Southern Voice

2015 On Post-MDG International Development Goals

Occasional Paper Series

42

National Level Implications of SDG Implementation in Ethiopia

Beyene Gizaw

NATIONAL LEVEL IMPLICATIONS OF SDG IMPLEMENTATION IN ETHIOPIA

Southern Voice Occasional Paper 42

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Publisher

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First Published March 2017

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ISSN 2307-9827 (Online)
ISSN 2307-681X (Print)

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Preface

Southern Voice on Post-MDG International Development Goals is a network of 49 think tanks from Africa, Asia and Latin America. Since its inception in 2012, it has served as an open platform to provide structured inputs from the global South into the negotiations on the post-2015 development agenda, with a view to address the 'knowledge asymmetry' and 'participation deficit' that usually afflict such global discussions.

The *2030 Agenda for Sustainable Development* was finally adopted at the Seventieth Session of the UN General Assembly on 25 September 2015 by the Member States. With the 17 new Sustainable Development Goals (SDGs) placed as oncoming development priorities, *Southern Voice* is currently working to examine national experiences in meeting the early challenges of delivering the 2030 Agenda.

The research programme titled *National Level Implication of Implementing SDGs* is based on call for proposals among its network members, and through a peer process eleven country studies were commissioned for nine countries across Asia, Africa and Latin America. The broad areas of concern of the country papers are the following: (i) investigate the means of mainstreaming the SDGs into national planning process, within the context of its national priorities; (ii) explore the adequacy of coordination, management and leadership of the SDG implementation process, including the monitoring and evaluation mechanism; (iii) examine the adequacy of financing and other specific means of implementation for the SDGs; (iv) investigate the extent of partnerships and stakeholder participation, including institutional arrangements for implementing the SDGs; and (v) evaluate the capacity of the national statistical agencies and other data-related issues.

This country paper on Ethiopia titled **National Level Implications of SDG Implementation in Ethiopia** is the ninth of the eleven country studies to be published under the Southern Voice Occasional Paper Series. The study has been authored by *Mr Beyene Gizaw*, Senior Economist and a Freelancer at the Ethiopian Economic Association/Ethiopian Economic Policy Research Institute (EEA/EEPRI).

The paper explores the SDG implementation challenges in Ethiopia through assessing the country's medium-term plan titled, 'Second Growth and Transportation Plan (GTP II)' where the SDGs are integrated and mainstreamed. It finds both the financial and non-financial resources limitations in implementing the SDGs. While the study provides separate recommendations for donors and national government, it suggests for mobilising the non-financial resources through strengthening different forums for the effective implementation of SDGs in Ethiopia.

I would like to take this opportunity to recognise the support of The William and Flora Hewlett Foundation towards *Southern Voice*, particularly of *Dr Ruth Levine*, Programme Director and *Ms Sarah Lucas*, Programme Officer of the Global Development and Population Programme, at the Hewlett Foundation.

In connection to the publication of this paper, contribution of *Ms Umme Shefa Rezbana*, Senior Research Associate, Centre for Policy Dialogue (CPD) and the focal point at the Southern Voice Secretariat for overseeing the programme is highly appreciated. *Ms Tarannum Jinan*, Administrative Associate, CPD is acknowledged for providing useful contribution in following-up of the country papers. *Ms Farah Nusrat*, Publication Associate, CPD

provided assistance in processing of the publication. I would also like to thank *Ms Erin Palmer* for her editorial inputs and feedback.

Hoping that the paper will be a useful addition to the ongoing discussion on challenges of implementing SDGs in developing countries.

Dhaka, Bangladesh
March 2017

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Acknowledgements

The author would like to acknowledge those who participated and made contributions to this research study. Words cannot express enough gratitude for the support given by all participants, especially those from government, civil society and private sector institution who provided valuable information. The author is also grateful to the Ethiopian Economic Association (EEA) for making the study possible with its support throughout this research project.

Abstract

Countries around the world have taken a number of lessons from the challenges they faced while implementing the Millennium Development Goals (MDGs). These lessons added significant value while designing the Sustainable Development Goals (SDGs). Like other countries, Ethiopia has prepared a medium-term plan – the Second Growth and Transformation Plan (GTP II), covering the period from 2015 to 2020 – which forms an integral part of the country's post-2015 development agenda. The present study investigates the implications of implementing the SDGs in Ethiopia, focusing on identifying potential implementation challenges at the national level. It aims at articulating the framework that national stakeholders will need to undertake in order to implement the SDGs in the country. It conducted a rigorous review of documents and interviews with relevant stakeholders to assess the challenges of implementing the SDGs within the context of GTP II. It finds that capacity limitations, financial shortages and the weak policy environment, including leadership, coordination and management challenges, are the most critical factors. It will take concerted efforts on the part of the government, the donor community, civil society organisations (CSOs) and the private sector to resolve these issues, and increase Ethiopia's ability to implement the new development agenda effectively.

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Acronyms

AfDB	African Development Bank
CCRDA	Consortium of Christian Relief and Development Association
CRGE	Climate Resilient Green Economy
CSA	Central Statistical Agency
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
DAG	Development Assistance Group
DHS	Demographic and Health Survey
ECCSA	Ethiopian Chamber of Commerce and Sectorial Associations
EDQAF	Ethiopian Data Quality Assessment Framework
EDRI	Ethiopian Development Research Institute
EEA	Ethiopian Economic Association
EEPRI	Ethiopian Economic Policy Research Institute
ERCA	Ethiopian Revenue and Customs Authority
ESDP	Education Sector Development Programme
ETB	Ethiopian Birr
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GTP I	First Growth and Transformation Plan
GTP II	Second Growth and Transformation Plan
HSTP	Health Sector Transformation Plan
IBRD	International Bank for Reconstruction and Development
IDA	Industrial Development Association
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
IT	Information Technology
MDG	Millennium Development Goal
MoA	Ministry of Agriculture
MoE	Ministry of Education
MoEF	Ministry of Environment and Forest
MoFED	Ministry of Finance and Economic Development
MoH	Ministry of Health
MoI	Ministry of Industry
MoT	Ministry of Trade
MoWIE	Ministry of Water Irrigation and Electricity
M&E	Monitoring and Evaluation
NGO	Non-government Organisation
NPC	National Planning Commission
NSDS	National Statistical Development Strategy
NSS	National Statistical System

ODA	Official Development Assistance
PM	Prime Minister
PME	Planning, Monitoring and Evaluation
PMO	Prime Minister's Office
PPP	Public-Private Partnership
SDG	Sustainable Development Goal
SDPRP	Sustainable Development Poverty Reduction Programme
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UK	United Kingdom
USA	United States of America
USD	United States Dollar
VAT	Value Added Tax

National Level Implications of SDG Implementation in Ethiopia

Beyene Gizaw

1. Introduction

The Millennium Development Goals (MDGs) were one of the most resonating and unifying commitments in the international community's history. They helped to lift more than one billion people out of extreme poverty, to make inroads against hunger, to enable more girls to attend school than ever before, and to protect our planet. They generated new and innovative partnerships, galvanised public opinion (UN, 2015), showed the immense value of setting ambitious goals, and reshaped decision-making process in developed and developing countries alike.

Although achievements were made worldwide in reaching many of the MDG targets, progress has been uneven across regions and countries, leaving significant gaps in outcomes. As a result, millions of people are being left behind, especially the poorest and those disadvantaged because of their sex, age, disability, ethnicity or geographic location. Targeted efforts will be needed to reach the most vulnerable people (UN, 2015). Large gaps exist between the poorest and richest households, and between rural and urban areas; climate change and environmental degradation are undermining progress, making the poor suffer the most; millions of poor people still live in poverty and hunger, without access to basic services; and conflicts remain the biggest threat to human development (UN, 2015).

