint programmes to be funded from the Spanish MDG Fund in the areas of gender, private sector, pastoralism, culture and nutrition.

In addition the Government and the UN have identified three new areas for major strategic joint programmes, as high priority areas for the development of Ethiopia, which are not currently well supported by donors. These are:

- Enhancing Public Service Delivery to

#### What are the benefits of this approach?

Potentially they are many. For the UN agencies it should mean a clearer remit and less overlap. For the Government it increases transparency and predictability and for donors it should reduce transaction costs and strengthen the UN as partner.

accelerate Regional Employment outcomes In four Developing Regional States;

- Gender Equality and Women's Empowerment; and
- Improving Maternal and Newborn Health and Survival

The programmes, currently under design, should provide valuable additional coordination channels for donors to support work in these important areas. Instead of funding UN agencies separately as has been the case in the past the option will soon exist for donors to pool their funds through a One UN Fund thus increasing flexibility and effectiveness. Additional donor funds to support these Joint programmes will be requested during 2010.

For more information on the UN Delivering as One in Ethiopia and on the new Joint Programmes to [www.unethiopia.org](http://www.unethiopia.org) Or email [Paul.Ackroyd@undp.org](mailto:Paul.Ackroyd@undp.org) / [Joseph.Oji@undp.org](mailto:Joseph.Oji@undp.org) in the Resident Coordinator's Office

**Paul Ackroyd is Senior Policy Advisor in the Resident Coordinator's office, UNDP)**

The official 8 pilot countries for the UN's Delivering as One programme are Albania, Cape Verde, Mozambique, Tanzania, Rwanda, Vietnam, Pakistan and Uruguay, while other countries such as Ethiopia are undertaking the programme under their own initiative.

#### Examples of Delivering as One efforts in Africa:

**Rwanda** - UN agencies are combining to help create better schools and better fed schoolchildren. They are helping to protect women from gender-based violence, make childbirth safer for Rwanda's mothers and strengthen local government institutions.

**Mozambique** - money saved from common services is being used to provide electricity to a Millennium Village.

**United Republic of Tanzania** - a common information and communications technology (ICT) network should reduce ICT costs by \$150,000 a year.

(Taken from statement made by UN Deputy Secretary-General Asha-Rose Migiro to the Intergovernmental Meeting of the Programme Pilot Countries on "Delivering as One", in Kigali, Rwanda, on 19 October 2009).

**The Development Assistance Group (DAG) was established in 2001, initially as an information sharing forum for donors. This newsletter is published by the DAG Secretariat, UNDP, to foster information sharing and dialogue among DAG members and partners. Please email your contributions to [dagcommunications@undp.org](mailto:dagcommunications@undp.org)**

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