

ETHIOPIA

Integrating Gender Responsive Budgeting into the Aid Effectiveness Agenda



Integrating Gender Responsive Budgeting into the Aid Effectiveness Agenda

Ethiopia country report

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This research report has been generated as part of a UNIFEM programme, "Integrating gender responsive budgeting into the aid effectiveness agenda". The programme is funded by the European Commission (EC) and consists of research and programmatic technical assistance. The three-year programme seeks to demonstrate how gender responsive budgeting (GRB) tools and strategies contribute to enhancing a positive impact on gender equality of aid provided in the form of General Budget Support (GBS).

In the first stage of the programme, research was carried out in ten developing countries (Mozambique, Morocco, India, Uganda, Tanzania, Rwanda, Nepal, Cameroon, Peru and Ethiopia) in July 2008. The research aimed to investigate how GRB tools and strategies have been used in the context of currently used aid modalities-specifically general budget support (GBS) and sector budget support (SBS). The ten countries were selected by UNIFEM and EC on the basis of criteria such as the existence of GRB work, the use of GBS or SBS, and the presence of budget reform processes. The investigation was intended to deepen the understanding of national partners and European Union (EU) decision makers of the opportunities for using GRB to enhance accountability to gender equality in aid effectiveness. The second stage of the programme will involve the selection of five countries in which targeted and tailored technical support will be provided to improve country capacity to further institutionalise GRB.

The European Commission (EC) and UNIFEM have a broader collaboration in the area of promoting gender equality including the EC-UN Partnership on Gender Equality for Development and Peace, which was launched in 2007 with UNIFEM, the EC and the ILO International Training Centre. This partnership supports stronger action on gender equality and women's human rights in national development processes and in cooperation programmes supported by the EC.

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EXECUTIVE SUMMARY

Under UNIFEM's programme entitled "Integrating gender responsive budgeting into the aid effectiveness agenda," a research review of gender responsive budgeting was undertaken in Ethiopia as one of ten countries. This review provides an analysis of how gender-responsive budgeting work has engaged with development planning instruments, national budgeting processes and aid modalities in Ethiopia. The research also generates a rapid gender budget analysis in the health sector in Ethiopia to create understanding of the budget measures underway that are gender responsive.

Guided by the research steps provided by the terms of reference of the study, information was gathered through documentary reviews and a series of interviews. The methodology included review of documentation and face-to-face interviews with key stakeholders such as: the Ministry of Finance and Economic Development (MoFED), Ministry of Women's Affairs (MoWA), Department of Women's Affairs Ministry of Health, European Commission (EC), Department for International Development (DFID) and Network of Women's Associations (NEWA).

The objective of the report is to promote the integration of gender concerns into the budget formulation and resource allocation processes in Ethiopia. The report begins with a general descriptive background of the development context in Ethiopia showing it to be predominately agrarian (85%), with a high population growth rate (2.8%), low per capita income (US\$ 158) and low on international ranking of human development (169 out of 177 countries) and gender development (149 out of 177 countries). Overall Gross development product (GDP) has seen annual real growth average 6.4% between 2002/03 and 2004/05.

The study found that aid forms one third of the national budget, with overseas development assistance (ODA) averaging US\$ 1034.6 million over the last eight years. ODA continues to increase and there are several donors present in Ethiopia. In the context of the Paris Declaration for Aid Effectiveness donors have sought to establish donor coordination and harmonisation mechanisms in Ethiopia that remain to be strengthened to support ownership and ensure alignment with national development priorities and to facilitate inter-donor co-ordination for gender mainstreaming in national development.

The Ministry of Finance and Economic development (MoFED) is responsible for all public funds and all aid agreements are negotiated at the federal level with donors using different disbursement procedures and aid management mechanisms that have included Direct/General budget support (DBS/GBS), Sector Wide Approaches (SWAPs), as well as Basket, Project and Programme funding instruments. There is also additional aid to health directed through global disease funds, with the largest being the Global fund against tuberculosis and malaria (GFATM). Direct budget support ceased in 2005 given political governance concerns by donors and in its place the Protection of Basic Services (PBS) programme was established in 2006 to deliver funds to decentralised levels but through MoFED, for sub-national levels do not directly access funds from donors.

Development documents that inform aid processes include the Plan for Accelerated Sustainable Development to End Poverty (PASDEP) with broad priorities for national development. The 2007/08 budget has committed 65% of total expenditures to pro-poor sectoral programmes in the PASDEP. Poverty targeted expenditures are defined as those that target food security, increase agricultural production, support infrastructure development (water, energy, roads), and provide support for delivery of basic services in health and education to the poor.

The PASDEP has a separate sector on gender/women issues and sectors such as health and education have incorporated gender equality issues. Although donors (EC and DFID) were found to have allocations earmarked for gender concerns in response to the PASDEP as well as to gender issues outside of PASDEP, the percentages of earmarked funds allocated and disbursed were small in comparison to overall disbursements to Ethiopia and often in the form of projects. There is also a national action plan on gender equality (NAP-GE) that remains to be costed.

The study focuses on gender responsive budgeting (GRB) activities undertaken in the country, and finds that MoFED and NEWA have initiated GRB activities. MoFED developed and published in 2008 *Guidelines for mainstreaming Gender in the Budget Process* with support from the British Council and United Nations Children's Fund (UNICEF). The guidelines provide definitions and explain approaches to gender responsive budgeting. Two highlighted approaches are the Australian "three-way categorisation of expenditures" and the South African "five step budget analysis approach." The tools for implementing the "three-way categorisation of expenditures" are highlighted. The guidelines present an example of a "gender aware budget statement" and conclude with a focus on how to develop indicators for gender sensitive budgets. It is hoped that the guideline document will act as a guide to all government ministries in mainstreaming gender perspectives into all budgeting processes. Next step processes will be to implement these guidelines. The Network of Women's Associations (NEWA) has also developed initiatives to create awareness of GRB for public officers and women's civil society groups as well as a tool for GRB monitoring that is to be implemented in August 2008.

The health sector in Ethiopia was selected as a case study for a brief gender budget analysis. The health sector has a SWAp, receives a large volume of aid through sectoral budget support at the federal level and through the PBS and donor funds which come through the federal level and are disbursed to sub-national governments. The health sector is also a key priority sector for addressing women's needs and priorities in Ethiopia. Among other issues the health sector has focused on directing resources towards reproductive health to lower maternal mortality rates that are currently high at 673 out of 100,000. Women-centred interventions aim at increasing the number of women trained as extension service providers; achieving improvements in maternal indicators including in ante-natal care coverage, increasing postnatal care coverage, increasing proportion of deliveries attended by skilled health personnel and increasing the contraceptive acceptance rate. Although some progress was noted in all these activities,

the women's machinery in the health sector calls for improved impact assessment indicators and the development and use of sex-disaggregated data for all actions in the health sector.

The study briefly notes that there are opportunities and entry points (the PASDEP, Millennium development goals (MDGs) framework, the decentralised system of governance, current civil service reform, and the recent change from line item budgeting to programme budgeting in 2008 as a pilot in MoFED, Ministry of trade and Ministry of education to cover both recurrent and development/capital budgets) that exist to use GRB as a tool to promote gender mainstreaming in the country's development activities. For example, civil service reforms present possibilities for rethinking capacity building to be inclusive of gender responsive administration and accountability. MoFED's GRB guidelines once refined and strengthened will inform the development of gender responsive indicators that are outcome and impact oriented to facilitate programme budgeting and the meaningful parliamentary review of progress, keeping in mind that all ministries are required to report bi-annually to parliament about their activities.

The study found that certain sectors at the federal level (education, health), have already taken specific measures to improve women's access to resources and services and improve statistics and indicators disaggregated by sex and have activities underway to strengthen the institutional and operational capacities for gender equality in the development process. However, strategic ministries like agriculture, despite Ethiopia's agrarian population, lacked strongly defined gender responsive interventions within the PASDEP yet the sector was crucial for rural women's empowerment. There are also several PASDEP sectors whose main expenditures are not gender specific but yet will have gender impacts that need to be understood by collecting sex-disaggregated data.

This study foregrounds the health sector in Ethiopia as a site of gender-specific and pro-poor expenditures noting that further actions are needed that analyse gender equality and women's empowerment concerns across all issues emerging in the health sector in order to engender the health sector budget. The study also calls attention to Agricultural and Rural Development Sector as another crucial site for gender responsive interventions and recommends that next phase activities led by MoFED with support from UNIFEM:

- must target Ministries and public service with a view to popularise the MoFED guidelines for gender responsive budgeting, create public awareness of guidelines and provide capacity development of government officials for effective implementation of GRB.
- Develop gender equality response manuals for Agricultural and Rural Development and the Health Sector. These two ministries already receiving a large volume of aid are key priority areas for pro-poor initiatives in the PASDEP and critically addressing women's substantive priorities for equality.

Required first is the strengthening of the monitoring indicators for the PASDEP in the ministries of Agriculture-Rural development and Health, critical for assessing their budgets for gender equality responsiveness. Second, the women's affairs department in

MoFED working with ministries of Agriculture-Rural development and Health will need to carry out a more substantive gender responsive budget analysis in the two ministries to inform advocacy actions with budgeting and planning department heads in MoFED for the inclusion of gender equality budget statements for the next fiscal year.

1. INTRODUCTION AND METHODOLOGY

Under UNIFEM's programme entitled "Integrating gender responsive budgeting into the aid effectiveness agenda," a research review of gender responsive budgeting was undertaken in Ethiopia as one of ten countries. This review provides an analysis of how gender-responsive budgeting work has engaged with development planning instruments, national budgeting processes and aid modalities in Ethiopia. The research also generates a rapid gender budget analysis in the health sector in Ethiopia to create understanding of the budget measures underway that are gender responsive.

Guided by the research steps provided by the terms of reference of the study, information was gathered through documentary reviews and a series of interviews. The methodology was to include the following:

- ♀ Review of documentation such as:
 - National Development Strategies
 - PRSPs
 - Documentation on public finance management systems and budget reform processes
 - Joint Assistance Strategies (JAS) and other documentation from budget support donor groups
 - MOU for GBS (where applicable)
 - Country strategy papers (EC)
 - MOU for SWAs
 - Sectoral budgets (allocations, expenditure, indicators and targets)
 - Budgeting documentation, such as call circulars
 - Performance assessment frameworks
 - Documentation from EC and from one other major donor in the countries
 - Documentation related to GRB activities in the country
- **Face-to-face interviews** with key stakeholders such as:
 - Government officials (ODA Coordinator, budgeting and planning staff from the chosen ministry, Ministry of Finance)
 - Representatives of the Governmental Women's Machinery
 - Representatives of the EC aid delegation
 - Representatives of a selected EC major donor to the country
 - Representatives of civil society organizations such as women's organizations, organizations working on aid effectiveness and fiscal reform
 - Representatives of civil society organisations working on chosen sector
 - Representatives of other organizations and individual researchers that are involved in GRB activities
 - Consultants on budget reform

See appendix 1 for list of informants.