Ethiopia is globally recognised for having taken ownership of the MDG agenda and integrating it into successive national development plans (UNDP and NPC, 2015), from the Sustainable Development Poverty Reduction Programme (SDPRP) (2002-03 to 2004-05) to the First Growth and Transformation Plan (GTP I) (2010-11 to 2014-15). Ethiopia has successfully achieved six of the eight MDGs, and made significant progress with respect to the remaining two: MDG 3 and MDG 5, (UNDP and NPC, 2015). The government has also formulated a Climate Resilient Green Economy (CRGE) strategy, and established the bold vision of becoming a middle-income, carbon-neutral economy by 2025.

Despite Ethiopia's strong performance on the MDGs, low implementation capacity and scarce financial resources were among the many challenges it faced during the period (MoFED, 2010). These weaknesses had a negative impact on project and service delivery, and contributed to a high trade deficit, low agricultural production, savings-investment gap, and inflation pressure that threaten the macroeconomic stability of the country.

The Rio+20 Conference in 2012 concluded with a decision to create a new global development framework through a set of Sustainable Development Goals (SDGs) that would take the place of the MDGs after 2015 (Pintér *et al.*, 2014). While the MDGs focused on eliminating poverty, the SDGs encompass the broader economic, social and environmental dimensions of sustainable development. The Member States of United Nations (UN) adopted the SDGs in September 2015, and have already started to roll the implementation process.

This study aims to identify the challenges Ethiopia faces in implementing the SDGs and to propose a set of recommendations based on the key research findings.

1.1 General and Specific Objectives of the Study

The general objective of the research study is to investigate the challenges of implementing the SDGs in Ethiopia and to examine how the global SDG targets have been embedded and mainstreamed in the national development context. Its specific objectives are to:

- Identify the challenges of intra-governmental coordination and leadership and institutions involved in the implementation process of the SDGs in Ethiopia;
- Explore the issue of accountability and the monitoring mechanism for implementing the SDGs;
- Identify the challenges related to financing and other means of implementation of the SDGs;
- Explore the role of the private sector, civil society and think tanks in the implementation of the SDGs; and
- Assess the capacity of national statistical agencies and identify other data-related issues.

1.2 Methodology

The study was led by a team leader and research assistants responsible for collecting and analysing data. It involved interviews of about 20 professionals from different government organisations, civil society organisations (CSOs) and private sectors who provided valuable information.

Methodologies and techniques used were determined by the research questions and the priorities set out in the call for research papers, the availability of resources, and the specific needs for information. However, these methodologies and techniques have resemblance, and are equally applicable to all research objectives. The methodologies are based largely on a desk review of existing literatures, including publications and reports of the government and development partners (donors), research papers and other documents that elaborate Ethiopia's plans, systems and processes for managing, implementing and monitoring its development agenda. The team also conducted key informant interviews with stakeholders involved in planning and implementing the Second Growth and Transformation Plan (GTP II), including those from the government, private sector development associations, CSOs and development partners (see Annex 1).

The researchers developed a comprehensive checklist to guide the interviews and the document review to ensure that information collected responded directly to the research objectives. They also analysed and triangulated the resulting information to ensure its quality and validity. The report provides examples on some of the informant interviews for better clarification of the research results.

1.3 Structure of the Report

The paper is segmented into seven sections. Following this introduction, Section 2 examines the degree to which the SDGs have been integrated and mainstreamed into the national planning process and in alignment with national priorities in Ethiopia. Section 3 looks at the coordination, management and leadership of the SDG implementation process including the monitoring mechanism. Section 4 explores the adequacy of financing and other means of implementation of the SDGs in the country. Section 5 looks into the partnership and stakeholder participation including institutional arrangements. Section 6 assesses the capacity of the national statistical agency and other data-related issues in relation to SDG implementation. Finally, Section 7 summarises the conclusions of the study and makes recommendations for the effective implementation of the SDGs in the country.

2. Integration and Mainstreaming of the SDGs in the National Planning Process

2.1 GTP II Planning Process

GTP II is Ethiopia's blueprint for national development over the five-year period from 2015 to 2020. It is set within the context of Ethiopia's long-term vision of becoming a lower middle-income country by

2025. It also incorporates a range of development priorities, including national and sectoral policies and strategies, the 2030 Agenda for Sustainable Development, and Africa's Agenda 2063. It draws on lessons learned from implementing the MDGs and GTP I and the international and regional economic conditions such as the market price fluctuation of products, inputs and outputs of the country and the regional trade and economic integration prospects (NPC, 2015).

The National Planning Commission (NPC) was responsible for preparing GTP II. It consulted with stakeholders at the regional and federal levels, presenting the draft plan to various groups, including farmers and pastoralists, women, youths, private sector organisations, investors, intellectuals, CSOs and the Development Assistance Group (DAG). The NPC and the Parliament approved the plan in November, 2015. The sectors and the macro institutes (institutes whose budget is not supported by the government like National Bank of Ethiopia), including clusters[1], were involved in the preparation and review of their respective GTP II.

Despite government's efforts at consultation, the planning process has not been adequately participatory. Moreover, the NPC did not monitor the consultation process. Interviewees were therefore hesitant to state whether the planning process had fully incorporated the needs and priorities of those at the bottom of the pyramid. For example, as per the interviews with the Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) and the Consortium of Christian Relief and Development Association (CCRDA), both of them participated in the consultations. However, they both criticised the process for not being participatory and for being biased towards the government and its political affiliates.

Interviews with the NPC officials state that the Commission has yet to build up sufficient capacity to coordinate and supervise the GTP II planning process effectively. Much works need to be done to mitigate deficits such as – lack of adequate human resources, especially senior personnel and technical experts, shortage of logistics (vehicles, stationary and others) and information technology (IT) materials, limitation in financial capabilities, etc. It also began the planning process late and carried it with haste, leaving many experts from different institutions with doubts about the quality of the plan. Most of the government sectorial ministries and departments, like the NPC, are acknowledged to have capacity-related limitation. There are also need to increase the number of staff and enhance their skills to prepare and implement the plan with the required quality, efficiency and sector-specific planning guidelines. Also, these government organisations need to strengthen the information database management systems and scattered data.

2.2 Mid-term National Plan and Integration and Mainstreaming of the SDGs

GTP II is Ethiopia's medium-term development plan. It articulates the country's development priorities in nine fundamental development directions or the Strategic Pillars of GTP II (NPC, 2015):

- Maintain the rapid, sustainable and just economic growth and development;
- Increase the efficiency and improve various sectors' productivity, product quality and competitiveness to reach the optimal productive capacity so as to bring about excelled economic growth;
- Accelerate domestic private investors' transformation and prepare them as an important development arm of the economy;
- Strengthen the construction sector's capacity, tackle infrastructural obstacles, and corroborate quality servicing;
- Properly manage the growth of urbanisation and strengthen its contribution to macroeconomic growth;
- Accelerate and ensure the human resource development and the technological capacity of the nation;

[1]Clusters are: macroeconomic, finance and economy, social, and civil service reform and good governance.

- Build democratic developmental good governance through improving the executive capacity of the government and strengthening public participation;
- Promote women's and youth's capacity and participation; and
- Build CRGE.

These pillars have been designed to support the country's overall development strategy – agriculture-led industrial development – and GTP II prioritises the agriculture and manufacturing sectors. It also touches on other economic and social development sectors among other sectors. GTP II is, therefore, considered ambitious.

Ethiopia is a signatory to the Common African Position on the post-2015 development agenda. Additionally, Ethiopia has different national development priorities. The first two are Vision 2025 and the CRGE strategy (the latter was developed to help build a carbon-free economy). In order to protect the universality (in accordance with the post-2015 development agenda) of its development plan, Ethiopia has contextualised all the SDGs within its own development priorities. Thus, GTP II incorporates the SDGs and the CRGE plan into its strategic pillars and mainstreams the SDGs into its goals, targets, indicators and budget.

