



Promoting Sustainable Development in Ethiopia

gtz Office Addis Ababa





As an international cooperation enterprise for sustainable development with worldwide operations, the federally owned Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH supports the German Government in achieving its development-policy objectives. It provides viable, forwardlooking solutions for political, economic, ecological and social development in a globalized world. GTZ promotes complex reforms and change processes. Its corporate objective is to improve people's living conditions on a sustainable basis.

In Ethiopia, GTZ has been working for more than 30 years and currently has more than 250 foreign experts and around 750 national staff. Here GTZ works in bilateral cooperation on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and on commission of the Ethiopian government and international donors.

Promoting Sustainable Development in Ethiopia

The ability to shape ones own present and future is the basis for sustainable development. Therefore, GTZ strengthens the capacities and initiatives of people and organizations, mainly through knowledge transfer. With regard to the Millennium Development Goals, agreed upon by the United Nations in 2000, these efforts receive a new urgency worldwide. By the target date of 2015, eight goals, ranging from halving extreme poverty to halting the spread of HIV/AIDS and ensuring environmental sustainability, shall be accomplished.

In Ethiopia, GTZ is actively engaged in supporting these goals on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), as well as various Ethiopian government authorities and international organizations.

Based on an agreement between the German and the Ethiopian governments, GTZ's activities in bilateral cooperation focus on the following priority areas

- Capacity building in engineering and private sector development for sustainable economic growth
- Urban governance and decentralization
- Sustainable utilization of natural resources for improved food security

Along with the bilateral cooperation on behalf of BMZ, the GTZ division of "International Services" (GTZ IS) is working in commission of the World Bank, the European Union, the Ethiopian Federal Ministries of Education, Capacity Building, Health, Mines and Energy, as well as the Addis Ababa Housing Development Project Office, and UNDP/GEF. Among others, GTZ IS is implementing the Ethiopian University Capacity Building Program (UCBP).

Different Partners – One Objective

Development differs throughout the world. There is no blueprint for sustainable development. It depends on the history, culture, and political system of a country and its people. After all, sustainable development is an ongoing negotiation process between various stakeholders and their interests. To address the different needs and demands of development processes the German Development Cooperation works in a pluralistic organizational set-up, in which GTZ is one partner among others: the German Development Bank KfW, the German Development Service (DED), the Center for International Migration and Development (CIM), the German Academic Exchange Service (DAAD), Capacity Building International (InWEnt), the Senior Expert Service (SES), the Pysikalisch-Technische Bundesanstalt (PTB), SEQUA, the Institut für Internationale Zusammenarbeit des Deutschen Volkshochschulverbands (iiz/dvv), the Handwerkskammer Rhein-Main, political foundations and the private sector.

Together the different partners work in the same priority areas and pursue the same objective: sustainable development in Ethiopia. Since 1995, GTZ has maintained an office in Ethiopia and in 2006 the German development organizations GTZ/CIM, KfW and DED moved into the "German House" in Addis Ababa.

German Development Cooperation

The logo for GTZ (Gesellschaft für Technische Zusammenarbeit) features the lowercase letters 'gtz' in a bold, red, sans-serif font. The background is a light green with a subtle, abstract pattern of light rays or a grid.The logo for KfW (Kreditanstalt für Wirtshaftsförderung) features the lowercase letters 'kfw' in a bold, white, sans-serif font. To the left of the text is a graphic of a staircase or a grid of dots. Below the main text, the words 'ENTWICKLUNGSBANK' are written in a smaller, white, sans-serif font. The background is a light green with a subtle, abstract pattern of light rays or a grid.The logo for DED (Deutsche Entwicklungsdienstleistungen) features the lowercase letters 'ded' in a bold, blue, sans-serif font. Below the main text, the words 'Deutsche Entwicklungsdienstleistungen' are written in a smaller, blue, sans-serif font. The background is a light green with a subtle, abstract pattern of light rays or a grid.