2. DEVELOPMENT MANAGEMENT CONTEXT

This section gives the general picture of development aid and budgeting in Ethiopia. It is divided into three sections: the first provides a background to Ethiopia; the second section focuses on development aid frameworks (donor policies, aid flows, main instruments that are in use for aid management in the country, aid monitoring instruments) and the third focuses on Ethiopia's budgeting, planning and evaluation framework.

Ethiopia is located in the North Eastern part of Africa with a land area estimated at about 1.1 million square kilometres. The country became a federal state in 1995 with a parliamentary form of government and 9 sub-national regional states and two city administrative states that are devolved into 611 districts (Woredas) and 15,000 Kebeles. With decentralization public service delivery has come under the jurisdiction of the sub-national levels. A large proportion (85%) of the population lives in the rural area, and the country is predominately agrarian, and affected by recurrent droughts and famine which present an increased burden of poverty especially on the rural population.

By the end of 2004/05, the total population of Ethiopia amounted to 73 million; at an annual growth rate of 2.7 %, the population was expected to reach 82.1 million by the year 2009 (Central Statistical Authority, 1994). Of this, 15% live in urban areas. The total population of children below the age of 15 is projected to reach 36 million (43% of the total population) by the end of 2010. Early marriage, low rates of contraceptive prevalence, limited access to postnatal care, among other things, contribute to high fertility (Ministry of finance and economic development, 2007). Presently life expectancy remains low at 53 (United Nation Development Programme, 2007) years but was lower in 2004/05 when it stood at 49 for females and 47 for males (Ministry of Finance and Economic Development, 2007).

In 2005 Ethiopia ranked 169 out of 177 countries on the Human Development Index (HDI). The HDI reflects average achievements in human development that includes life expectancy at birth, adult literacy, and school enrolment rates and adjusted per capita income in terms of purchasing power parity.

In 2005 per capita income stood at US \$158 with 7.2 million people remaining chronically food insecure and an estimated 9.8 million people in 2006 requiring food assistance. The number of poor people still stands at 27.5 million people, having declined by only 2% since 1999/2000, reflecting, among other things, the continued high level of population increases. With regards to health status the figures available for 2004/05 reflect the challenges faced. For example, the infant mortality rate stood at 77/1000, while the under-five mortality rate stood at a high 123/1000. Indeed in rural areas the utilisation of health services is very limited, with 49% of respondents who did not access health services reporting that they had not been able to do so as a result of distances and

the high cost of getting treatment and medicines (Ministry of Finance and Economic Development (MoFED, 2004/05).

Ethiopia remains low on the international indices of gender equality with a *Gender Empowerment Measure (GEM)* ranking the country at 72 out of 157 countries. This ranking is, however, relatively much higher than the country's HDI ranking. GEM focuses on gender inequalities in political participation measured by percentage share of parliamentary seats; economic participation and decision making power measured by percentage share of senior and professional positions; and power over economic resources as measured by estimated earned income. In Ethiopia, out of the total employees in the civil service 42% are women and 17% of those in management positions are women; 8% of the professional classes are women while 21% of parliamentarians are women.

The *Gender Development Index (GDI)* ranks Ethiopia at 149 out of 177 countries. The GDI reflects the inequalities between women and men comparing long and healthy life: life expectancy at birth; education: adult literacy rate and combined gross enrolment ratio; and decent standard of living: and estimated earned income. Sex-disaggregated indicators related to economic engagement show that Ethiopian women are often lacking productive assets particularly land; they currently form only 18.6% of land holders and are underserved with agricultural extension credit, and farm implements. Only 12% of women working in agriculture had succeeded in accessing agricultural credit to develop their farms. In the informal employment sector, women dominate operating 65% of enterprises, in a sector that is least regulated and often inaccessible to credit facilities and 26% of small-scale manufacturing due to low levels of education and training, meagre financial and human capital and problems related to ownership rights (UNIFEM, 2007). As a result Ethiopia's current development plan, as outlined below has placed the '*unleashing of the productive potential of Ethiopia's women*' (Ministry of finance and economic development (MoFED), 2005:46) as one of its eight pillars.

The rapidly growing Ethiopian population continues to constrain making 'progress on reducing poverty, allowing better coverage and quality of health care, allowing better quality of education, creating sufficient employment, protecting the environment or in raising agricultural productivity enough to keep up with food needs.' (MoFED, 2007:165-9). Yet the last *Household Income Consumption Expenditure Survey (HICES-2004-05)* noted that there had been improvements in income poverty at the national level especially in rural areas between 1999/00 and 2004/05. These improvements are seen as attributable to the pro-poor programmes underway in health, education, agriculture and water together with the *Productive safety Net programme (PSNP)* implemented since 2005 addressed towards reducing food dependency. PSNP is a National Food Security Program for about five million chronically food insecure people; and another 10 million who are affected by food shortages in drought years. The first components of PSNP involve grants to the regions to be used for agricultural production such as seeds and extension; small-scale irrigation and water harvesting; and, voluntary resettlement out of food insecure areas. The second component is a productive safety net program that

includes a public works program to employ the poor in building roads and infrastructure during difficult times; and, distribution of cash (of the same amount as to those who are paid) to orphans, the elderly, the disabled, and others who cannot work. Both the EC and DFID as will be described below provide substantive support to the PSNP.

Over the past few years the efforts in education, health, HIV/AIDS and water and sanitation sectors saw increases in combined expenditures for these sectors from 12.5% of GDP in 2002/03 to 15.8% in 2005/06 and with projections to increase to 22% of GDP by 2009/10 (MoFED, 2007). While income inequality has declined among the rural population it has not done so in urban Ethiopia ‘a reflection of the narrow base of the modern economy’ ((MoFED, 2007:17).

According to the 2004/05 *Household Income Consumption Expenditure Survey*, *Welfare monitoring surveys* results (2004/05) and the *Participatory Poverty Assessments* (2005) nationally the poverty rate was lower for female headed households (33.9%) than for male headed households (39.9%). Rural poverty was also lower for female headed households (32.7%) than male headed households (40.6%). However, in urban areas, poverty was higher among female headed households (37.2 %) than male headed households (34.1%). Chronic food insecurity remains a problem for many for both female and male headed households.

Importantly, there have been improvements in the poverty situation of many households, but they are not happening quickly enough and income levels for the majority of Ethiopian households which remain dependent on subsistence agriculture remain low and variable given the frequency of drought, environmental degradation, climatic shocks and currently an increasing inflation that has reached double digits. Thus poverty targeted expenditures have increased, for example, from 60% (2005/06) to 63% (2006/07) of total government expenditures [correct?] and the 2007/08 budget has committed 65 % of total expenditures to pro-poor sectoral programmes (MoFED, October 2007). Poverty targeted expenditures are defined as those that target food security, increase agricultural production, support infrastructure development (water, energy, roads), and provide support for delivery of basic services in health and education to the poor.

The period 1992/93-2001/02 saw real GDP growth average 5.8%; although it slowed between 1998 and 2000 with the conflict with Eritrea. During that period, some development assistance was temporarily suspended and there was in addition a sharp decline with the drought to 3.3% in 2002/03. Between 2002/03 and 2004/5 the annual real GDP growth averaged 6.4% given the exceptional performance in agriculture and growth in the industrial sector; and with a population growth rate of 2.8% the average annual per capita income growth rate has been 3.7% (MoFED, 2007)

3. DEVELOPMENT AID IN ETHIOPIA

The Ministry of finance and economic development (MoFED) is responsible for all public funds and all aid agreements are negotiated at the federal level with donors using different disbursement procedures and aid management mechanisms. Sub-national levels

do not directly access from donors but through MoFED. Approximately 30% of the total government budget goes to the sub-national levels.

Aid is one third of the national budget of Ethiopia. Ethiopia receives overseas development assistance (ODA) from bilateral and multilateral donors. Development assistance is provided through development financing in the form of grants and loans (Table 1), technical assistance and debt relief. The most significant amount of ODA disbursed has consistently been in the form of grants. Figures available for 2006/07 show that of the total ODA of US\$1.6 billion, inclusive of technical assistance, US\$1.3 billion (81.1%) was accounted for by grants while 0.3 billion US\$ (18.9%) by loans. Among the multilaterals, the international financial institutions (IFIs) only disburse funds in the form of loans (MoFED, October, 2007).

Source	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	8 Years Total
Multilateral	268.46	454.18	734.5	552.4	652.5	736.0	632.5	964.8	4995.34
Bilateral	101.66	140.40	133.8	141.1	285.0	320.1	474.5	579.8	2176.36
Total	370.12	594.58	868.3	693.5	937.5	1,056.0	1,107.4	1,549.3	7176.7
• Grants	222.60	238.24	259.59	274.86	601.34	705.79	768.68	1256.51	4327.61
• Loans	147.52	356.34	608.73	418.73	336.12	350.17	338.68	292.83	2849.12
• Grant Share (%)	60.14	40.07	29.9	39.63	64.15	66.84	69.42	81.1	60.30
• Loan Share (%)	39.86	59.93	70.1	60.37	35.85	33.16	30.58	18.9	39.70

Source: MoFED

Table 1: Trends in ODA Disbursement (in million US\$)

Source: MoFED, October 2007

Trends in ODA (Table 1) reflect an overall increase in ODA since 1999/00 from both types of donors. In 2008/09 the donor commitment to the total Government budget was 29.4%, an increase in both absolute and percentage terms since 2005; with actual disbursements of ODA being 12.7% (2005/06) and 21.3% (2006/07) of the country's budget; these figures are not inclusive of extra-budgetary funds which do not go through government systems. The difference between disbursements over the two years reflects changes in official development assistance goals and modalities primarily as a result of the transition from Project Aid and general budget support (GBS) to the new instrument of Protection of basic services (PBS). General budget support was suspended in the wake of the post-election violence following disputed elections results between June and November 2005, when a number of donors decided that they could no longer provide assistance to the government. That had a negative impact on development co-operation with Ethiopia, leading to a delay in the mobilisation of the funds that had been earmarked for general budget support (GBS). In 2006 a two-year initiative led by the EC moved forward, jointly with CIDA, Development Corporation Ireland (DCI) and the World Bank to develop the **Protection of Basic Services** (PBS) programme. The PBS was approved in early 2007 as an emergency substitute instrument that would continue to deliver basic services to the poor given the suspension of general budget support (as described below).