A United Nations Development Programme (UNDP)-sponsored study of the indicators, which will be used to monitor GTP II, shows that Ethiopia has aligned its development plan with the SDGs and mainstreamed the 17 goals into GTP II (UNDP, 2015). Representatives of the NPC and the sector ministries interviewed for this study have confirmed that they had contextualised, integrated, mainstreamed, and aligned the SDGs in their respective (sector or ministerial level) GTP II. The NPC is preparing a policy matrix that shows the links between GTP II's goals, targets and indicators and the SDGs. A selection from this matrix showing links between macroeconomic policy goals and the SDGs can be seen in Annex 2.

In addition to GTP II, Ethiopia has a number of sector-based development programmes. Two of these are the Education Sector Development Programme (ESDP) and the Health Sector Transformation Plan (HSTP). ESDP V is the current and fifth medium-term plan for the education sector, serving as the central strategy from 2015 to 2020. Its priorities align with those of GTP II and are also consistent with regional and international agreements, such as Education for All, the SDGs and the Convention on the Rights of the Child (MoE, 2015). The programme has seven broad goals that align with SDG 4 (quality education): i) capacity development for improved management; ii) general education quality; iii) equity in access to general education; iv) internal efficiency; v) adult and non-formal education; vi) technical and vocational education and training; and vii) higher education. Its outcomes are measured against 52 indicators.

HSTP is the fifth medium-term plan for the health sector, covering the period from 2015 to 2020. It identifies 15 strategic objectives under four perspectives of health system development: community, financial stewardship, internal process, and learning and growth. The strategic objectives are aligned with SDG 2 (End Hunger, achieve food security and improved nutrition and promote sustainable agriculture), SDG 3 (Ensure healthy lives and promote well-being for all at all ages), and SDG 6 (Ensure availability and sustainable management of water and sanitation for all), and are measured against 167 indicators.

3. Coordination, Management, Leadership and Monitoring Mechanism of the SDG Implementation Process

3.1 Implementing Agencies and Potential Challenges

According to informants from the NPC, two agencies are involved in implementing GTP II at the national level – the 'executive agency' and the 'implementing agency' – and the implementation process follows the country's administrative structures. The 'executive agency' coordinates and facilitates GTP II

implementation. It includes the Prime Minister (PM) who leads the agency, as well as representatives (ministers) of the clusters, the federal ministries and the macroeconomic institutes. The 'implementing agency' includes the regional, zonal and *woreda* (district) government sector offices, *kebele* (the lowest administrative unit), public enterprises, CSOs and the private sector. They are led by their own institute. However, the sectors at different (regional, zonal, woreda) levels provide public enterprises, CSOs and the private sectors directions and monitor their plans and activities to align with the goals of GTP II.

In the case of the Ministry of Industry (MoI), for example, the ministry, the institutes and the public and private companies are involved in the implementation of the GTP II. The ministry and the institutes are the executive organs and support the implementers (the public and the private companies). They are also involved in research, technology transfer and capacity building support. They provide facilitation services whenever the private sector requires inputs like land, power supply, water, credit, etc. from the concerned government bodies. They are responsible to create inter- and intra-sectoral linkages among executive organs such as Ethiopian Revenue and Customs Authority (ERCA), Ministry of Trade (MoT), Ministry of Water Irrigation and Electricity (MoWIE) and others to support implementers to invest in, and increase, the export trade of the nation.

The major challenges anticipated by the government, as per the information from NPC, in implementing the GTP II lay somewhat in the limitation of the government's capacity to manage megaprojects. These projects, like the ones related to hydropower and sugar industry complexes that require high skills, tend to suffer from a lack of personnel with high-level technical skills, inadequate technology, and insufficient financial resources as well as certain rent-seeking behaviours and practices from the part of the government leaders. The private sector has limited capacity to compete in the global market in terms of product price, quality and quantity. The sector still demands tariff protection for which it was getting incentives previously. However, such protection may reduce government's revenue earnings, and thus the financing available for the country's SDG implementation. Further, the sector's governance and management structure is mostly family ownership type, which may result in violation of industry discipline lowering its competitiveness. It needs support to modernise and improve its manpower management and institutional transparency, and then, to discharge its corporate social responsibility (CSR).

3.2 Intra-governmental Coordination

In addition to the executive and implementing agencies, there are established intra-governmental coordination mechanisms and institutional arrangements to support the implementation of GTP II at the federal level. These include:

- The NPC, which is accountable to the PM, coordinates the implementation process across economic sectors. The four clusters (all social, economic and governance sectors are segmented into four clusters – macroeconomic, finance and economy, social and civil service reform, and good governance) coordinate their respective sectorial ministries;
- Other councils like the State Export Council and cooperation on social, infrastructural and economic sectors with different bilateral and inter- and intra-governmental organisations which have been established to oversee the implementation of GTP II and ensure coordination and synergy within and among agencies. In some sectors, such as infrastructure, this cooperation exists, but is weak.

The leadership plans, organises, directs and controls the implementation of GTP II, and coordinates the executive agencies and the implementing agencies. It devises strategy, sets direction, and creates vision. It also gets these agencies on board for strategy, communication and networking. It assesses the capacity of the agencies and facilitates capacity building support.

Some sectorial ministries – for example, Ministry of Finance and Economic Development (MoFED), Ministry of Agriculture (MoA) and Ministry of Education (MoE) – have already established SDG teams

out of their former MDG teams. These teams provide technical, physical and financial monitoring and evaluation support to the regions for implementing GTP II. However, some ministries, such as the MoI, are yet to form such teams or assign a focal person to follow-up and report on the implementation of GTP II or the SDGs, at either the federal or the regional level. It is expected by the ministry to manage the coordination of activities and exchange of information among the many actors involved in the implementation process. Moreover, coordination among ministries is rather weak. This could prove to be a challenge to implementing GTP II, especially where collaboration of two or more ministries is required, such as between MoI and MoT in export promotion and registration. Informants believe that the integration among other sectors as well as between sectors and regions has scope to be strengthened. In fact, the informants consider that, policy amendments can be deemed necessary if some of the talked-about issues are not worked on; including reluctance of sectorial ministries towards taking technical decisions, because of high political influence and lack of clarity on the strategic choices for the government on economic and developmental issues. Otherwise, the informants think, the intra-governmental and leadership mechanisms for GTP II implementation might also be affected.

The federal and regional governments are coordinated through the National Planning Council via the Parliament. Sectorial ministries and regional states coordinate the regional sector offices to implement the GTP II.

3.3 Coordination, Management, Leadership, Accountability and Monitoring Mechanism

GTP II's performance will be closely monitored using survey and census results generated by the Central Statistical Agency (CSA) and information collected through observation in the field. However, these observations will focus largely on measuring the performance of megaprojects (NPC, 2015).

At the national level, the NPC is responsible for the overall leadership and coordination of GTP II. As set out in GTP II, its role in monitoring and evaluation (M&E) is to lead, coordinate and conduct the process and to prepare and disseminate M&E reports. Accordingly, it plans to conduct a study to identify gaps in the M&E system and to take the necessary measures to correct and strengthen it. It will study the success of selected sector programmes to generate information that will be used for policy formulation.

