

Strategy for Sweden's development
cooperation with

Ethiopia

2016–2020



REGERINGSKANSLIET

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**Government Offices
of Sweden**

Results strategy for Sweden's development cooperation with Ethiopia, 2016–2020

1. Direction

Within the framework of this strategy, Swedish development cooperation with Ethiopia is to contribute to a better environment, limited climate impact and enhanced resilience to climate change, as well as improved opportunities for poor people to make use of their rights. The strategy also aims to promote sustainable and democratic development of society. The strategy will apply for the period 2016–2020 and comprises a total of SEK 1 000 million.¹

Swedish development cooperation within the framework of the strategy is expected to contribute to:

A better environment, limited climate impact and greater resilience to environmental impact, climate change and natural disasters

- Strengthened management of natural resources and ecosystem services
- Improved capacity among public institutions and other actors at national and local level to contribute to environmental sustainability, increased resilience to environmental impact, climate change and natural disasters, and reduced climate impact
- Increased production of and improved access to renewable energy

¹ Contributions within the framework of this strategy are financed in accordance with the terms for appropriation items in appropriation directions concerning the Swedish International Development Cooperation Agency (Sida) for each financial year.

Strengthened democracy and gender equality, and greater respect for human rights

- Strengthened rule of law
- Strengthened democratic accountability and transparency at local level
- Strengthened capacity of civil society to promote openness, accountability and greater respect for human rights
- Increased respect for and access to sexual and reproductive health and rights (SRHR)

Better opportunities and tools to enable poor people to improve their living conditions

- Improved opportunities for productive employment with decent working conditions, particularly for women and young people
- Sustainable food security with particular focus on resilient agriculture
- A more favourable business climate for sustainable and inclusive commercial activities and strengthening institutions
- Better access to social protection for people living in poverty

2. Country context

Ethiopia is one of the world's poorest countries. The economy is growing rapidly but poverty remains widespread, in particular in rural areas, where the majority of the population lives. Inequality is a major obstacle to inclusive development. Productivity in agriculture, which accounts for 80 per cent of employment among the population, remains low. Unemployment is considerably higher among women than among men. The business climate also needs to be improved.

The scope for broad political participation is limited and women have a subordinate position in society. Gender-based violence is widespread and there is a prevalent perception that domestic violence against women is accepted and that genital mutilation should be carried out. Respect for human rights in the country is neglected, in particular with regard to democracy and women's rights. Opportunities for civil society for involvement in development human rights affairs are limited by restrictive legislation with regard to both activities and funding.

However, in other respects, Ethiopia is moving in the right direction. Poverty is steadily decreasing and several social indicators are moving in a positive direction. The country has presented an economic growth of around ten per cent annually for several years. The manufacturing industry is developing steadily and is attracting more and more foreign companies, several of which are Swedish. Considerable investments are being made to improve the infrastructure, including access to electricity. However, workers' rights remain neglected.

There is a strong driving force in the Government regarding the implementation of the second national development plan (Growth and Transformation Plan, GTP II) that runs between 2016 and 2020. The plan focuses on economic growth through increased productivity in agriculture and the manufacturing industry, continued investment in infrastructure and the promotion of an environmentally-friendly industry and energy sector through the strategy 'Climate Resilient Green Economy' (CRGE, adopted in 2011).

Major dependence on agriculture and its low productivity makes the rural population, in particular, vulnerable to climate change and natural disasters. Together with Sweden and others, Ethiopia is participating in work on the 'New Climate Economy' to identify how measures to reduce climate impact can be combined with different countries' ambitions for economic growth and/or poverty reduction. A plan that aims to increase resilience to climate change and make the economy more environmentally friendly has also been adopted. In the international climate change negotiations, Ethiopia has pledged to reduce greenhouse gas emissions by 64 per cent by 2030.

Ethiopia has implemented major initiatives in health and medical care and good results have been achieved. In the past ten years, the average life expectancy for women has increased from 46 to 59 years of age and infant mortality has decreased significantly. However, maternal mortality and mortality in children under the age of five remains high.