In absolute terms, the amount of ODA has risen from an average of US\$500 million per annum in the mid-1990s to over US\$1 billion per annum recently. Over the last eight

years (1999/00- 2006/07), ODA has averaged US\$1034.6 million per year; with bilateral donors over the eight years period averaging US\$ 322.4 million per year and accounting for 31% of ODA. Multilateral donors are thus the principal providers of ODA. On average multilaterals contributed US\$ 712.1 million (69%) of total ODA to Ethiopia during the same period. The full amount of ODA is however, not fully reflected in the Government budget either because donors spend it directly, or do not report it through Government systems.

There are several donors present in Ethiopia and taking a lead in different sectors of Ethiopia's economy. The main traditional donors include Africa Development Bank (AfDB), Austria, Canadian international development assistance (CIDA), Department for international development (DFID), European Commission (EC), Finland, France, Germany, Ireland, Italy, Japan, Netherlands, Norway, Spain, Sweden, United nations development fund (UNDP), United states agency for international development (USAID) and World Bank.

The research in each country was to engage with the European Commission (EC) and one other donor. The other donor was to be a European country that is part of the EC but gives some money separately from the EC. In Ethiopia, DFID was selected as the donor that has the largest allocations.

DFID channels money to Ethiopia bilaterally and also through multi-lateral agencies such as the EC, United Nations and the World Bank. In 2004/05 DFID disbursements through all routes totalled £60million (2004/05) and more recently it was £130million (2007/08). DFID plans to increase the current amount to £175million for the 2008/09 fiscal year.

The total ODA disbursed by the EC in 2006/07 was €304,168,404, and 32% of EC funding was extra-budgetary during this period. DFID's total ODA disbursed for the same period amounted to €194,500,000 but this figure does not include extra-budgetary expenditures.

There are several aid modalities used within development cooperation: *General budget support, Programme support, Project support, Sector wide programme approaches, as well as Pooled/basket funds.*

General/Direct budget support (GBS)

The African development bank, Canada, European commission, Germany, Ireland, Sweden, United Kingdom (DFID), and the World Bank have traditionally provided assistance to Ethiopia in the form of general budget support (GBS). The government in Ethiopia as do many of these donors have a preference for this modality of aid. Indeed DFID in its Memorandum of Understanding (MOU) to establish its funding partnership with Ethiopia under its first PRSP in 2003 saw DFID aid commitments being provided as "a substantial proportion (through) Direct budget support with an indicative figure of £60million over three years" (www.dfid.uk.gov). Table 2 illustrates that the DBS modality was in use by both multi-lateral and bilateral donors in Ethiopia, but it ceased

being one of the modalities in use from 2005/06 with donors changing to other types of funding modalities following the election disputes and violence in that same year.

Funds provided through general budget support are disbursed through the recipient government's own financial management system and are not earmarked for specific uses. However, they are accompanied by various agreements about the government's development strategy including monitoring of the implementation of the agreed development strategy.

Type of aid				
	2003/04	2004/05	2005/06	Average
Multilateral				
GBS	187.68	244.44	163.85	198.66
Bilateral				
GBS	34.7	92.25	0	42.32

Table 2: GBS Aid Disbursement IN US\$ Millions

Source: UNIFEM (2007) *Ethiopia: Mapping Study*, UNIFEM New York: 4

Protection of Basic Services (PBS) programme

PBS funds increase the *block grant transfer* made by the Ethiopia Federal Government to the sub-national governments. The PBS uses PASDEP health and service delivery indicators as reflected by its 4 components: (i) Delivery of basic social services, (ii) Promoting the health goals of the Millennium Development Goals (MDGS), (iii) Strengthening governance systems of decentralisation; and (iv) Strengthening the capacity for social accountability. The PBS is not ear marked to one particular sector, instead the bulk of the resources directed at component one are disbursed to provide support to those services for which sub-national governments are responsible such as education, health, agriculture and natural resources including water, and sub-national governments are left with authority to make expenditure decisions across sectors within donor-government agreed fiscal rules. To date education has been the largest beneficiary of the PBS at sub-national levels. The second component of the PBS is specifically earmarked for international procurement of medical supplies at the federal level on behalf of the regions and woredas. The third component of the PBS provides support to government systems for strengthening financial management and accountability; while the fourth component provides support to civil society organisations (CSOs) for strengthening their capacity and activities to hold public bodies accountable for public expenditures. There is a national steering committee made up of government, donors and CSOs overseeing the PBS while District administrations manage the projects and CSOs undertake reviews for accountability of the projects and report to the national steering committee (UNIFEM, 2007:21) although CSO impact on accountability of PBS funding is not reviewed by this study.

The PBS programme is jointly financed by several bilateral and multilateral donors; the largest amounts coming from European Commission and International Development

Association providing for the largest flows, together accounting for 64% of total disbursements in 2006/07. The largest disbursement by bilateral donors was notably DFID 37% (US\$137 million) while European Commission's support amounted to US\$ 196 million. The government of Ethiopia provided US\$ 1,107.3 in the same year. A second phase PBS will cover the period 2009-2011 because donors are not yet ready to recommence GBS although they express a preference for GBS. The EC has a proposal currently under discussion known as the "the MDG contract," for countries that are "good performers" that is intended to address how to deliver aid through government systems and general budget support in a more long term and predictable way especially given that general budget support is often at risk when there are disruptions in political relations (Carter and Lister, 2007:62-5).

Pooled/basket funds

Programme support utilising pooled funding mechanisms is also evident in Ethiopia. Most of these types of programmes each incorporating several types of projects that attract pooled funding from donors were captured in the MoFED Annual report (October 2007) under the item of "Multi-sector." In total they received 29% of the total budget in 2005/06 and 46% in 2006/07. Disbursements doubled to these programmes in 2006/07 (Chart 1).

The multi-sector category captured programmes including HIV/AIDS programmes; the Productive Safety Nets Programme (PSNP 2005/07) €220,000,000; Public Service Delivery Capacity Development Programme (PSCAP 2007/09) €285,000,000; the Protection of Basic Services programmes (PBS 2007/09) €780,000,000 (<http://www.deleth.ec.europa.eu/bluebook/index.php>).

The PSCAP has Canada, UK, EC, France, Germany, Ireland, Italy, Netherlands, Sweden, World Bank and UNDP as funders; PBS has EC, Germany, Ireland, Netherlands, Sweden, UK, Africa Development Bank, and International Development Association while PSNP has EC, Ireland, Sweden, UK, Canada, World Bank, World food programme, and USAID. All these programmes channel funds via the World Bank. Such multi-donor instruments have been commonly in use by both EC and DFID in other sectors as well; and such instruments can be complex if harmonisation strategies are not effectively in place to address the diverse legalities, reporting procedures and timelines of donors.

Sector Wide Programme support (SWAPs)

SWAPs have been established in health, education (to address primary school enrolment) and transport (road construction). A SWAP in the Public Sector Capacity Building Programme was developed in 2004. Donors who have worked with the government to establish SWAPs include AfDB, WHO, DFID, Italy, Sweden, the Netherlands and the World Bank. SWAPs are single and multi-donor.

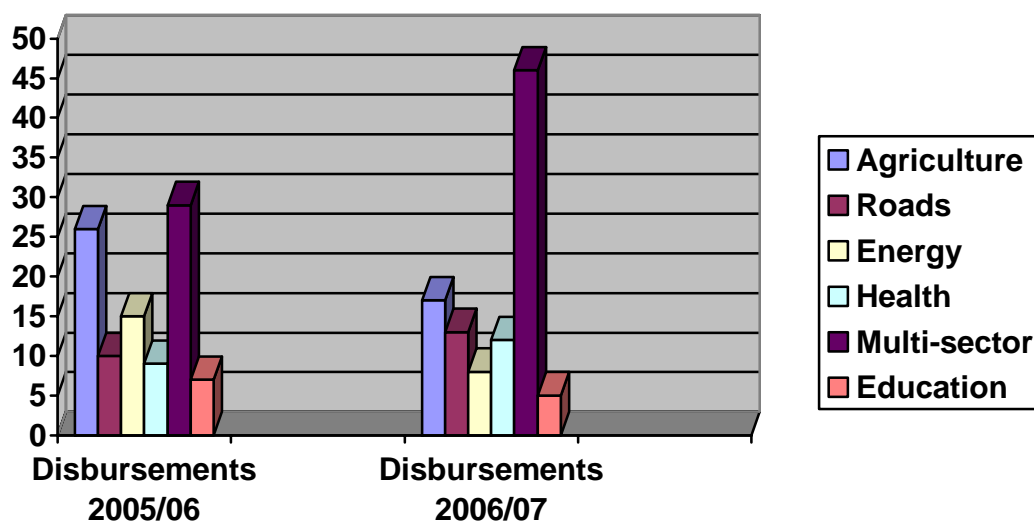


Chart 1: Total Disbursements in % by selected sectors 2005/06 and 2006/07.

Source: MoFED (October 2007) Ethiopia: Bulletin of External Economic Cooperation Annual Report 2006/07

Global disease specific funds

Global funds such as funds for Malaria (Global fund against tuberculosis and malaria GFATM/ Roll back malaria initiative-RBM), for HIV/AIDS (President's emergency plan for AIDS relief-PAPFAR), and for vaccines (Global alliance for vaccine initiatives-GAVI), and Tuberculosis (GFATM) are aid modalities that draw together resources from both private and public partnerships (PPPs) to address global illnesses provide significant funds to Ethiopia. GAVI, for example, gets its resources from EC, DFID, World Bank, and the Bill Gates Foundation (US\$ 4.6 million in 2007); GFATM the largest of the global funds in Ethiopia also received a combination of grants from governments and other donors that disbursed US\$ 645million in 2007; and PEPFAR channelled US\$ 241.9 in 2007 bilaterally, multilaterally and even through other global funds like GFATM.

Ethiopia first launched a harmonisation pilot process in 2002 in a donor- led action for setting up development co-operation architecture to co-ordinate aid. A framework for general budget support was envisaged, the first PRSP (SDPRP) was developed thereafter and to institutionalise these developments a joint task force was established to set up the harmonisation agenda and procedures with the intent to harmonise procedures among donors, reduce transaction costs through joint donor missions, share assessments and analytical work and utilisation of common reporting requirements. These actions have stalled since the elections challenges of 2005 although there are now attempts to revive them.