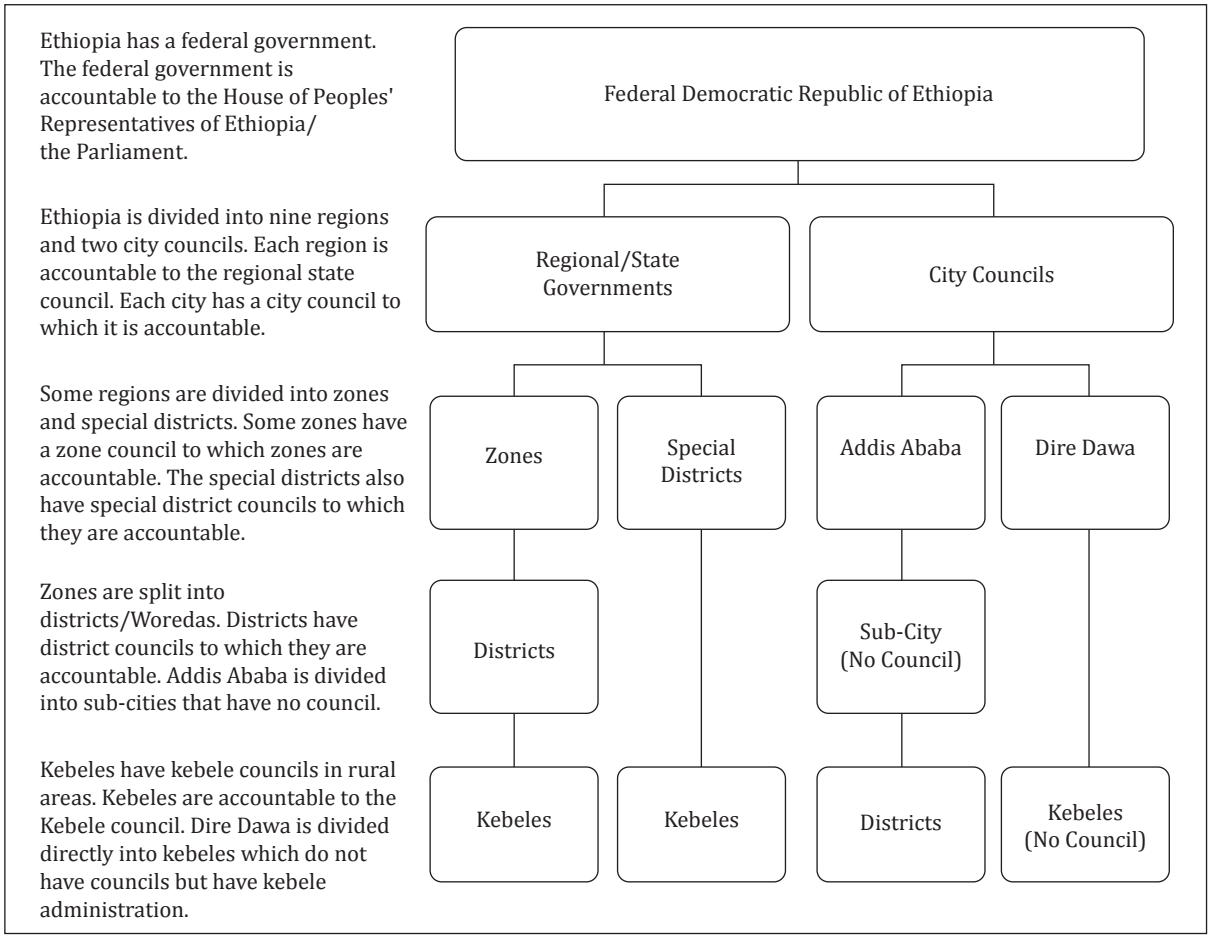
In addition to the NPC, the four clusters in the Prime Minister's Office (PMO), the federal and the regional sector ministries (including the SDG teams and the macroeconomic institutes) are responsible for coordinating the implementation of GTP II in their respective sectors. The accountability structure, the coordination mechanism and the leadership chain follow the administrative structure of the nation. All existing administrative structures are responsible for implementing their respective part of the GTP II. Figure 1 shows the political administrative structures of the Federal Democratic Republic of Ethiopia.

The NPC is responsible for the coordination of the planning and implementation of GTP II/SDGs at the federal level. The NPC has no office at the regional, zonal or district level. The finance and economic development offices at regions, zones and districts coordinate the planning and implementation of GTP II.

GTP II incorporates several sectorial projects that are implemented at the federal, regional, zonal and woreda level. The sectorial ministries and offices are responsible for leading, coordinating, managing and implementing these projects. They are also in charge of implementing the megaprojects, while the regions and lower levels of government coordinate and implement small projects which are usually of less than half a billion Ethiopian Birr (ETB).

The NPC is currently preparing a policy matrix that shows the overall goals and details of targets and indicators for GTP II. The matrix will serve as a common tool to monitor and evaluate GTP II at

Figure 1: Federal, Regional and Local Government Structures (2010) of Ethiopia



Source: Author's elaboration.

federal level. It will be rolled out to the regional bureaus and the sectorial ministries to adapt and contextualise it so as to serve the monitoring and evaluation of their GTP II.

At the national level, MoFED undertakes the responsibility for doing the routine monitoring of development plans, especially for poverty analysis- and welfare (social benefits)-related projects. However, evaluation of development plans is not common. Evaluation as a means to assist in planning policy is mostly not well-coordinated, and usually overlooked as this is not generally of interest to the development partners (CLEAR-AA, 2013). Annual performance reviews and consultative meetings are the methods normally used to monitor GTP II. However, the informant interviews indicated that monitoring exercise of the GTP II implementation is regularly done in the sectors which have established an SDG team, such as the MoFED.

The sectorial ministries, the regional sectorial bureaus, the macroeconomic institutes, and the NPC – each have Planning, Monitoring and Evaluation (PME) Directorate that are responsible for PME in their respective sectors. However, these directorates undergo certain limitations; for instance – lack of systematisation, inadequacy of skilled manpower, shortage of material supplies, deficit in M&E systems, and the lack of staffs as well as planning or system in NPC's PME Directorate for monitoring GTP II. Much work needs to be done to make the PME Directorate gain broader experience undertaking field observations. Hence, logistic services and the NPC's commitment to applying data collection tools need to be exercised. The NPC has planned to develop an M&E system and undertake executive, organisational, human resource development activities related to M&E in the next five years (NPC, 2015).

Coordination between the government and the private sector, to execute and monitor the implementation of the SDGs, is facilitated through private sector associations. These associations are organised through the Ethiopian Cooperative Agency, and are linked to and licensed through their respective sectorial ministries. The Ethiopian Floriculture Association, the Ethiopian Leather and Leather Product Association and the Ethiopian Exporters' Association are among some of the more commonly known of these associations. ECCSA (described in more detail in Section 5.3.1) is the most prominent, with different chapters at the regional level. The government uses ECCSA to coordinate the private sector in implementation of the GTP II.