Ethiopia serves as a stabilising factor in the Horn of Africa, where, in various parts of the region the political situation is tense with several ongoing conflicts, resulting in considerable refugee flows. Ethiopia pursues a relatively open and generous refugee policy, which has contributed to the country hosting one of the world's largest refugee populations, totalling 720 000 individuals from mainly South Sudan, Somalia and Eritrea. At the same time, the country has long been characterised by tensions and minor violent conflicts, not least due to an intensifying struggle for control of natural resources.

The reasons behind the orientation of Swedish development cooperation are the widespread poverty and deficiencies regarding democracy and human rights, not least for women and girls. Sweden has a long history of development cooperation with Ethiopia and enjoys strong confidence as a partner in areas such as health, democracy, human rights, environment and research cooperation. The priorities in Ethiopia's national development plan correspond well with Sweden's support to private sector development, entrepreneurship, environment and the climate.

3. Activities

Sweden's development cooperation with Ethiopia will be based on and characterised by a rights perspective and by perspectives of poor people on development. The rights perspective means that human rights and democracy are regarded as fundamental to development. This approach means that individuals and groups who are discriminated against, excluded and marginalised are being made visible prior to each contribution. This is done so that all people will be able to enjoy their rights, regardless of gender, age, disability, ethnicity, religion or other belief, sexual orientation, transgender identity or expressions. The perspectives of poor people on

development involve the situation, needs, circumstances and priorities of poor women, men, and children being used as the basis for poverty reduction and the promotion of equitable and sustainable development.

Swedish development cooperation is to integrate environmental sustainability, gender equality, and peaceful and democratic development. A comprehensive view of the challenges, needs and conditions of poor people and society is the foundation of development cooperation. The guiding principle is that economic, social and environmental conditions and processes are to be interpreted and managed in an integrated context. Violence and armed conflict are among the greatest barriers to economic and social development, and development cooperation is an important aspect of conflict prevention. Armed conflicts are aggravated by illegal or uncontrolled flows of arms and ammunition and development cooperation should be designed to help counteract these flows. An environmental and climate perspective, a gender equality perspective and a conflict perspective is to be systematically integrated into Sweden's development cooperation with Ethiopia.

The focus of activities and the specific context govern the choice of partners and forms of cooperation. A balance is to be sought in the selection of implementation partners. Cooperation with public institutions may take place as a complement to cooperation with other actors, provided that it is considered strategic for contributing to strengthened rights and a democratic development of society. Cooperation should preferably take place at regional and local level, and is to be combined with political dialogue where relevant. The Swedish International Development Cooperation Agency (Sida) is to identify agents of change, that can contribute to the positive development of society, with particular focus on better living conditions for people living in poverty. These include cultural organisations, religious communities, diaspora groups, media and the social partners. Civil society also plays an important role in promoting accountability and democratic change.

Cooperation should be designed to contribute to strengthened capacity and long-term sustainable results. Sweden's support to capacity development is to be needs and demand-driven, and designed in a way

that contributes to transparency and long-term sustainable capacity, as well as strengthens local ownership and facilitates accountability. Programme-based support may be combined with strategic and catalytic contributions, including new, innovative forms of cooperation and financing. Sweden is to promote the consideration of environmental, social and economic aspects in aid-financed procurements. Sweden is to promote coherent and effective aid coordination in the country, in particular through active participation in EU aid coordination and joint programming. A perspective beyond aid is to be established. Thus, Sweden is to, in the implementation of this strategy, encourage Ethiopia to increase its domestic resource mobilisation and stimulate cooperation that in the long term can continue without development cooperation funding. The potential of the diaspora and remittances as a catalyst for development should be utilised. Activities are to be implemented in a way that ensures sustainable results. Synergies between the different areas of the strategy are to be harnessed as far as possible. Synergies with other relevant strategies are also to be sought. Within the framework of its research strategy, Sweden is supporting the development of Ethiopia's domestic research capacity. Synergies with research cooperation should be sought to promote knowledge, skills and innovation in all strategy areas. Cross-border programmes and cooperation with countries in the region should be developed as a complement to, and in synergy with, bilateral contributions as part of efforts to counter conflicts and promote regional integration. Development activities should be coordinated with humanitarian contributions in the country so that Sweden contributes to a transition from temporary humanitarian assistance to sustainable development cooperation. Development cooperation is to be designed so as to help prevent and combat corruption.