Donors organise at several levels to inform and participate in development policies and practices as follows. The *Development Assistance Group (DAG)* brings together the majority of donors to discuss development policy and implementation and is chaired by the World Bank and UNDP. It has fourteen technical working groups that examine policy

and coordination in specific sectors. A pooled fund is also available within the DAG to finance activities of PASDEP; for example, in areas such as governance, civil society initiatives on poverty assessments, and a national strategy for girl's education to name a few. A *Joint Government-Donor Harmonisation Task Force* is intended to take forward harmonisation actions among donors that will be reflected in a 'Joint Declaration on Harmonisation.' The *High Level Forum* is a government-donor forum chaired by the Minister of Finance and Economic Development and the co-chairs of the DAG. It has a mandate to discuss policy and oversee harmonisation and the implementation of the PASDEP. Donors also organize in thematic/sectoral groups around issues that they want to support and they also organise thematically with the relevant ministry that is responsible for the sector and is the recipient of funding support. In the context of donor coordination and harmonisation, the Donor Assistance Group (DAG), endorsed the need for establishment of a number of thematic working groups. One of the outcomes of donor consultations was a confirmation of the relevance of and need for a working group on gender. Accordingly, a Joint Group on Gender Equality (JGGE) was created in late 2003 in order to join the partnership mechanisms that were in discussion with government. The Joint Group was given the key mandate to strengthen the mainstreaming of gender into national policies, strategies and strengthening implementation of the PASDEP. The group's mandate broadened to establish a Gender Pooled Fund to support national gender machineries and the CSO sector. The JGGE has evolved to create a *Donor Group on Gender Equality (DGGE)*, a technical group co-chaired by a donor and a United Nations agency with the role of improving mainstreaming of gender in government policies, programs and projects and improving coordination and harmonisation on gender policies/approaches, programmes and projects. At present the DGGE has a work plan for 2008 which has been delayed and no activities are reported on the "Gender Pooled Fund."

The frameworks that inform development aid policies and practices in Ethiopia include a series of economic reforms underpinned by the policy environment of "Policy Framework papers" (PFPs) these are World Bank and IMF Structural adjustment programmes put in place to liberalise the economy and advance private sector development. Also required from Ethiopia alongside other poor aid-recipient governments seeking debt relief was the development of poverty reduction strategy papers (PRSPs) as a prerequisite for funding. PRSPs have since taken on the role of national development plans directed at addressing poverty. Donors also formally establish funding partnerships with aid recipient governments through mechanisms such as a Memorandum of Understanding (MOU). For example, bilateral donors such as DFID developed an MOU with Ethiopia in 2003 to support Ethiopia's first PRSP.

European donors such as the EC and DFID have further developed Country Strategy Plans (CSP) or Country Assistance Plans (CAPs) that are intended to fund Ethiopia's PRSPs, the Sustainable Development and Poverty Reduction Program (SDPRP-2001/02-2004/05), and the second PRSP, the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP-2005-2010).

The Plan for Accelerated and Sustainable Development to End Poverty (PASDEP-2005-2010) is built on eight pillars that include:

- Building all-inclusive implementation capacity;
- A massive push to accelerate growth;
- Creating the balance between economic development and population growth;
- *Unleashing the potentials of Ethiopia's women;*
- Strengthening the infrastructure backbone of the country;
- Strengthening human resource development;
- Managing risk and volatility; and,
- Creating employment opportunities.

As one of the key pillars for Ethiopia's development plan '*Unleashing the productive potential of Ethiopia's women*' was a policy response to the first 1994 'National Policy of Ethiopian Women' developed by the Women's affairs department before the creation of the Women's affairs ministry in 2005. Seeking to strengthen and move this policy forward is a five year National Action Plan on Gender: NAP-GE (2006-2010) developed by the Ministry of women's affairs, as a framework within which the government of Ethiopia will advance its commitments to gender equality and women's empowerment. Providing an assessment of gender relations in Ethiopia the NAP-GE identifies seven priority areas of gender equality as follows: poverty and economic empowerment; the environment; education and training; reproductive rights and health; violence against women, leadership and decision making and institutional mechanisms for the advancement of women that strongly reflects the Beijing platform for action. The NAP-GE also outlines concrete linkages to the PASDEP pillars with clear activities, indicators, and timeframes and places primary responsibility for financing its implementation on government. NAP-GE also identifies gender budgeting as the means to realise the implementation of its planned actions.

The PASDEP documents notes that the "*objectives of PASDEP can be achieved only when the multidimensional problems faced by women are adequately addressed and resolved*". The PASDEP commits Government to "*scale up its efforts to implement the gender policy, which is necessary to release the untapped potential of Ethiopian women, in a holistic and integrated manner.*" PASDEP further notes the major objectives and interventions needed to unleash women's productive potential and these include:

- Major efforts to get more girls into, and completing, school with a target of gender parity by the end of the PASDEP period;
- Major efforts to improve women's health, through an extensive program of female outreach health workers who will get down to the village and family level, and a nationwide Making Pregnancy Safe program to ensure healthier pregnancies and the safer delivery of babies;
- Liberating girls' and women's time from the unproductive hours spent fetching water, by making water supply available within 0.5 km for 85% of the population by 2010;
- Improving rural telephony, which has been shown to open up small entrepreneurship opportunities for women elsewhere;

- Intensifying the responsiveness to women clients of a wide range of programs designed to boost productivity including agricultural extension, micro-credit, natural resource management, and small business promotion; and,
- Continuing legislative and institutional reforms to protect the rights of and open opportunities for women, including implementing the National Plan of Action for Women.

In the PASDEP document gender issues are presented as a stand-alone sector in a separate section of the PASDEP as well as a cross-cutting issue requiring gender mainstreaming. The PASDEP provides women-specific interventions in certain sectors such as health, education, water, and governance. Gender and women issues are however absent in the PASDEP document's analysis and planning of some sectors such as agriculture, trade, tourism and mining.

In Ethiopia the CSP and the PASDEP documents state that they have resulted from intensive national consultations and the PASDEP describes the nature of the groups consulted as inclusive of government, donors, CSOs and women's organisations in particular. With the exception of PASDEP it was not documented in CSPs if gender equality advocates participated in the development of CSPs. Discussions suggested that gender advocates had not been part of CSP development although CSOs more generally were part of the consultative preparatory processes.

Five year projections (table 3) were made at the start of PASDEP based on MDG needs assessment. These projected a total cost of US\$120billion. A more basic needs assessment projection stood at US\$ 2billion. These figures are reviewed annually. The projections include very low cost assessments for "gender and development" and it was not possible to ascertain what specifically has been costed under this item. Education, power, roads, health and urban housing development received the highest cost projections reflecting PASDEP principal commitments to infrastructural development, urban development and social sector (education and health) service delivery.

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Agriculture & rural development and Food security	5,017	3,784	3,506	3,953	5,798	22,058
Irrigation	2,150	3,785	3,507	5,031	6,282	20,755
Education	8,236	9,372	11,612	12,620	11,902	53,742
Health	4,725	5,677	6,872	8,133	9,473	34,880
Water & sanitation	3,816	4,174	4,015	1,768	1,815	15,590
Roads	5,126	6,307	9,533	10,907	11,287	43,160
Power	9,728	11,964	9,941	11,319	7,670	50,622
HIV/AIDS	578	881	1,214	1,526	2,001	6,200
Population & development	99	666	193	240	115	1,313
Private Sector development	2,737	2,737	3,293	3,293	3,293	15,353
Urban housing development	4,850	4,850	5,834	5,834	9,334	30,702
Gender & development	161	130	120	112	118	641
Telecommunication	4,680	5,841	8,566	9,649	8,814	37,550
Grand Total	51,903	60,168	68,207	74,385	77,902	332,566

Table 3: Projected PASDEP Program Cost Requirements based on MDGs Needs Assessment (in million Birr)
Source: MoFED, 2007: 204)

Both the European Commission (EC) and the Department for International Development (DFID) state that the PASDEP informs their development assistance and practices as reflected in their Country Strategy Papers. Significant proportions of aid can be shown to be going into those sectors that are deemed ‘pro-poor’ by government and donors for example, health, education, agriculture and water. However, the election results disagreement of 2005 also prompted donors to add new priorities towards funding activities that strengthen governance institutions. For example, with the implementation of the PBS instrument the World Bank simultaneously launched an interim country assistance strategy (CAS) to cover the period 2006/07 with the intent to support programmes for governance reforms. Similarly the EC, which had previously funded capacity building for governance, civil society and conflict prevention in the 9th EDF-CSP (2002-07), states that it plans to scale up support for governance issues in the 10th EDF-CSP (2008-13). Although there is a sector on governance in the PASDEP, these actions by donors may reflect that donors prioritise with regards to the primary agenda for their aid allocations within a particular fiscal year and/or it may reflect the trade offs required for the recipients of aid.

Donors do state that they rely on the PASDEP; however, not all areas in the PASDEP are supported, for donor resource allocations are also influenced by areas/sectors of particular interest to the donors concerned. Donors also place emphasis of support on where they perceive to be their “comparative advantage”. For example, DFID’s preferred lead sector is governance and for the EC it is infrastructure. Of all the Organization for Economic Cooperation and Development (OECD) members only Spain expressed its preferred lead sector as gender, however, several donors rank gender very high as one of their important

sectors, for example, Canada, DFID, France, Netherlands, Norway, Sweden and the World Bank (Benfield, 2008).

The European Commission

Ethiopia has a long history of EC development assistance beginning in 1975. The last 9th 2002-07 European Development Fund (EDF) Country Strategy Paper provided for € 384.2 million in its main support to Ethiopia and for unforeseen and emergency needs arising out of drought, famine and conflict, it provided € 153.7 million. The main development sectors of support were transport (€211million); food security (€54million) and macro-economic support (€96million). The Country Strategy Paper (CSP) for 2008-2013 is the current programming framework for engagement between the European Commission and the Government of Ethiopia.

The EC plans to make available for 2008-2013 €644 million for Macro-economic and selected sectors development (envelope A) and € 30million for unforeseen emergencies (envelope B). The European Community's proposed support to Ethiopia is focused on what is called their three 'focal sectors' transport and regional integration, rural development and food security and macro-economic support and governance with continued support to the *Productive Safety Net Programme* and the *Protection of Basic Services Programme*. Also proposed is continuing support to a *Civil Society Fund* with €10million directed to non-state actors' participation in development processes.

The EC EDF-CSP (2008-13) document states that as part of the agreed EU strategy for Africa (2005) the European Commission's CSP will rest on three pillars: promoting peace, security and good governance; supporting regional integration, trade and interconnectivity; and improving access to basic social services and protection of the environment. The CSP further states that it is aligned to the implementation of the PASDEP and therefore towards achieving the MDGs, strengthening the position of women and enhancing aid effectiveness. Indeed the 'focal sectors' are reflective of the PASDEP sectors and their objectives, while the PSNP/PBS are responses to Ethiopia's persistent context of chronic food shortages, famine and rural poverty.