4. Adequacy of Financing and other Means of Implementation of the SDGs

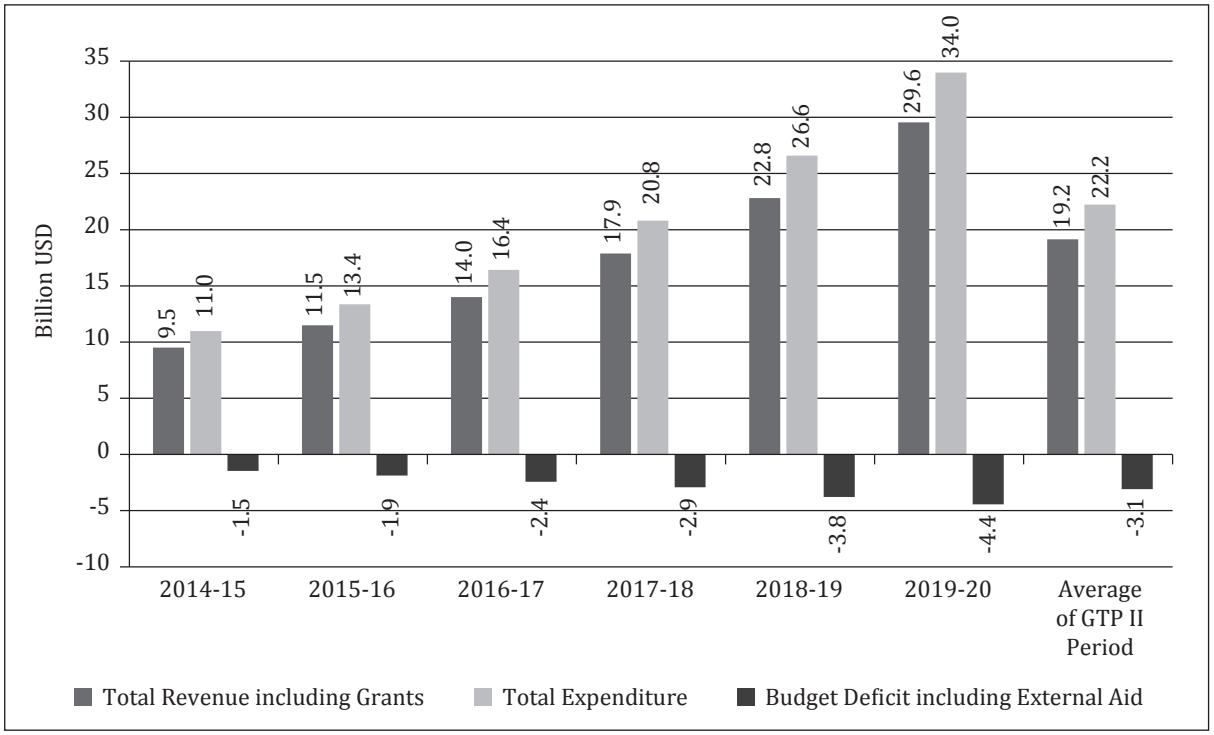
4.1 GTP II Financial Plan

The financial plan for GTP II indicates that implementation will be financed from two sources: domestic funds and external aid and loans. According to the plan, domestic sources (including the private sector funds) and external aid will cover 86 per cent of the total budget requirement of the GTP II implementation. The remaining 14 per cent will be a deficit.

Of the total budget deficit, 38.8 per cent will be financed with loans from external sources. The rest (61.2 per cent of the total budget deficit) will be covered by borrowing from domestic sources. Figure 2 shows the yearly total revenue, expenditure and the budget deficit amount for the implementation period of GTP II.

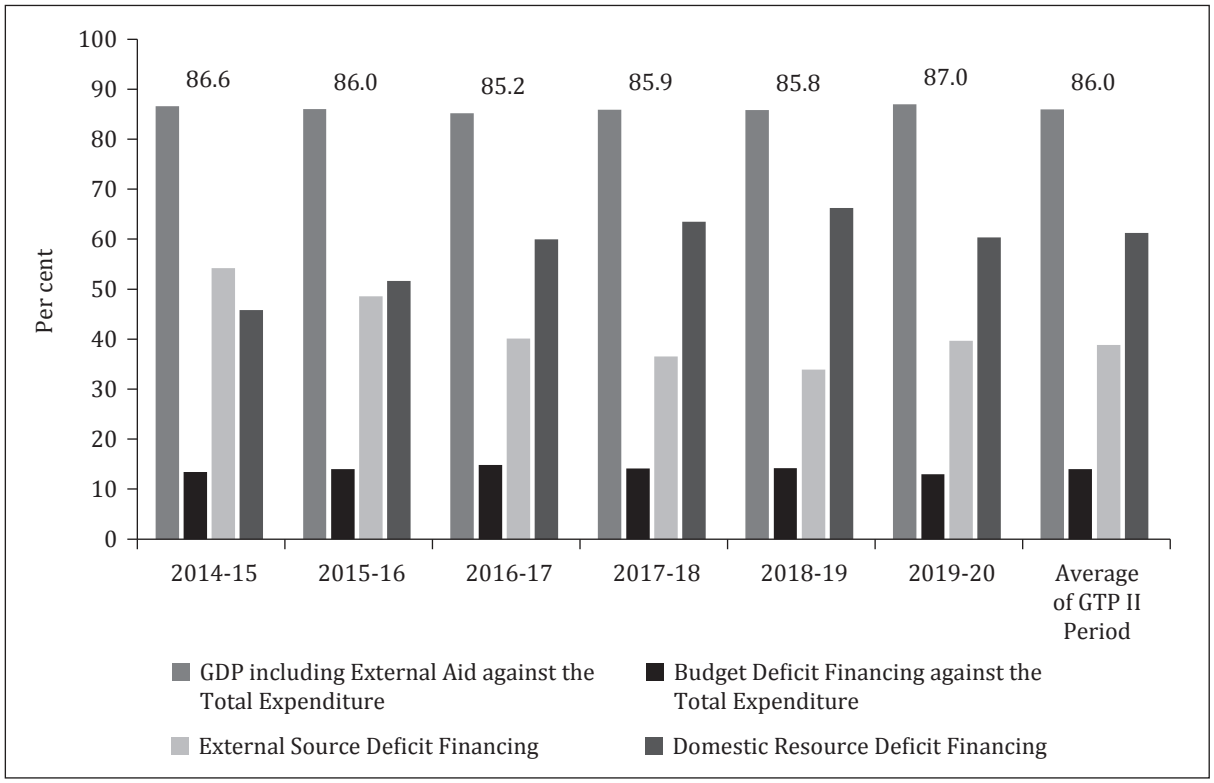
Moreover, Figure 3 shows the GTP II budget sources, that include GDP with external aid and the estimated budget deficit financing in per cent. It also shows the domestic and external sources for financing the GTP II, and its budget deficit as a percentage of the total budget deficit.

Figure 2: Financial Requirement, Sources and Deficits of the GTP II (2015-16 to 2019-20)



Source: Prepared by the author based on NPC (2015).
Note: Estimated USD 1 = ETB 21.

Figure 3: Budget Deficit Financing by Sources of the GTP II (2015-16 to 2019-20)



Source: Prepared by the author based on NPC (2015).
Note: GDP: Gross domestic product.

4.2 Domestic Resource Mobilisation

The four-year performance report for GTP I indicates that domestic revenue is 12.1 per cent of GDP, which is less than the Sub-Saharan average of 15.2 per cent. It also suggests that there is much work to be done to strengthen Ethiopia's tax administration.

There are tremendous challenges to mobilising domestic resources in Ethiopia due to inefficiencies in taxation and unsatisfactory performance in savings. Poor tax base and collection processes, inefficient service provisions, weak compliance, lack of information exchange on tax assessment, and a poorly developed management system are the major challenges related to tax administration. The biggest obstacles to mobilising savings include inadequate promotion of private sector investments, and limited access to banking facilities[2], and availability of saving instruments such as stock markets, low deposit interest rates, bonds, housing schemes and social security schemes.

Furthermore, Ethiopia is losing 6 per cent of its GDP through illicit financial flows, particularly through tax abuse, corruption and abuse of markets (UNECA, 2015). The government needs to monitor and restrain these activities.

The country's ethnic federalist structure and the low capacity of regions to collect tax will also be a challenge for mobilising domestic resources (Kibre, 1994 and Solomon, 2006: 213, cited in Alefe, 2014: 97). A more serious problem could be the link between revenue and secession; every ethnic group has the unconditional right of secession, which could lead to ongoing fiscal conflict between the regions. This could affect fiscal equalisation between richer and poorer regions, because wealthier regions may want to use their resources for themselves, rather than sharing them with the poorer regions (Alefe, 2014).

[2]Ethiopia has 19 banks (16 are private) and they form the Country's main financial institutions. In 2014, 34 per cent of the banks are located in Addis Ababa, and the ratio of bank branches is 39,834 (Zerihun, Kibret and Wakaiga, 2015).

Tables 1 and 2 illustrate the tax assignment according to the theory of fiscal federalism in comparison with tax assignment under the Ethiopian Constitution.