Swedish development cooperation in the area of environment and climate is to actively contribute to strengthening capacity among various actors in society, such as public institutions, civil society, businesses and households, to conduct environmentally and climate-friendly sustainable investments and contribute to an improved environment and reduction of climate impact. Ethiopia is in great need of strengthening its environmental and climate resilience. Increased capacity at all levels of society as well as strengthened management of natural resources and long-

term well-functioning ecosystem services are key to achieving increased resilience. Adaptation to climate change has a bearing on many other issues, such as food security and water supply. Ultimately, these issues also have a bearing on humanitarian, security and human rights issues. Development cooperation should make use of the good opportunities for cooperation that exist in the climate area. Activities may include stronger economic policy instruments, increased access to information and knowledge on environment, strengthened environmental and natural resource management, and increased opportunities for people living in poverty to participate in political and public decision-making processes. More sustainable use of land, forests and agriculture may also contribute to reduced emissions of greenhouse gases. Sustainability must also be sought in the more energy-intensive economic sectors that are emerging. Efforts to increase access to renewable energy solutions are to be strengthened. Synergy effects with other areas, including humanitarian and research cooperation, are to be utilised. Sweden's prior involvement in the natural resource sector and in land rights contributes to Sweden's added value.

Sweden is to help strengthen the development of democracy, increase respect for human rights and strengthen the rule of law in Ethiopia. Sweden's activities are to focus on strengthening scope for participation and capacity for accountability, access to legal aid, freedom of expression and women's and girls' rights. Increased pluralism in and quality of domestic media as well as increased access to information and communication platforms are important. Sexual and reproductive health and rights constitute an important challenge for gender equality. Civil society is an important agent of change in this area. The private sector also has a role to play. A strong tradition of support to upholding democracy and human rights, including SRHR, experience of working at local level as well as work with civil society in Ethiopia makes Sweden well-suited for work in this area. Cooperation should be designed so that driving forces for conflict, such as flows and destabilising accumulations of weapons, are counteracted.

Swedish development cooperation is to contribute to strengthened rights for workers and productive employment with decent working conditions,

which in itself is a prerequisite for successful poverty reduction and sustainable economic development. This work can include improved conditions for refugees to access the labour market. Further, cooperation is to contribute to reducing income-related poverty. Activities are to focus on strengthening the bridge between growth and poverty reduction through social dialogue, improved conditions for increased productivity and a favourable business and investment climate with reduced trade barriers, as well as increased respect for human rights in employment. Inclusive economic development can be promoted by focusing activities on people living in poverty and their participation in economic activities. Increased productivity, environmental sustainability and value added in subsistence farming can contribute to a sustainable livelihood for small-scale farmers. This can also contribute to strengthened resilience against climate change. Access to markets, financial services, education and land rights is of significant importance for the country's economy and can contribute to women's economic empowerment. Activities should be based on the understanding that sustainable economic development requires institutions and regulatory frameworks with functions that include benefiting responsible, long-term sustainable and gender-equal investments and effectiveness. Women's ability to join labour unions and their opportunities to pursue union issues based on women's perspectives and situations are also important. Household incomes and opportunities to invest in a secure livelihood need to be supplemented with formal systems for social security schemes. Cooperation should be designed so that driving forces for conflict, such as flows and destabilising accumulations of weapons, are counteracted. Support to private sector development can be a supplement to other activities. In such cases, support is to be designed so as to avoid overlap.

The forms to be used for follow-up are described in the Government's guidelines for strategies. Evaluation is to be seen as an integral part of continual follow-up and is to be conducted when necessary. Various methods for results monitoring are to be applied, using both qualitative and quantitative results information. A balance between short-term and long-term results in the contribution portfolio should be sought to ensure that aid contributes to fair and sustainable development.