The EC uses an electronic management information system to monitor its projects and programmes. Monitoring missions are also carried out by external consultants. In addition, there is a web-based database, the Blue Book, <http://www.deleth.ec.europa.eu/bluebook/index.php> which provides public information about types of funded activities, instruments, Millennium Development Goals, PASDEP and DAC sectors addressed, beneficiaries, implementing organisation, cost of activity, government systems involved and the results of ongoing initiatives. What is required in the Blue Book database is sex-disaggregated data. For example, the only information on gender was captured as a paragraph describing women as the beneficiaries and their context and there are no other MIS components that relate to gender. The Blue book captures work being funded by the EC in response to MDG 3 on gender equality and women's empowerment as described below.

Reviewing the cooperation agreement under the 9th European Development Fund (EDF) CSP, the 10th EDF-CSP document notes lengthy EC procedures, limited room for flexibility on tenders and origin of goods and the withholding of general budget support and its replacement with a new budget instrument, the PBS as challenges to full implementation of development strategies by the government.

Department for International Development (DFID)

DFID's development assistance in Ethiopia began in 2003/04 (£44million) reaching £90million by 2006/07. In its 2008 Country Action Plan (CAP) of cooperation with Ethiopia, DFID states that it seeks to support PASDEP on issues of governance, service delivery, pro-poor growth, reducing vulnerability of the poorest and joint cooperation with other donors for aid effectiveness.

Direct Budget support is DFID's and the government's preferred method of aid disbursement but the suspension in 2005 led to DFID re-directing support for Ethiopia's 'pro-poor'/social development policies through modalities such as the pooled funding programme of the *Protection of basic Services* that also supported salaries of doctors and nurses. DFID is also part of other pooled funding instruments such as *General Education Quality Improvement Programme* (GEQIP) and *Public Sector Capacity Building Programme* (£2million for 2005-09) instruments as well as mechanisms that pre-date PBS and are continuing such as the *Productive Safety Nets Programme* (£22million each year). Longer standing pooled instruments are also directed at Water and Sanitation infrastructures.

DFID notes that the federal nature of Government which is supportive of local government decision making on priorities may not be conducive to sectoral approaches. Indeed sector wide approaches which have normally been directed at the national government may be unworkable except at national level where federal government is making lump sum transfers of development assistance together with government resources as 'block grants,' to the sub-national level in ways that replicate general budget support definitions. For example, the budgetary block grant is given to sub-national governments to use to support their budgets according to their own priorities and in a context supportive of sub-national autonomy and ideally the ownership of local development with the assumption that sub-national levels will work in partnership with federal government in ways that deliver on overall and nationally agreed development policies and commitments.

The EC and DFID note that work on gender equality has not been strongly or consistently mainstreamed in their planning or activities in Ethiopia. They both however do point to specific women/gender equality projects that they have been funding within the social sector in education, health, entrepreneurship and employment. In an OECD 2008 survey of the Paris Declaration DFID noted that \$9.7 million (5% of its total funding) for Ethiopia targeted gender equality; while for the EC it was \$4.9 million (1.6% of its total funding) <http://www.deleth.ec.europa.eu/bluebook/index.php>. Further gender responsive

contributions from EC, DFID and other DAG donors are proposed in the “DAG gender pooled fund” to be managed by the DAG. The current fund has \$583,820 to support “empowerment of women and gender equality in Ethiopia” over three years. The details of the fund remain to be fully determined but is it broadly intended for policy research, capacity development, monitoring and evaluation and strategy development.

The European Commission: gender responsive allocations

The EC at headquarters level has developed a strong policy environment for gender equality actions, for example, “2006 Road map for equality between women and men”, an “EU member state gender Expert Group;” “EC Communication on Gender Equality and Women’s Empowerment in Development Cooperation” adopted in 2007, and “EC Programming Guidelines for Gender Equality (2006) to name a few initiatives.

At country level programming has not always clearly translated policy into actions, especially the corporate policy to mainstream gender equality. For example, the 9th EDF had no clear gender equality guidelines however, projects did evolve within the €1,067,265 Civil Society Fund that targeted women during that period and which was 90% funded by EC. The projects were as follows: “Capacity Building for Research and Action Against Domestic Violence” €237,411; ‘Women’s Empowerment Project in Seven Woredas of Oromiya’ €214,795, ‘Women’s Empowerment in Southern Nations Nationalities and People’s Region (SNNPR)’ €184,486, and ‘Support to the Establishment & Functioning of a Women’s Rights Promotion Centre’ €158,992. Funded through separate project support were ‘Organising the Unorganised: Informal Economy and Women Workers’ (no figures available); ‘Women Enhancement in Human Rights and Democracy’ €90,000 and ‘Advancing the rights of women and vulnerable groups through education, empowerment, negotiation and advocacy’ €90,000 <http://www.deleth.ec.europa.eu/bluebook/index.php>. Other supporting donors are not identified and these expenditures are not reported on in the government budget. The Blue book notes that these projects are not directly co-ordinated to the PASDEP though they address the MDGs.

A more gender responsive directed project is the 3 year “EC/UN partnership on gender quality for Development and Peace” which began with research that the EC funded in 2007. Ethiopia is participating as one of 12 countries carrying out mapping studies to generate national evidence of gender responsive resource allocations. Another activity under the same EC/UN partnership is this study on gender responsive budgeting to review for understanding the workings of gender responsive budgeting actions in Ethiopia as one of ten countries. Brussels based EC funds are the resources for both these projects.

The EC in Ethiopia has also contributed more recently to a gender assessment of the PSNP (the assessment is still in draft) a programme that it funds and which states in its document that it has commitments to “*Gender equality and vulnerable female-headed households will be particularly targeted by the PSNP through a number of measures such as: (i) the provision of direct support to labour poor female-headed households, and (ii) an explicit provision to assist, through public works, in the productivity enhancement of*

lands owned by labour poor female-headed households". Furthermore, in the EC proposed support to an upcoming *Natural resource management programme*, its document stipulates that that *"Gender-wise, the programme will support the equal involvement of men and women in decision-making and decision-making structures. This will be achieved by proactively supporting women foresters at the federal and regional levels, by supporting ... development activities that are particularly suited to women and where household benefits accrue primarily to women and by ensuring women's representation and participation in PFM (public finance management) decision making and management."* The EC planning document for the programme is still in draft.

The 2008-2013 EC CSP is the first EC cooperation planning document clearly stating interventions for gender equality with some gender analysis provided to underpin the resource commitment for Ethiopia. The 10th CSP has established a dedicated *Gender fund* separate from the DAG gender fund mentioned above of €10 million, seen as becoming part of joint interventions with other donors for the promotion of gender equality actions in Ethiopia that are aligned to PASDEP and the NAP-GE. The EC states that gender equality is a cross-cutting issue and this fund will be the mechanism for support to small projects. For example, the document rather broadly notes that it will support "several actions":

- Gender targeted actions among CSOs
- Operationalising the NAP-GE
- Support capacity-building for Ministry of Women's Affairs
- Support for improved enforcement of legislation on women's rights
- Support Government institutions and Non-State actors for empowerment of women to regulate their fertility and facilitate access to methods and facilities to do so.
- Enhancement of capacities of women by making available revolving funds

The nature of the above actions still remains to be clarified. The EC notes that clarifying and moving the above actions forward requires gender expertise within the EC in Ethiopia. In November 2008 a gender issues expert will be hired on a one-year consultancy to join the EC delegation and together with a gender focal staff member on governance issues will oversee and liaise with government and other donors especially through participation in the *Development Assistance Group's Thematic Working Group on Gender* that has representation from other donors and the UN to articulate more clearly the planned actions and targets under the gender fund.

DFID: Gender responsive allocations

DFID noted that its past work on gender equality in Ethiopia has followed a two-pronged approach namely mainstreaming gender into government policies and strategies and support to advocacy and service delivery work through CSO partnerships. DFID is making substantial allocations at 45% of its grant money to the PBS programme, with its emphasis on basic social services such as health provision, supporting maternal health care, expansion of women health extension workers and the provision of access to commodities for reproductive health care such as contraceptives; support to the Ministry

of Education's *General Education Quality Improvement Programme (GEQIP)* in partnership with the World Bank where DFID supported an assessment exercise to strengthen gender equality; and improving access to water and sanitation for women as responsive actions that are aligned to result areas in the PASDEP. A DFID-supported *NGO partnership programme* has provided resources in the past to groups such as the Ethiopia Women's Lawyer Association whose efforts have been instrumental in amending the Family Law.

As a part of a pooled fund with other donors, including the EC, DFID's contributes 15% of its development assistance to support the *Productive Safety Nets Programme (PSNP)* which provides cash for employment on public works and has specifically targeted female headed households from the very beginning with specific provisions for women such childcare facilities on public work sites, where both women and men select the projects to work on, and pregnant women are not expected to work after 6 months into their pregnancy and women may also choose to work fewer hours. A donor gender review undertaken of the PSNP found some women to have enhanced their skills, better able to protect their assets and the additional income had given them a stronger voice at the household level. A gender assessment of the PBS is now underway as the second phase of funding to PBS begins.

Under its current DFID-Ethiopia CAP (2006-10), DFID has plans to conduct a gender audit that it sees as shaping its focus of work in Ethiopia; strengthening its institutional mechanisms to champion gender equality work and providing for its own technical expertise on gender equality responsiveness. DFID noted that it has had champions for gender equality within its organisation in Ethiopia but what is now needed is a structured, guided and supported response informed by analysis. DFID notes in a still-in-draft-form document that there are challenges to be faced in addressing gender equality (such as ability to monitor progress in the absence of adequate sex-disaggregated data, the existence of several plans to address gender, and the lack of adequate capacity for the Ministry of women's affairs and departments of women's affairs to lead and strengthen accountability and attention for gender equality from other sector ministries).

EC and DFID stated that they allocate money to civil society organisations. The EC had previously funded capacity building (€23million) for governance, civil society and conflict prevention in the 9th CSP and states that it plans to scale up support for governance issues and CSOs in Ethiopia's 10th CSP. While DFID has supported an *NGO partnerships fund* at £ 0.35million in 2005/06 and states its contributions for 2007-2012 was committed to amount to £5million (www.aida.developmentgateway.org). Our discussions with both donors did not explore other types of non-state actors.

Ethiopian NGOs have access to a multi-donor financing facility the *civil society fund* in which both DFID and EC pool resources with other donors. A new phase to the *Civil Society Support Programme* with a € 10million support from EC is envisaged to be co-financed with other donors towards the end of 2008 and it is also planned to make grant allocations for organisations with a focus on gender equality and women's empowerment.

However, both the EC and DFID recognise that there is a new proposed bill on *Charities and Societies Proclamation* which if enacted into law in its current form may prohibit donor support to work on human rights issues by CSOs, thus presenting challenges for women's rights advocacy. Both donors indicated that CSO proposed support must await the outcome of a parliamentary decision on this bill.