Table 1: Tax Assignment according to the Theory of Fiscal Federalism

Tax Category	Determination of Tax		Collection and Administration
	Base	Rate	
Customs duties	F	F	F
Income tax	F	F, S	F
Estate and gifts	F	F, S	F
Corporate income tax	F	F, S	F
Resource tax	F	F, S	F
Retail sales	S	S	S
Value added tax (VAT)	F	F, S	F
Excises	S	S	S
Property tax	S	L	L
User charges	F, S, L	F, S, L	F, S, L

Source: Kibre Moges, Table 2, quoting Shah.
Notes: F = Federal; S = State; L = Local.

Table 2: Comparison of Tax Assignment under the Ethiopian Constitution and the Theory of Fiscal Federalism

Tax Category	Ethiopian Constitution	Fiscal Federalist Theory	Article
Income tax on federal government and international organisation employees	Federal	Federal/state	96(2)
Income tax on lottery winnings and other games	Federal	State	96(4)
Income tax on air, rail and sea transport services	Federal	Federal	96(5)
Income tax on federally owned houses	Federal	Federal	96(6)
Taxes on monopolies	Federal	Federal	96(8)
Income tax on state government employees and employees of private enterprises	State	Federal/state	97(1)
Income tax on private farmers and agricultural co-operatives	State	Federal/state	97(3)
Income tax on individual traders	State	Federal/state	97(4)
Income tax on inland transport services	State	Federal/state	97(5)
Income tax on federal government enterprises	Federal	Federal	96(3)
Income tax on rental of private houses and other properties	State	Federal/state	97(6)
Income tax on state government-owned enterprises	State	Federal/state	97(7)
Income tax on employees of state government-owned enterprises	State	Federal/state	97(7)
Income tax on companies and shareholders	Federal/state (concurrent)	Federal/state (concurrent)	98(2)

Source: Ethiopian Constitution 1995, *supra* note 29; Kibre Moges, in Eshetu Chole, *supra* note 1, p. 6.

The distribution of revenue between the federal government and regional state governments under the Ethiopian Constitution will also be a challenge. The arrangement does not leave the federal government with sufficient power to achieve the desirable fiscal policies of stabilisation and distribution for comparison of the assignment of revenues under the theories of fiscal federalism and the Ethiopian Constitution (see Tables 1 and 2) (Lencho, 2010).

The GTP I performance report indicates that domestic sources of revenue, excluding public enterprises, cover 80 to 85 per cent of the country's annual budget, while only 15 to 20 per cent of the budget is covered by external sources. However, those external sources are not usually disbursed as per the agreed schedule of instalments. The disbursement does not reach 75 per cent of the commitment. According to a discussion with the Macro Economic Directorate, MoFED's capacity limitations and ability to mobilise resources are serious challenges to implementing the SDGs, especially in terms of execution of the megaprojects.

4.3 External Resource Mobilisation

One of the government's strategies for tackling its financial challenges is to encourage foreign direct investment (FDI). Conditions for FDI are relatively favourable, especially given low wages in the country, the potential of the domestic market, incentives that are mainly related to tax holidays and preferential access to European Union (EU) and United States of America (USA) markets (Prizzon and Rogerson, 2013, p.4). However, the government will allow FDI only if it demands the FDI and finds that it is linked to GTP II and supports local private sector capacity.

Ethiopia does not have a formal aid and debt management strategy for either traditional providers or non-traditional providers (Prizzon and Rogerson, 2013). However, there are more than 30 active development partners in Ethiopia operating in more than 13 sectors. Ethiopia's programmable aid per capita (USD 32) is still lower than the social security agency average (USD 40) (DAG Ethiopia, 2015a).

Total development assistance to Ethiopia was USD 3.9 billion in 2013. Since 2004, official development assistance (ODA) to Ethiopia has increased by 66 per cent in real terms (DAG Ethiopia, 2015b). The five largest providers of development assistance to Ethiopia are the World Bank, the USA, the United Kingdom (UK), the African Development Bank (AfDB) and The Global Fund Ethiopia. Table 3 illustrates the top bilateral and multilateral partners of the Ethiopian Government who have assisted the national plan in 2012-2013.

Donors usually set conditions on aids and loans to countries, including on national policies relevant to their interst, such as on finance, the types of beneficiaries and outcomes of the programmes, the governance structure of the programme, the political importance and ideological alignment, the availability of infrastructure, the strategic position and location of programming, macroeconomic stability, past financial utilisation, and the burning rate of aid and loans. Ethiopia has a poor record

Table 3: Top Bilateral and Multilateral Partners for 2012-13

Top Bilateral Partners	Amount (Million USD)	Top Multilateral Partners (Only Core Resources)	Amount (Million USD)
USA	610.3	World Bank (IDA)	847.6
UK	466.3	AfDB	222.0
EU	170.8	The Global Fund	182.7
Japan	146.6	GAVI	101.0
Canada	128.9	UN funds and programmes	80.1

Source: DAG Ethiopia (2015b).
Note: IDA: Industrial Development Association.

and low burning rate (World Bank, 2013) for the amount of combined aid and loans Ethiopia would like to receive.

The Ethiopian government also has its own criteria for the aid and loans it would like to receive from traditional partners (TPs) (donors that have been in partnership with the government for a long period of time) and non-traditional partners (NTPs). Prizzon and Rogerson (2013) suggest that aid or loans that fit with GTP II should be considered a priority for assistance.

Ethiopia is seen as a key partner by donors for its tangible economic and social development results, coupled with its strategic position in the Horn of Africa, its relative political stability and the location of its capital as the African Union's 'diplomatic hub' (Prizzon and Rogerson, 2013). Moreover, the Ethiopian government has a good relationship with NTPs, principally South Korea, China, India and Turkey. This has given Ethiopia strong negotiation power, especially with TPs, such as the International Monetary Fund (IMF), the World Bank and the International Bank for Reconstruction and Development (IBRD), and capacity to overcome donors' political and economic conditions for foreign aid. However, despite this advantage, lack of finance remains a critical threat to the implementation of GTP II.

4.4 Non-Financial Resources

Ethiopia has large reserves of non-financial resources. Its natural resource base – land, water, diverse climatic regions, forests and labour force – is the foundation of economic development, food security and other basic necessities of its people.

The country, with a population of more than 100 million people, has a productive labour force that makes up more than 46 per cent of the total population. Ethiopia covers an area of 1,104,300 sq. km, approximately 66 per cent of which has potential for agriculture. It has about 98 rivers and large water bodies which cover about 0.7 per cent (7,730.1 sq. km) of the country. These rivers are suitable for irrigation and hydropower generation. Moreover, Ethiopia has small reserves of gold, platinum, copper, potash, iron ore, coal, limestone, natural gas and other natural resources that can contribute to its economy (The World Factbook, n.d.) along with high potential for tourism.

Hence, the government has the opportunity to harness and mobilise these non-financial resources to meet the shortage of financial capabilities by capitalising on the available labour force, water resources, tourism trading, and extraction and sales of the available minerals in order to attain the SDGs.

5. Partnership and Stakeholder Participation including Institutional Arrangements

5.1 Public-Private Partnership

At the national level, there is a public-private partnership (PPP) forum to implement the GTP II through at least mobilisation of resources. It consists of representatives of the private sector and the government, and is chaired by the PM. There is no other PPP organised by the government at the national level. However, the NPC is now well-organised and aware of the advantage of involving more PPPs in the economy. It plans to encourage others to form partnerships and stakeholder participation forums, and to provide its support to PPPs.

There are many such forums established for various sectors. Multilateral organisations, such as the UNDP, United Nations Industrial Development Organization (UNIDO), United Nations Environment Programme (UNEP) and the World Bank, bilateral donors such as Korea, Japan, Ireland, the UK and the USA, and national think tanks and universities are partners in implementing GTP II with ministries of different sectors (for example, the MoI). These partners support the economy not only in financing, but also in research on creating an enabling environment. Nonetheless, these partnerships are slowing down as a result of financial constraints created by the development partners. There are also sectorial associations and sectorial working groups that assist in the implementation of GTP II.