Partnerships are a vehicle for sustainable development. They facilitate the outreach of innovative approaches and best practices. Along with the classic bilateral cooperation on behalf of the BMZ, GTZ also works for different clients. These commissions are mainly conducted by the GTZ division International Services (GTZ IS). Other GTZ services are so-called Public Private Partnerships and co-financing schemes, conducted with other donors to scale up programs of the Ethio-German bilateral cooperation.



Merkato – Market of Changes and Chances

Merkato in Addis Ababa is said to be the biggest open market in Africa and Ethiopia's largest employer. But Merkato also faces huge challenges, such as limited space for business, social problems, poor infrastructure and traffic congestion.

The Addis Ababa City Government has turned these challenges into chances. Together with local residents, traders and GTZ, it has elaborated a Local Development Plan. This plan provides orientation for the upgrading and new management of the market. Representatives of traders, non-governmental organizations and the sub-city administration have established a partnership forum and together are steering the development process. Associations allow traders to jointly invest in new constructions and maintain their business in Merkato. In a pilot project, GTZ supported one of these associations in upgrading its business district, namely by improving income generation through informal and formal trading and manufacturing. Ever since, Merkato changes – visibly ...

Ethiopia's Cities on the Move

Urban Governance and Decentralization Program (UGDP)

Ethiopia has begun to urbanize – three generations later than countries in Latin America, Asia and most of Africa. However today, Ethiopia's urban population growth is among the highest in the world. This is accompanied by increasing poverty, a high unemployment rate, low governance capacities, weak infrastructure and poor municipal finance in cities.

Nevertheless, Ethiopia's urbanization is not only a challenge, it is also a chance. It offers huge potential and opportunities for the development of the country as a whole: well managed cities contribute to reducing poverty through economic diversification and innovation, growing markets and the potential of urban-rural linkages.

The Urban Governance and Decentralization Program (UGDP) contributes to Ethiopia's comprehensive process of decentralization, including the transfer of power to regional and local governments. The program is jointly implemented by the Ethiopian Ministry of Works and Urban Development, by four regional states, a total of 18 secondary cities and Ethiopia's capital Addis Ababa. They are supported by GTZ, KfW and CIM on behalf of BMZ.

The program is well placed within Ethiopia's national policy of accelerated and sustained development to end poverty (PASDEP). Its overall goal is to improve urban services and infrastructure for citizens, and to apply principles of good governance. It links local efforts to regional and national policies:

- to improve the participation of citizens in urban development,
- to ensure the city governments' transparency and accountability,
- to increase their capacities for financial management and revenue generation, and
- to improve urban service and infrastructure delivery.

Social Accountability

Protection of Basic Services (PBS)

With the Protection of Basic Services (PBS) Program, the government of Ethiopia supported by international partners contributes to ensuring that the poor receive critical basic services, such as water, sanitation, health and education. This is an enormous task considering that 50% of Ethiopians live below the poverty line.

The Ethiopian Social Accountability Project, a component of the PBS-Program, gives voice to the needs and concerns of Ethiopia's rural poor, who are often overlooked. In particular, the project brings them into dialogue with government bodies and public service providers regarding their access to basic services and their experience of service delivery. It achieves this by strengthening civil society organizations, through both funding and capacity building, to bring people together around a common vision of effective service delivery and transparency.

The Ethiopian Social Accountability Project helps civil society organizations empower poor people through accountability mechanisms, such as Community Report Cards. With Community Report Cards, people can evaluate their local service providers according to the quality of service. These civil society organizations also work together with their public counterparts in the communities and municipalities, to increase transparency in the formulation and spending of public budgets.

GTZ IS manages a fund that provides grants to civil society organizations so that they can carry out this work. It also enhances the capabilities of civil society organizations, thereby improving their ability to promote social accountability. The PBS-Program is financed by the multi-donor trust fund, managed by the World Bank.



Be Discovered!

Students and graduates often see a lack of job opportunities, while companies and organizations feel they can't get the right staff. Under the slogan '*Be Discovered*', the Career Expo 2007 showed what is possible if these two groups are brought together.