4. DESCRIPTION OF BUDGETING, PLANNING AND EVALUATION FRAMEWORK

Budget guidelines such as official “budget calls” are issued by the Ministry of finance and economic development (MoFED) at the beginning of each budget cycle in June. This circular is sent to all government bodies and guides the preparation of ministerial budget submissions. The Women's affairs ministry participates in the budget process in the same way as the other ministries by making its own budgetary submissions. In Ethiopia civil society groups and women's organisations have not been involved in any of the various planned stages of the budget cycle. Instead these groups have acted outside these processes taking on roles of educating their constituencies about budgetary cycles, knowledge of the allocations that have been made and to what they are spend on. An example is the Network of Ethiopian Women's Associations (NEWA), which, as explained in the next section, at the end of 2007 launched activities to create budget process literacy for women at the sub-national level and among government officers involved in budgetary processes at the sub-national level.

The following steps are the different stages of the country's budgeting preparation:

- In the first step a macro-economic fiscal framework (MEFF) is prepared to be the basis for the annual budget every year. The MEFF has a forecast for revenues; it establishes resource needs and gaps and the means of financing and will be approved by the Council of Ministers. The assessment of the economic situation (for example, GDP, and growth rate) and the establishment of the fiscal balance also involves at this stage the MoFED; the National Bank; the Prime Minister Office and the Central Statistics Agency.
- The second step is to determine the amount of subsidy to regional governments. MoFED; the Federation Council; the PMO.
- The third step is that the Prime Minister Office in consultation with MoFED determines the allocations for the Federal recurrent and Federal capital expenditures.
- At the fourth step MoFED provides each spending federal public body with their ceilings as well as general instructions on drawing up their submissions in the budget call.
- The fifth step prior to a formal budget hearing requires federal spending public bodies to submit their budget proposals to MoFED.

- At the sixth step spending federal public bodies defend their budget submission in a formal hearing with the MoFED. The budget hearing includes ministers and/or vice ministers, heads of public bodies and relevant department heads and budget experts from the spending public bodies and MoFED.
- The seventh step is MoFED's review of the discussions and the making of recommendations.
- At the eighth step the recommended budget is submitted to the Prime Minister and then the budget is sent to the Council of Ministers for discussion.
- The ninth step is the approval by the Council of Ministers, and the Prime Minister's presentation of both the capital and recurrent budgets to the Council of Peoples' Representatives. The budget committee of the Council then reviews the budgets and makes recommendations to the Council.
- The final tenth step sees the budget appropriated by the Council of Peoples' Representatives and published in the *Nagaret Gazeta* which is a publicly available document of the revenue sources, subsidies to the regions and allocations. Spending public bodies are formally notified of their budget for the next financial year and the Treasury Department of MOFED is informed by the Budget department of MOFED, to proceed with the disbursements of funds to spending public bodies.

The federal and sub-national levels interact on the above budgetary processes only with regards to the subsidy to the sub-national levels. Sub-national levels also replicate the above processes within their own regions.

After the budget is approved, the steps of budget implementation, monitoring and audit follow.

In Ethiopia there is one budget process that cover both development/capital and recurrent budget as explained above and the expectation is that budget submissions will be defended on the basis of the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP-2005-2010). A medium-term budget framework approach (MTEF) is in use in Ethiopia. Each ministry prepares their own estimates for expenditures and revenues and submits to MOFED who analyze and compile them in order to prepare a forecast for expenditures and total government revenues (grants and debt) for the MTEF. MOFED also compiles and forecasts the differences between revenue and expenditure and forecasts which external or domestic sources will finance the gap for the next three years of the MTEF.

More often than not the recurrent budget estimates are realistic; however for the development/capital budget there can often be difference between what is budgeted and

what is spend and more often than not this is as a result of committed donor funds not being availed and disbursed in a timely fashion.

Every ministry has its own mission, vision, objectives and indicators and prepare their budgets accordingly to reflect this. '*Performance budgeting*' approaches are however not in use. The government recently changed from line item budgeting to programme budgeting in 2008 as a pilot to be implemented in the Ministry of finance and Economic development, Ministry of trade and Ministry of education to cover both recurrent and development/capital budgets. For these pilot ministries, vision, mission, and indicators will be reflected in their budget documents.

The budget once appropriated by the Council of Peoples' Representatives, parliament, is published in the *Nagaret Gazeta* in Amharic, the widely spoken local language and it is a publicly available document showing the revenue sources, subsidies to the regions and allocations. The MoFED also has a website that provides reviews of documents of the PASDEP and details of expenditures up to the sub-national level and several of these documents are in Amharic.

According to the Budget call each ministry is expected to prepare their annual budget aligned to the PASDEP. There are more than 40 ministries in Ethiopia and it was not possible to establish concretely to what extent the link between planning documents and the budget really happens, however, a brief review of the health budget and its alignment with the PASDEP and the health strategic policy plan reveals that budgeted line items reflected development objectives and strategies in health (see next section). Furthermore, the budget process cycle requires that budget submission be heard and defended in a formal hearing with the MoFED. Budget hearing as part of the budget preparation process is a meeting that gives federal public bodies the opportunity to explain and justify their budget request to MOFED. These budget hearing processes are supposed to be the basis for allocations of available funds for both development/capital and recurrent budget requests.

The Budget call circular makes no mention of gender equality or women's issues; although mainstreaming gender equality is the policy directive of the PASDEP and there is a National Action Plan for gender equality. In the PASDEP gender and women issues are allocated a separate section because their concerns represent one of the eight pillars of the PASDEP. Gender equality is also understood as a cross-cutting issue and some of the social sectors such as health, education, water and sanitation provide for specific interventions and measures for "women" while other sectors are silent on the same. (Gender/women issues reflected in the PASDEP are already outlined in section 2 and 3 above).

5. GENDER RESPONSIVE BUDGETING IN ETHIOPIA

This section provides an overview of gender responsive budgeting (GRB) activities undertaken in the country, and describes and assesses the extent to which GRB has been used in the context of instruments that are relevant to aid management (in an attempt to demonstrate how GRB can be used to promote gender responsive aid). “Instruments” is defined widely here to include structures, documents and processes.

There are currently two key initiatives underway in Ethiopia on gender responsive budgeting, under the auspices of the Ministry of Finance and Economic Development (MoFED) and the Network of Ethiopian Women’s Associations (NEWA) respectively.

Federal Government: Ministry of Finance and Economic Development

In Ethiopia all ministries have established departments of Women’s Affairs in response to the broader government agenda to advance gender equality as evidenced by a National Action Plan on Gender Equality and recent gender responsive legislative reforms. Responding to this supportive climate the department of women’s affairs located within MoFED seized the opportunity of its strategic position, its mandate to monitor and co-ordinate gender equality actions with regards to planning, resource allocations and expenditure and the fact that MoFED typically produces various guidelines for various sectors for implementing budgets, to move government commitments to gender equality into realisation by developing gender responsive budgeting guidelines- *Guidelines for Mainstreaming Gender in the Budget Process*. The document developed with support from the British Council and United Nations Children’s Fund (UNICEF) is to act as a further guide to all government ministries in mainstreaming gender perspectives into all budgeting processes.

The Guidelines for Mainstreaming Gender in the Budget Process are intended to “guide government officers and development practitioners in charge of budget planning and implementation at the federal level.”

The guidelines begin by providing definitions and explanations on gender responsive budgeting (GRB) and approaches for GRB. Two highlighted approaches are the Australian “three-way categorisation of expenditures” and the South African “five step budget analysis approach.” The tools for implementing the “three-way categorisation of expenditures” are highlighted.

The guide presents an example of a “gender aware budget statement” and concludes with a focus on how to develop indicators for gender sensitive budgets.

Finally, the guidelines offer a checklist tool for a quick gender analysis of budgets.

Box 2: *Guidelines for Mainstreaming Gender in the Budget Process (MoFED, 2008)*

MoFED recently begun to share the GRB guidelines with some ministries (health and education) and the Ministry of Education has taken the further step of developing its own sector-specific guidelines in response to the MoFED document. These are all in early stages with planned actions to create awareness, and technical capacity and inclusion into the budget call for the next fiscal year. A formal launching of the *Guidelines for Mainstreaming Gender in the Budget Process* by MoFED is anticipated to formally facilitate its acceptance and implementation across government. Activities undertaken to date on GRB that predate the development of the guidelines include research, advocacy, and awareness-raising. In government the targets of these activities have primarily been planning economist in MoFED in 2003 and parliamentarians at federal and sub-national levels in March 2006. A positive recent step forward in 2007 has been the interest of the Budget Standing Committee in parliament to support further work - an interest that will need sustained advocacy and capacity building for the committee.

Recently government introduced a new initiative called the *Women's development package*. These are guidelines for the women's national machinery and women's association at both federal and sub-national levels. MoFED has further provided US\$5million, with support from the EC, in the current fiscal year to fund 'women's activities' as yet to be defined and to be co-ordinated by the Ministry of women's affairs. MoFED noted that the relatively small size of this allocation is informed by the Ministry of women's affairs lack of capacity to fully spend its allocation in the previous fiscal year.

However much still remains to be done to achieve the changes in budget allocations, changes in budget documents, mentions in budget speech, and increase the use of gender-responsive indicators. Planned activities and objectives face certain challenges. For example, the Ministry of Women's affairs (MoW) established in 2005 with the institutional mandate to lead, co-ordinate and monitor these gender responsive developments is replicated at department level in all ministries and at all sub-national levels. In discussions with Women's affairs at the federal level it was often stated that the biggest challenge was shortage of staff leading to the lack of capacity and more often than not from an inability to retain even trained staff, a constraint faced across the whole public sector in the absence of adequate incentives and the draw of a liberalising market place. The Ministry of women's affairs and Women's affairs department in Health did not express concerns about their budgetary allocations when asked about adequacy of funding. In the past they have received the budgets they have projected and requested, but they note a deeper concern with regards to the absence of adequate staff and capacity within ministries for gender equality actions. Other issues of concern noted were attitudinal and cultural resistance with regards to gender equality from fellow government officers and local communities; as well as the absence of sufficient sex-desegregation of data and adequate institutionalising of accountability for gender equality among public officers for it is seen as the work of the ministries and departments of women's affairs.

The recent initiative in Gender Responsive Budgeting (GRB) by the MoFED that has produced guidelines for GRB is viewed by the women's affairs department in MoFED as a necessary step in NAP-GE implementation as is a costing of the NAP-GE which is yet to be undertaken despite the fact that it is already 2008, half way through the NAP-GE period. Actions with regards to GRB by the women's affairs department in MoFED are therefore underway; however, a monitoring and evaluation system still remains to be designed for the NAP-GE.