5.2 Ensuring Multi-stakeholder Participation

In addition to intra-governmental arrangements and constitutional procedures, the government has established consultation forums and instruments to ensure that intra-governmental agencies and multiple stakeholders get to participate in planning and implementing GTP II.

The planning consultation forums and their proceedings and reports are used to ensure consistency in intra-governmental coordination and stakeholder participation in the GTP II planning process. Unfortunately, these forums and the instruments may not have been independent, since they were coordinated and prepared by the government and the ruling political party.

Annual GTP II performance reports and consultation forums, which are held both at regional and federal levels, are other mechanisms to ensure the broad participation of stakeholders and coordination among government agencies. As with the forums held during the planning process, there is a chance that these forums may fall behind in being independent, transparent and inclusive. However, the existing experience of the government, especially of the NPC, reflects that these forums have the issues with regard to continuation and attention.

Sectorial ministries organise and coordinate similar forums. For instance, the Joint Review and Implementation Support meeting is one of the biggest donor-government meetings held in the country. MoFED organises and coordinates the meeting biannually. All regional and federal sectorial offices, DAG members, multilateral and bilateral organisations, and other stakeholders participate in the meeting to discuss and assess the effectiveness of aid donors.

5.3 Role of Private Sector, CSOs and Think Tanks

5.3.1 Role of Private Sector

The private sector is considered as an engine for economic growth. It is expected to participate in the implementation of GTP II and be involved in the area of investment in all sectors, especially in the manufacturing sector, to improve competitiveness, contribute to GDP, generate employment, enhance exports, etc. It is also expected to contribute to the supply of labour, revenue generation through tax, purchase of government bonds, etc., when required.

According to ECCSA, some of the challenges facing the private sector in implementing GTP II include weak domestic value chains, insufficient financing, low industrial land supply, low productivity, deficiencies in human resource skills and weak power supply. It also concludes that the business environment is poor (ECCSA and Ethiopian Public Private Consultative Forum, 2015). The 2014-15 Global Competitiveness Report and the Doing Business Report 2015 concur, ranking Ethiopia 118 out of 144 countries (down from 117 in the previous year) and 132 out of 189 economies (down from 129 in the previous year), respectively.

ECCSA also suggests that more attention be given to the private commercial farming sector, which has been overlooked, and without which it will be difficult to attain sustainable food security and supply raw materials for industries in the country.

5.3.2 Role of CSOs

The role of CSOs in national development is defined in Ethiopian Charities and Societies Regulation No. 168/2009, Proclamation 621/2008, and Consortium No. 1/2010. These define and limit CSOs' participation in humanitarian services and social development, and allow only Ethiopian organisations to be involved in advocacy activities.

According to the above government regulations, CSOs are allowed to raise only 10 per cent of their programme budgets from external sources. This is supposed to limit CSOs' contribution to GTP II and may lead to a significant loss of foreign currency flowing to the country as grants to charities and CSOs (Bekalu, 2011). Bekalu adds that the regulation will also shrink the operational space and income for these organisations, which will in turn lead to the closure of a sizable number of CSOs, and a significant loss of benefits to households and communities, as well as of employment opportunities.

5.3.3 Role of Think Tanks

The role of think tanks in national development is governed by the same regulation that governs the role of CSOs. The government's Charity and Society Agency is responsible for registering CSOs, non-government organisation (NGOs) and think tanks, and for providing and renewing work permits for them.

Theoretically, the role of think tanks in implementing GTP II is immense. The interview conducted with the NPC for this research project revealed that there is no policy guideline either to define the roles and responsibilities, or to help coordinate and increase the participation of think tanks in implementing GTP II. In practice, their participation is usually limited and rarely involves M&E. The NPC is currently attempting to develop policies on involving and using think tanks effectively in planning and implementation of the national development plan. Even though their role is limited, many universities like Addis Ababa University, Adama University, Jimma University and others are involved in various research activities related to GTP II/SDG implementation and Ethiopian economic growth, tourism development, inflation, etc. Nonetheless, these research studies are not normally guided by the NPC and the national development plans, nor are they conducted to amend or formulate policy.

6. Capacity of the National Statistical Agency and other Data-related Issues

6.1 Capacity of the National Statistical Agency

The maintenance and use of statistics for development plans and growth tracking in Ethiopia are overseen by the CSA, which is responsible for organising and disseminating socio-economic and political data in the country. It has recently been restructured, and has demonstrated a high level of responsiveness in providing data for M&E purposes (CLEAR-AA, 2013). It is headquartered in Addis Ababa and has 32 branch offices in the region and 340 professional staffs (Yohannes, n.d.).

CSA administers, conducts, supervises and produces almost all surveys and census reports in the country. It is also an official training centre in this field. In addition, it undertakes many periodical surveys (see Table 4).

CSA is also responsible for collating data, providing M&E reports, and establishing standards for statistics. It provides data to monitor, evaluate and report on GTP II and the progress of the SDGs, but does not analyse it.

CSA's National Statistical System (NSS) coordination unit is responsible for setting common standards and classifications for data, developing service agreements with NSS partners, providing support to partners, and managing the process of assessing data quality. In 2011, CSA issued the Ethiopian Data Quality Assessment Framework (EDQAF) with the objective of minimising data inconsistencies between sectors. All these efforts were designed to provide quality, timely and standard data for monitoring and evaluation of GTP I and achievement of the MDGs (CLEAR-AA, 2013).

CSA implemented a five-year National Statistical Development Strategy (NSDS) (2009-10 to 2013-14) funded by the World Bank. It has since been revised to accommodate the data requirements for GTP II. CSA will use this strategy to collect, store, organise, analyse and disseminate information related to performance against GTP II goals to data users such as academics, researchers, government

Table 4: Survey Works in CSA

Survey	Survey Period	Survey Level
Agricultural sample survey	Annually	Country, region, zone
Industry (large, medium and small scale)	Every two years	Country, region, zone
Welfare monitoring survey	Every five years	Country, region, zone
Livestock	Annually	Country, region, zone
Household	Every five years	Country, region, zone
Urban employment-unemployment	Annually since 2009 (previously it was biannual)	Country, region, zone
Labour force	N/A	Country, region, zone
DHS	Every five years	Country, region, zone
Price	Monthly	Country, region, zone
Population and housing census	Every ten years	Country

Source: Yohannes Gulilat, CSA Ethiopia.
Note: DHS: Demographic and Health Survey.

representatives, NGOs and development partners. Moreover, CSA will develop standards for M&E at different levels of implementation among various responsible bodies.

Despite these efforts, CSA suffers from limitations in technical (professional), capacity and depth of data collection. The Director of CSA Business Statistics Directorate states that much of the data lack basic definitions for different activities and consensuses. The mining industry, for example, involves three activities: exploration, extraction and manufacturing. However, because there are no definitions for different activities for which data is required, CSA is unable to collect data to monitor these activities. Moreover, for carrying out an in-depth data analysis, CSA needs to enhance relevant capacity, and needs to collect data for woredas or kebeles also, not only for indicators at the national and regional levels. In addition, high turnover and shortage of human resources, lack of logistic services for collecting data in the field, and shortage of finance (despite the government financing CSA) challenge the agency's ability to generate, analyse and disseminate data.

Also, data generated by CSA should be used more by sectors, ministries and development partners. Many stakeholders continue to duplicate data collection efforts by conducting their own surveys. There are also no demonstrable efforts directed at enhancing capacity to use collected data for M&E purposes.

6.2 Unofficial data

In Ethiopia, there is no common understanding of how unofficial data can be used when official data are not available or do not meet quality standards. Infrequently, international organisations, CSOs, NGOs, think tanks, independent research institutes and government agents use unofficial sources, or make their own assessments and estimates to fill data gaps, and compare national and international data.