Over 100 companies, as well as 8.000 students and graduates, gathered in Addis Ababa for this event organized by the Engineering Capacity Building Program (ecbp). Hundreds of CVs were submitted, interviews conducted and business cards exchanged, to link job seekers with employers.

In line with its goals of improving competitiveness and promoting employment, the Career Expo promoted internships – a completely new idea in Ethiopia. Internships are a priceless opportunity for young people to gain valuable experience, whereas employers benefit from their employees' energy and motivation. Student and graduate run Career Centers, as well as a human resources summit, contributed to the exploration of how to best develop Ethiopia's workforce for the benefit of companies and individuals alike. Career Expo is set to become an annual feature in Ethiopia so that companies, organizations, students and graduates know where to *Be Discovered!*



Nation Branding

What is the image of Ethiopia? How is Ethiopia seen by other countries, potential investors and visitors? Ethiopia competes with other countries for investment, tourism, funding and recognition. There are clear and present growth opportunities for Ethiopian businesses, yet these are undermined by a persistent unbalanced representation of the country.

The Engineering Capacity Building Program (ecbp) has thus launched a wide-ranging and ambitious nation branding process in three steps:

- Collection of information – in Ethiopia and abroad – of what Ethiopia currently stands for, identifying gaps between the two
- Bringing together all relevant stakeholders from business, government, university and media to create a common, "new" image of the country
- Developing a strategy for communicating and implementing the new image in order to present Ethiopia to the world.

Building Ethiopia

Engineering Capacity Building Program (ecbp)

Around 50% of Ethiopians live below the poverty line. Of particular concern is the lack of appropriate training and employment opportunities for the youth. After finishing school, 1.5 million young people find themselves out of work and without formal qualifications every year. Of these, only 5% make it into formal training.

Since November 2005, the Engineering Capacity Building Program (ecbp) – an Ethiopian program supported by the German Development Cooperation – has been working nationwide to improve the country's competitiveness and to promote employment. With the slogan 'Building Ethiopia' guiding all aspects of its work, ecbp seeks to find sustainable paths out of poverty and into prosperity.

ecbp combines four national reforms under one roof:

1. Reform of universities' engineering fields.
2. Reform of Technical and Vocational Education and Training (TVET).
3. Improving the quality infrastructure of Ethiopian products.
4. Private sector development.

Developing capacity in these areas demands a comprehensive approach on an individual, institutional and macro level, to ensure that state and private sectors benefit equally.

ecbp is guided and implemented through the Ethiopian Ministries of Capacity Building, Trade and Industry and Education, as well as the private sector. It is financially supported by the BMZ. The German contribution to ecbp is led by GTZ, which works closely together with KfW, DED, CIM, InWent, DAAD and other German partners.

Constructing Capacity

University Capacity Building Program (UCBP)

The Ethiopian government is pursuing an ambitious plan to reform higher education in the country. The University Capacity Building Program (UCBP) is building 13 universities throughout Ethiopia, providing 121,000 students with the opportunity to study. UCBP is an innovative capacity development venture, jointly undertaken by the Government of Ethiopia (Ministries of Education and Capacity Building) and GTZ IS. The project is fully funded by the Ethiopian partner and GTZ IS works as the project management and implementation agent.

Yet, UCBP isn't just building universities. It is changing the way Ethiopia's construction sector works by having Ethiopian firms plan, design and build universities in a way that challenges current practices in the country.

UCBP has two main objectives:

1. Design and construct 13 public universities throughout Ethiopia, at a competitive cost and in a short time frame.
2. Modernize Ethiopia's construction sector, leading to increased international competitiveness.

The construction sector is the second largest employer in the country, being an engine for technology, innovation and overall development. It is one of the driving forces towards modernization and industrialization in Ethiopia.

Using good practices from the German construction sector, as well as ISO 9001:2000 standards, UCBP helps construction management consultancies, architecture and engineering firms, construction companies as well as local enterprises reach international standards in quality, safety and efficiency. Managers are transforming their companies to meet the rising challenges of the international market, thereby increasing the sector's overall competitiveness. In 2008, 15 Ethiopian construction companies have achieved ISO certification, a ground-breaking success in the Ethiopian construction sector.