Civil Society Organisation: Network of Ethiopian Women's Associations

NEWA, a local network with membership of 35 women's associations and organisations working on gender issues, has the role of strengthening these efforts of its member organisations. Since its establishment in 2003, it has undertaken diverse advocacy activities, monitoring of government compliance to commitments on gender equality and capacity building with Government and other CSOs both locally and internationally. Beginning in 2007 a new activity for NEWA has been its actions to strengthen budget literacy for budget tracking among local communities targeting local women's organisations, women's associations, and devolved levels with Women's affairs bureaus and Finance bureaus within sub-national government structures. All these government and civil society bodies are the recipients of capacity building and training that is being supported through NEWA's activities. These first phase initiatives undertaken in five regions primarily focused on advocacy, creating awareness and the building of capacity necessary for understanding gender responsive budgeting and what it means to budget with gender in mind. At the end of 2007 NEWA developed a tool for monitoring NAP-GE, gender equality compliance by government and the allocation and utilisation of budgets in sectors to be selected.

The second phase planned to start August 2008 are actions to begin the tracking of budgets for gender responsiveness, and continued advocacy for gender responsive budgeting and the implementation of the tool to monitor and track resource implementation in two key areas of concern to Ethiopian women: Violence against women and the Economic empowerment of women. These two areas of concern selected by NEWA and its constituency of women's associations are reflected in the PASDEP already with detailed actions for government planned activities. The progress expected in these areas is seen as having far reaching consequences for the security and empowerment of women. The NEWA monitoring tool developed for use at Woreda (district) level by both local women's associations and local government officers they have trained is intended to facilitate limited monitoring and reporting of what resource allocations were made and spent in the two areas of concern.

NEWA began its budget literacy activities given the delay in launching MoFED's gender responsive budgeting guidelines. NEWA nevertheless, sees the steps taken to date by MoFED as extremely positive, helping to strengthen NEWA's work with communities and helping to further the acceptance of gender responsive budgeting. However strong leadership from higher government levels will be needed as the next step and NEWA

notes that advocacy and gender issues sensitisation is still required for all levels of government.

The efforts by MoFED and NEWA are an outcome of a national policy environment supportive of gender equality and women's empowerment. Both actions point to the place and role of government and CSOs. The former, will need to move decisively to put in place the mechanisms that deliver equitable development and recognition of women's rights; while the latter will need to create and sustain the demand for accountability on the part of public officials.

Both MoFED and NEWA see gender responsive budgeting as a tool to enable and facilitate gender mainstreaming, and placing that responsibility squarely within all ministries rather than at the desk of gender focal points. Furthermore, all ministries report bi-annually to parliament about their implemented activities, the challenges and achievements made by their sectors but unless ministries understand their role as fully encompassing accountability for gender mainstreaming issues with regards to progress on gender equality will remain under the purview of those ministries or sectors with specific allocations and activities for gender equality/women's issues. This bi-annual reporting therefore presents an opportunity to report to parliament on the specific impact of government budgets on groups that have been recognised in the PASDEP as traditionally most disadvantaged for example, women, pastoralists, and the rural poor if the reporting is informed by gender responsive budgeting.

In Ethiopia no formalised mechanisms of gender responsive budgeting have engaged with aid management instruments. If the MoFED guidelines become widely implemented then donors' resources on budget to government could be tracked for gender equality more effectively. There are however emerging opportunities at decentralised levels through the PBS aid modality that has as a key component resources directed at CSOs to strengthen community participation to monitor government policymaking, planning, budgeting and action plans. Of the three recent CSO recipients of funding support is one women's organisation, *Zema Setoch Le Fetha* that plans to build capacity of communities in support of monitoring for accountability.

Current reforms within the civil service sector presents another opportunity to be seized for mainstreaming gender for these reforms are seeking to build capacities in the decentralised public service delivery structure for accountability.

Government-Donor initiatives with regards to harmonising aid are primarily directed at donors in keeping with the aid effectiveness agenda of the Paris declaration. For example, co-ordinating their actions for alignment with recipient government systems to lower their transaction costs on governments; minimising the numerous and diverse reporting formats they require of governments and harmonising aid from different donors to make more funds available. Thus planned harmonisation strategies offer another entry point for donors to co-ordinate in responding to their own corporate level policy environments on gender equality and link it to their support for the Paris declaration. Harmonisation strategies will require that at the level of DAG, members incorporate at

decision making levels the expertise, the political will and leadership that will consistently support co-ordinated allocations and policies that promote gender equality and women's empowerment.

Strengths

MoFED has taken the leadership role on gender responsive budgeting. This is important given the ministry's position as the most important player in all matters related to national budgeting activities. MoFED is also the chief interlocutor with donors given the expectation that all donor money should come through federal government, and further, there is a government requirement that all public expenditures be accounted to MoFED; these MoFED roles can facilitate gender responsiveness for domestic as well as external resources because MoFED is represented in all the donor-government aid structures previously mentioned. Furthermore, donor groups tend to be organised thematically to work on particular sectors with relevant ministries and the outcome of these deliberations must be shared with MoFED for realisation. Donors are also co-ordinated at the MoFED level by the Bilateral and the Multi-lateral departments.

NEWA's role as a CSO and its initial activities at advocacy and to create awareness and understanding of budgetary processes in general, together with the targeting of women's organisations and sub-national budgetary departments that have jurisdiction over public expenditures seeks buy-in into gender responsive budgeting. These actions are intended to have the added value of creating a conducive environment for accountability to all citizens and specifically to women and working towards promoting women's equal participation in budget decision making.

As noted earlier, Ethiopia's decentralisation processes and capacity building activities for successful decentralisation present opportunities for promoting decision making processes being brought closer to citizens. If decentralisation is to aim at strengthening the power and voice of local communities it can open up possibilities for women's participation. However, this will not occur automatically if the process of decentralisation fails to create opportunities for women and men to be employed in decision making positions in the devolved system or if GRB is not established to ensure that decentralising services are being monitored to be equally accessible to women and men and addressing their different needs and interests.

Current GRB activities in Ethiopia are occurring in an environment where there has been what is called 'a pro-poor' budget focused on service delivery as well as gender specific expenditures to mitigate disadvantage. The pro-poor budgets have expenditures that are not gender specific, yet their pro-poor focus demands and provide opportunities for such expenditures to be analysed for gender responsiveness that calls for sex-disaggregated data if the specific concerns of poor women and men are to be ascertained and therefore addressed.

Weaknesses

The challenge is having the total support of MoFED to hasten the formal launch of the gender responsive budget guidelines so that an opportunity is not missed with the next fiscal year 2009/10 to issue a “budget call” that is reflective of the gender equality commitments of government already within the PASDEP. The GRB guidelines need to reinforce clearly how they will better inform ministerial budget submissions to begin to develop and indicate ministerial gender-related objectives, gender related indicators and performance indicators that are sex-disaggregated.

Current decentralisation presents challenges with regards to decision-making where it is noted that very few Ethiopian women occupy positions of power and decision making.

The Women’s affairs ministry and Women’s affairs departments have been faced with high staff turnover, lack of incentives to retain staff and lack of capacity that challenges their role to co-ordinate, influence and monitor to adequately support gender-responsive budget making processes across all government.

The current budget cycle has provided little room for adequate public participation, including the participation of women even though all public allocations and expenditures are publicly accessible through the *Nagaret Gazeta*, an openly available document of the revenue sources, subsidies to the regions and allocations and written in Amharic, the widely spoken local language.

6. APPLICATION OF GENDER RESPONSIVE BUDGETING TO THE HEALTH SECTOR IN ETHIOPIA

Health has a SWAp, receiving a large volume of aid through sectoral budget support at the federal level and through the PBS and donor funds which come through the federal level to be disbursed to sub-national governments. The health sector is also a key priority sector for addressing women’s needs and priorities in Ethiopia.

Ethiopia experiences a heavy burden of disease largely attributable to potentially preventable infectious and communicable diseases and nutritional deficiencies. In response the Ethiopian Government has developed a Health Sector Development Program (HSDP) since 1997/98. The current third phase implementation of HSDP-III covering the period 2005/06 to 2009/10 is designed to respond to the wider policy frameworks of the PASDEP and MDGs and therefore captures its objectives and indicators for example on child mortality/morbidity, women’s maternal health, HIV/AIDS and malaria to name a few.

HSDP has seven key component areas:

Health service delivery and quality of care: strengthening the preventive, curative and promotive aspects of health care mainly through the implementation of Health Extension Service Package (HSEP), maternal and child health services, HIV/AIDS, Malaria, Tuberculosis and personal and environmental hygiene.

Health facility construction, expansion, equipping and access: Increasing access to improving the quality of health services through the rehabilitation of existing health facilities and construction of new ones and provision of the necessary inputs such as medical equipment and furniture.

Human resource development: training and deploying of relevant and qualified health workers of different categories for the whole sector and improving the management of human resources within the public sector.

Pharmaceuticals services: ensuring regular and adequate supply of effective, safe and affordable essential drugs, medical supplies and equipment in the public and the private sector and ensuring rational use.

Information, Education and communication: improving knowledge, attitude and practice on personal and environmental hygiene and common illnesses and their causes; and promotion of political and community support for preventive and promotive health services through educating and influencing planners, policymakers, managers, women groups and potential end users.

Health management information system and monitoring and evaluation: informed policy formulation, planning, programme implementation, monitoring and evaluation and improving the knowledge and skills of health managers in these areas. It also aims at enhancing community involvement in the management of health facilities and public health interventions.

Health care financing: mobilizing increased resources to the health sector; promoting the efficient allocation of resources and developing a sustainable health care financing system.

Annual core plans are developed by the federal and sub-national levels to meet the targets set by the Health strategic development plan (HSDP). These targets are developed by a process of negotiation between the federal and sub-national levels and the same process is replicated between the sub-national levels. Sub-national levels also provide performance reports mid-year to the federal level.

A broad gender analysis of the health sector strategic plan and the wider PASDEP as well as the NAP-GE suggests that the immediate and main health concerns for Ethiopian women are women's extremely limited access to antenatal and postnatal health care that contributes to the high fertility rate at 5.4 and their high maternal mortality rate at 673/100.000 (Federal Ministry of Health, 2005/06). Furthermore, the high fertility rate is also a result of low rates of contraceptive prevalence and antenatal coverage that in turn

compound and are compounded by women's heavy reproductive and productive workload burden.

Thus in the key national planning documents such as PASDEP and HSDP concerns about reproductive health are overwhelmingly the focus of health issues with regards to women. Even concerns about access to health services that saw a drive to increase the number of women extension service providers are principally being directed at women's reproductive health issues even as they incorporate concerns about hygiene, malaria and HIV/AIDS prevention.