CSOs, NGOs, think tanks, independent research institutes, universities and professional associations are the major producers of unofficial data in the country. They generate this data as part of evaluating their own results as evidence of programme implementation. They are concerned primarily with undertaking research studies that are often commissioned by the government, development partners and NGOs. Nevertheless, data generation is constrained by legislation governing the registration and funding of CSOs, NGOs and think tanks. Government agents and development partners are also sources of unofficial data. They coordinate with researchers to commission, conduct and manage research projects.

The Ethiopian Economic Policy Research Institute (EEPRI), the research wing of the Ethiopian Economic Association (EEA), conducts and promotes independent research and programme evaluation, and generates unofficial data. The Ethiopian Development Research Institute (EDRI), a semi-autonomous government economic development research institute, also produces such data. The EDRI suffers from limited capacity and is supported with manpower by Addis Ababa University and the International Food Policy Research Institute (IFPRI) (CLEAR-AA, 2013). However, the data supplied by the EDRI is believed to be biased.

The main challenge of unofficial data generation is that there is generally a lack of confidence from the non-state actors towards local organisations due to the former's capacity-constraints.

7. Conclusion and Recommendations

7.1 Conclusion

The Government of Ethiopia has attempted to integrate and mainstream SDGs in the GTP II. However, the GTP II planning process is top-down. The GTP II is regarded as ambitious when its resource requirement is compared with government's capacity. Hence, capacity limitations might affect the realisation of the SDG implementation in the country.

The GTP II implementation process follows the country's administrative structures. The ministries are responsible for creating inter- and intra-sectoral linkages among executive organs. The NPC, the clusters in the PMO, and the federal and the regional sector ministries are responsible for coordinating the implementation of GTP II. Each has PME Directorates that are responsible for PME of the SDGs and GTP II in their respective sector. However, the directorates lack skilled human resources, material supplies and M&E systems. As a result, these limitations might hinder the government to efficiently track and timely deliver information on the progress of implementation of SDGs and GTP II and to take appropriate actions.

GTP II will be financed through domestic funds, and external sources. According to the plan, domestic sources and external aid will cover 86 per cent of the total budget requirement, and the rest of the 14 per cent will be a deficit. The government faces many challenges to mobilise domestic resources. Inefficiencies in taxation including tax collection, poor performance in savings mobilisation, illicit financial flows, the country's ethnic federalist structure, and limited regional capacity to collect tax are the challenges for mobilising domestic resources in Ethiopia. These factors may affect the amount of the budget available for the delivery of the SDGs and GTP II, and the government may not successfully attain the SDGs and implement GTP II. In this regard, the government should attempt to utilise non-financial resources for the SDG and the GTP II implementation.

The Ethiopian government has a PPP forum, consultation forums and instruments to ensure that intra-governmental agencies and multiple stakeholders participate in planning and implementation of the GTP II. However, past experience informs that these forums are not continuous. The government should strengthen these forums to mobilise resources to implement the SDGs and GTP II. The roles of the private sector and the CSOs are also important for resource mobilisation and investment. The Ethiopian Charities and Societies Regulation and Proclamation limits CSOs' participation in humanitarian services and social development which lessens CSOs' contribution towards any progress with regard to the SDGs and GTP II.

The CSA, which is responsible for organising and disseminating socio-economic and political data in the country, suffers from limitations in technical (professional) capacity and in depth of data collection. These limitations make it difficult for data collection to feed information on the progress of SDGs and GTP II to the executive bodies to enable the latter to take timely and informed actions to improve the implementation process of the SDGs and GTP II.

Ethiopia's experience with regard to the use of unofficial data is uncommon. CSOs, NGOs and think tanks generate unofficial data while evaluating their own programmes in the country. Because they do not have sufficient budget, unofficial data generation on their side is almost non-existent. Hence, data on the SDG implementation remain highly dependent on CSA Ethiopia.

7.2 Recommendations

Based on the conclusions, the following recommendations are forwarded for the effective implementation of GTP II:

- Donors are suggested to:
  - Lobby for amendment (by the government) to CSO regulations to enable CSOs to raise funds to support the SDG implementation process;
  - Finance the deficits to implement GTP II; and
  - Provide capacity building with technical assistance and training and a platform for experience sharing with focus on implementation of megaprojects.
- The government is suggested to:
  - Investigate the effect of the federal structure on domestic resource mobilisation;
  - Strengthen the inter- and intra-sectoral integrations; and
  - Endeavour to revitalise partnerships with the donors at the sectoral level.

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ANNEX

Annex 1: List of Consulted Individuals

Name	Institution	Designation
Mr Fisseha Abera	MoFED	Director, International Financial Institutions Cooperation Directorate
Mr Abel Abi	MoFED	SDG Team
Mr Midekisa Adugna	MoH	Expert
Mr Solomon Alayu	NPC	ME Team Leader
Mr Mezgebu Amaha	MoFED	Director, Macro-Economic Directorate
Mr Fitsum Arega	NPC	Planning Team Leader
Mr Samson Bayu	MoI	Policy Planning Expert
Mr Fantahun Belew	MoFED	Consultant
Mr Getahun Desalegn	MoE	Planning Expert
Mr Samuel G. Egziabher	MoFED	SDG Team
Mr Fekadu	UNDP Ethiopia	National Economist Policy Advisory Unit
Ms Tizita Feleke	MoFED	Expert
Mr Zelalem H. Giorgis	CSA	Director, Business Statistics Directorate
Mr Nurmeded Jemal	MoEF	Office Head
Mr Haile Kibret	UNDP Ethiopia	National Economist Policy Advisory Unit
Mr Melaku Kifile	MoFED	Senior Program Specialist
Mr Wube Mengiste	ECCSA	Director, Policy Department
Mr Ahmed Nuru	MoI	Director, Policy PME Directorate
Mr Melaku Taddese	CCRDA	Membership Development Team Leader
Mr Yonas Zerihun	MoI	PME Team Leader

Note: MoH: Ministry of Health, MoEF: Ministry of Environment and Forest.

Annex 2: Linkages between GTP II Macroeconomic Policy Goals and SDGs

SDGs		GTP II			
Goals	**Targets**	**Objectives**	**Outputs**	**Indicators**	**Target 2019-20**
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	Sustaining annual double digit economic growth	Annual double digit economic growth	Real GDP growth rate	35.6
				Agriculture and Allied Activities growth rate	22.8
				Industry growth rate	41.6
				Service sector growth rate	21.0
				Agriculture and Allied Activities' share in GDP	2.0
				Industry sector's share in GDP	3.1
				Service sector's share in GDP	24.1
	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services	Improving the capacity of micro and small-scale enterprises to accelerate economic growth and structural transformation	Strengthened micro- and small-scale enterprises	Micro and small manufacturing industry's growth rate	8.0
				Micro and small manufacturing industry's share in GDP	25.9
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	Increasing industry (especially manufacturing industry) value addition and bringing economic structural transformation	Structural transformation and industry-based economic growth	Manufacturing export revenue/ GDP	30.4
				Manufacturing growth rate	18.8
				Ration export revenue of industrial production (total merchandise)	17.2

Source: NPC (2015).

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2015

Launched in 2012, **Southern Voice on Post-MDG International Development Goals** (*Southern Voice*) is a network of 49 think tanks from Africa, Asia and Latin America, which was set up to serve as an open platform to contribute to the global discourse pertaining to the formation of the Sustainable Development Goals (SDGs), the challenges of implementation, monitoring and mid-course review of the SDGs. *Southern Voice* addresses the existing 'knowledge asymmetry' in the global debates and 'participation deficit' of the developing countries by generating evidence-based knowledge, sharing policy experiences originating in the Global South, and disseminating this knowledge and experience among key stakeholders. *Southern Voice Occasional Papers* are based on research undertaken by members of the network as well as inputs received at various platforms of the initiative. The *Centre for Policy Dialogue (CPD)*, Bangladesh hosts the Secretariat of *Southern Voice.*

Southern Voice
2015 On Post-MDG International Development Goals

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