Promoting Local Enterprises

Worldwide, small and medium enterprises form the basis of economies. These companies, with 250 or fewer employees, are critical for economic growth.

UCBP supports the involvement of local enterprises and cooperatives in the construction process, a practice that benefits local economies as well as general contractors, but one that is not yet common in the country. From foundations to windows to plastering, general contractors usually directly implement all works. UCBP is changing this habit by showing contractors the advantages of subcontracting. One of the programs major goals is to subcontract 40% of UCBP construction to local enterprises.

UCBP is also supporting the recruitment of local enterprises and cooperatives in the regions and facilitating fair contract conditions. Furthermore, the program offers local enterprise managers and owners 10-day training courses that instruct them in practical skills, such as cost control and how to achieve quality and business sustainability. Local enterprises also receive technical training on-the-job from German master craftsmen, working together to identify new methods and technologies for improving quality and efficiency.



The Power of Self-Interest

It is a busy scene at the large gully gaping at the heart of the Lume woreda, near the town of Mojo. At the gully's edge men split huge blocks of basalt. At its bottom, men and women carry stones to a half-finished check dam, where others knot mash wire into a gabion and carefully fill it with the stones. These hardworking people are all part of the local community. They work hand in hand to stop the erosion of their land.

The SUN-Program serves as a facilitator for these activities and agricultural experts provide training for watershed management. However, they do not only teach community members how to build a check dam, or plant grasses and trees to prevent the gullies from further breaking off. They also make them aware of the negative consequences that the continuing soil degradation could have on their lives. To know such facts is sufficient motivation for the people of the affected areas: equipped with tools, stones and seedlings provided by SUN, they get to work *themselves* and *for themselves*.

Hand in Hand for Nature

Sustainable Utilization of Natural Resources for Improved Food Security (SUN)

For decades rural households and local communities in the Ethiopian highlands have suffered from increasing food insecurity. High population growth and small farm sizes have resulted in massive land degradation. In many areas, the creation of gullies and sheet erosion on sloping hill sides has led to high losses of fertile soil. Thus today, many rural families can barely make their living out of agriculture.

In 2005, the program Sustainable Utilization of Natural Resources for Improved Food Security (SUN) was created to tackle these challenges. It aims at improving the livelihood and income situation of the rural population in the Ethiopian highland regions of Amhara, Oromia and Tigray, through sustainable management of natural resources. The program's components include:

- the dissemination of innovative approaches and technologies,
- capacity building for government experts, communities and the private sector, as well as
- policy advisory services.

SUN is a program of the Ethiopian Ministry of Agriculture and Rural Development, supported by the German Development Cooperation. On the German side, GTZ, KfW and DED are working closely together to assist their Ethiopian partner organizations.

The joint strategy aims at preventing soil erosion, along with intensifying agricultural production through the use of environmentally friendly techniques and by diversifying the variety of agricultural crops. New technologies and innovative approaches, like water harvesting and the fuel-saving mirt-stove, play an important role in the sustainable management of natural resources.

Within the German Development Cooperation, KfW supports scaling-up through investments for improved land management. DED works with experts on the local level, while GTZ is in charge of capacity development, technical innovation and standards, as well as the program coordination at regional and national levels.

Energizing Development

Biomass fuels constitute more than 94% of Ethiopia's energy consumption, with private households accounting for 88%. The Industry and service sector also draw on biomass fuels such as wood, plant material or agricultural waste for the majority of their energy consumption. This leads to severe consequences for the environment as well as people: massive deforestation causes erosion and desertification. Daily, people – usually women – have to walk a long way to collect firewood – time, which could otherwise be used for education or income generating activities.

The international cooperation department of the Dutch Ministry of Foreign Affairs (DGIS) and GTZ support the improvement of energy supply and efficiency in Ethiopia.

From Firewood to Electricity

The project Access to Modern Energy Services Ethiopia (AMES-E) is changing the everyday energy sources for Ethiopians living in rural locations. In its first three years of implementation, AMES-E aims to provide sustainable access to modern energy services such as hydro, solar and wind electrification for around 300.000 beneficiaries.

Building on its longstanding experience in energy, GTZ IS is providing technical assistance to the Ministry of Mines and Energy, NGOs and the private sector. They are working together to ensure that rural areas have access to modern energy for powering homes, generating income and running the health posts, schools and centers that make up their communities.

To achieve this, AMES-E interventions include:

- Grid densification
- Financing voltaic systems
- Developing the nascent local photovoltaic market
- Piloting pico- and nano hydro generation



Promoting Fuel Saving Stoves

The Ethiopian Ministry of Agriculture and Rural Development, together with the Dutch-German partnership "Energizing Development" promotes the distribution of fuel saving stoves. This innovative invention was created in response to the large amounts of energy consumed during the production of Ethiopia's favorite bread: injera. The stove reduces energy consumption by two thirds, whilst remarkably minimizing the amount of indoor air pollution. It is now marketed throughout the country.

The project has contributed to job creation and income generation, with stove producers being trained in production and entrepreneurial skills. The driving force behind the project is business venture for producers and the self-interest of households. So far, more than 350 producers have been trained and 125.000 stoves sold, with an estimated 150.000 more stoves expected to be sold by 2009. At the same time, the fuel saving stove is constantly tested and improved by engineers.

Governance in Africa

Since the foundation of the African Union (AU) in 2002, the economic and political integration of the African continent has progressed impressively. At the centre of this process lies the Commission of the African Union (AUC). It runs the day to day affairs of the African Union and represents the AU internationally. Furthermore, it is mandated to promote good governance in Africa. With the recent adoption of the "African Charter on Democracy, Elections and Governance," the AU has developed an appropriate instrument to advance in this area. The AUC also holds important responsibilities for peace and security on the African continent. The commission is currently implementing a new African peace and security architecture.

The African Union, however, is much more: The African Court on Human and People's Rights was set up in 2006 to strengthen the protection of human rights in Africa, one of the core objectives of the AU. Furthermore, the All-African Ministers Conference on Decentralization and Local Development, hitherto standing in isolation, has recently been integrated into the structure of the AU.

Such dynamic processes put a tremendous burden on these young institutions. To fully discharge their mandates, comprehensive institutional reforms and an efficient division of labour are needed. Lastly and maybe most importantly, the organizational and personnel capacities need to be strengthened.

This is all the more important at a time when the three continental organizations, the AU, the African Development Bank and the United Nations Economic Commission for Africa (UNECA), have started to collaborate more actively.



Supporting Political Reforms

On behalf of the German Federal Ministry for Economic Cooperation and Development, GTZ provides versatile support to address these challenges. As a partner to the AU Commission, the African Court on Human and People's Rights and UNECA, as well as the All-African Ministers Conference on Decentralization and Local Development, GTZ is well placed not only to support these institutions individually but also to contribute to their improved cooperation.

Whereas the African partners are unique in their mandates, challenges and expectations, GTZ's support follows some core guidelines:

- A synergy between expert advice and support in organizational development is the most promising approach in capacity development.
- The partner organizations' priorities, structures and systems are the starting point and guideline for all support activities.
- All interventions are closely harmonized with the other partners and critically monitored in order to maximize the result orientation and sustainability of the cooperation.

Apart from the programs based in Addis Ababa, GTZ also implements the program "Cooperation with Pan African Institutions in South Africa". Partners include the Panafrican Parliament, the Nepad Secretariat and the APRM Secretariat.



Office Addis Ababa

German Technical Cooperation

Deutsche Gesellschaft für
Technische Zusammenarbeit (GTZ) GmbH
German House
Kirkos Subcity, Kebele 18
P.O. Box 12631 Addis Ababa

T +251-11-5180200
F +251-11-5540764
E gtz-aethiopen@gtz.de
www.gtz.de/ethiopia/

Layout & Print: Tewanney Studios Plc.

Photos: Michael Tsegaye
E. Tesfa G. Selassie (page 17)
Georgina Goodwin (page 19)