In several of the key components of the HSDP-111 there are areas that specifically target women, however decisions for budget allocations will be made at each of the sub-national levels because federal government awards funding as block transfers to the regions, although PBS expenditures must be earmarked for regionally prioritised services in basic social services such as health. The federal level officials in MoFED and the women's affairs department in health affirm that there is recognition of the autonomy of the sub-national levels. They also point out that national level planning reflected in PASDEP offers a vision and guidelines that the sub-national levels see as guiding their own local planning. It is also documented that development planning incorporated the national and sub-national levels in dialogue and the development of documents such as the PASDEP as well as the strategic planning documents of ministries that flow from the PASDEP such as the HSDP. There are also formally constituted quarterly or/and bi-annually (depending on ministries) joint federal and sub-national forums that are intended to facilitate information sharing, and provide opportunities for review, or capacity building, among several other activities, for the decentralised public service delivery structure.

While the first HSDP had no clear targets for gender equality; in the Health sector development program HSDP-II (2003-05) gender was captured as a cross-cutting issue. The three targets set during that period included creating functional Women's affairs departments in the different structures of the health service; increasing the level of awareness of the health workers and support staff on the NAP-GE and all related gender issues and increasing the utilization of health services by women. In the current HSDP-111 (2005/06 to 2009/10) gender remains a cross-cutting issue with the main objective to "mainstream gender at all levels." The four strategies for this objective are however, outlined in very general terms as improving the institutionalisation of gender in the sector; promotion of the gender mainstreaming guidelines; building the capacity of gender units and focal points; and promoting the gender desegregation of data.

Concurrently, in HSDP-111 there are specific women-focused allocations, targets and projects directed, almost exclusively at reproductive health, for example, at lowering the maternal mortality rate (table 4).

Programmes	2009/10 Target	2005/06
Primary health service coverage	100%	76.9%
Number of Health Extension workers deployed and in place	30,000	8,901

Contraceptive acceptance rate	>60	35.8
Antenatal coverage	80%	50.4%
Proportion of deliverers attended by skilled health personnel's	32%	15.1%
Postnatal coverage	31%	15.5%
TT2 coverage for pregnant women	75%	51.8%
TT2 coverage for non-pregnant women	67%	21.6%

Table 4: HSDP-III indicators (directly related to women's health)

Source: Federal ministry of health (2005)

Besides the above obvious indicators for women, the absence of sex-disaggregated data means that for the rest of the health services provided there is an absence of reliable shared understanding of what is happening to women with regards to the all the seven priority components of health. An area of sex-disaggregated data was on leading causes of out patient visits, and it was found that "Homicide and injury purposely inflicted by other persons"¹ was ranked second for women. The report does not give the ranking for men.

Overall budget for the health sector

Health services are financed by Government, bilateral, multilaterals (both grants and loans) international non governmental organisations (global funds for Malaria (GFATM/RBM), HIV/AIDS (PAPFAR), Vaccines (GAVI), Tuberculosis (GFATM) that as donor funding form part of the development/capital budget of government. [Household contributions are not part of the development/capital budget]

The Federal Ministry of Health review of budget expenditures over a 3 years period in the key component areas of the HSDP can be analysed for women focused expenditures and outcomes (table 5). The budget is primarily focused on development/capital rather than recurrent expenditures across different components. Most donors' funding in this sector is provided in the form of grants and most health funding is supported by donor funding, thus some components reflect the same amount in respect of aid grant and total amount because they are the components that are entirely dependent on development assistance. The Ministry of health also noted that are off-budget expenditures in the health sector.

Programmes	2008/09		2007/08		2006/07	
	Total	Aid Grant	Total	Aid Grant	Total	Aid Grant
Strengthen Women's affairs Program	20.5	20.5	47.2	47.2	66.3	66.3
Health facility design study	30.0	----	82.5	---	90.0	60.0
HSDP monitoring and coordinating research	59.4	59.4	147.2	147.2	174.0	174.0
Health Service standard preparation	97,264.2	97,264.2	56,963.7	56,963.7	11,764.4	11,764.4

¹ Federal Ministry of Health, (2006/07) *Health and Health Related Indicators*. Addis Ababa:31

Human resource and education curriculum preparation	502.4	502.4	307.0	307.0	1,270.8	1,270.8
Strengthen Family Planning and RH service	18,130.4	17,788.5	20,337.4	19,653.7	11,711.0	11,453.0
Integrated prevention and control child disease	1,141.7	1,141.7	646.4	646.4	255.8	255.8
Prevention and control Malaria and other disease	12,000.0	12,000.0	30,231.8	30,231.8	----	----
Prevention and control TB and leprosy	3,400.1	3,400.1	3,204.2	3,204.2	-----	----
Prevention and control transmission and Non transmission diseases	164.1	164.1	1,886.3	1,886.3	54,085.8	54,085.8
Integrated disease research	1,224.9	1,224.9	261.2	261.2	-----	-----
Hygiene and environmental health education and control	455.9	285.9	2,441.2	2,441.2	1,638.7	1,308.7
Strengthen drug administration	2,851.9	2,851.9	5,005.9	5,005.9	5,038.6	5,038.6
Strengthen St. Paul hospital	926.4	199.5	975.2	427.7	344.4	344.4
Strengthen Emanuel hospital	1,106.1	10.3	953.8	43.9	282.6	26.0
Strengthen alert hospital	602.5	222.9	2,266.2	1,259.4	2,215.2	1,234.0
Strengthen health information and management system	1,839.2	1,839.2	1,293.4	1,259.4	121.5	121.5
Strengthen health care financing	22.3	22.3	69.0	69.0	92.6	92.6
Strengthen vaccination program	34,737.1	34,737.1	40,509.3	40,509.3	24,745.0	24,745.0
Health extension package service	1,527.5	1,527.5	313.2	313.2	8,779.8	8,779.8
Strengthen and establishing regional Blood Bank	1,200.1	1,200.1	1,483.6	1,483.6	3,000.0	3,000.0
Strengthen St. Petros hospital	----	----	558.2	217.5	778.5	500.4
Strengthen education and information	----	-----	-----	-----	1,125.4	1,125.4
Construction of main office	-----	-----	-----	-----	158.2	-----
Construction of store					462.0	462.0
Total capital budget	179,206.4	176,462.1	169,983.5	166,412.2	128,200.3	125,908.2
% of aid from total capital budget	100	98.5	100	97.9	100	98.2
Total recurrent budget	8,457.7	---	6,933.8	----	6,757.8	---
Total capital and recurrent budget	187,664.1	176,462.1	176,917.2	166,412.2	134,958.0	125,908.2
% of aid from total capital and recurrent budget	100	94.03	100	94.06	100	93.3

1 US dollar rounded to 10 Ethiopian Birr

Table 5: Federal Ministry of Health 2008/09, 2007/08, and 2006/07 fiscal year development/capital budget in thousand US\$

For the period of 2006/07 to 2008/09 a quick gender analysis of expenditures at the federal level (table 6) highlights the following:

The women's affairs department in the ministry of health confirmed that the budget has targeted specific expenditures on women; for example, *Strengthen the Women's Affairs Program*, and *Strengthen family planning and reproductive health program*. The *Family Health programme* is directed at actions to strengthen and to gradually expand family planning health and nutritional services for mothers, children and youth at all levels of the

health system. We can note that ideally family planning and reproductive health should target both women and men but sex-disaggregated data was not available to substantiate if these expenditures identify and target men as well.

The Health Extension Package (HEP) as reflected in the federal level budget is primarily for the training component, a priority area for the health sector that has been focused on the training and deployment of extension workers. New health workers, (75% are females), have been recruited and trained. The exception was among the Afar nomadic group who where new extension workers recruited included men. The *Health Extension Programme* (HEP) is a nation-wide programme in the ministry of health and seen as a key implementation strategy for realising the health goals in HSDP-111. It has earmarked allocations by donors to the ministry of health.

As a share of the total capital budget of the Federal ministry of health, *expansion and strengthening of women's affairs program* for the fiscal years 2006/07 2007/08, and 2008/09, amounted to 0.05%, 0.03% and 0.01% respectively. *Strengthening Family planning and Reproductive health* amounted to 9.1%, 12% and 10.1% respectively. The *Health Extension Package* service amounts to 6.8%, 0.8% and 0.9% respectively. The above earmarked allocations by the ministry of health for gender responsive issues are small and have actually fallen over the recent three year period. These figures are, however, not reflective of the decentralised allocations and expenditures for the whole country given that actual service delivery falls under the responsibility of the decentralised organs.

In addition to women's specific programming, it is also critical to analyse general expenditures such as "*Health service standard preparation*" that has the lion's share of the budget (US\$97,264,190) and the "*Strengthening vaccination program*" (US\$34,737,050). Thus, in 2008/09 about 54.3% of the total health budget was set aside for the *Health Service Standard Preparation*. The Federal ministry of health-Women's affairs department noted that *Health Service Standard Preparation programme* has gender responsive intentions, for example, actions to increase access and improve the quality of health services through the rehabilitation of existing health facilities and construction of new ones and the provision of the necessary inputs such as medical equipment and furniture all of which are intended to have a positive impact that will be important for women in bringing health facilities closer to communities and thus increased accessibility for women. However, inadequate sex-disaggregated data means the empirical evidence of access and utilisation for women remains missing. The programme's significance is borne out by MoFED's Welfare Monitoring Survey (2005) which indicated that women and men's access rates to health facilities differed for reasons of high opportunity costs in time spent on health care seeking and for reasons that included women's burden of care work and other reproductive tasks, which when compared to men's, tended to lessen their access to health care facilities. The *Strengthening vaccination program* which mostly benefits children has some women specific components such as the Tetanus toxic vaccines for use with pregnant women

With respect to *Human resource development*, whose plan aims at addressing shortages, mal-distribution, and inadequate capacity; gender bias was manifested by the low proportion of women health professionals. Affirmative actions to promote women's access to high levels of health education and positions although in place were not adequately being taken up by women often because they lacked the necessary diploma level training to compete for the higher level health education scholarships that were on offer. The response by the Women's affairs department in the Ministry of health is to mitigate these effects by seeking to expand the eligibility criteria so that it is not limited to university scholarships in health but is accessible for different educational levels and types of training in health and monitoring the results on its implementation was going to be crucial.

With regards to the component on *Strengthening Health Management* it was found that although women constitute the majority in certain health worker categories such as nurses, few of them occupy management positions in the health sector and adequate responsive actions remain to be undertaken to continue to expand access to decision making for Ethiopia women in the civil service and ministerial positions.

The problems of the health sector are from outside the health sector and are socio-cultural and economic; in addition the attitudes and actions of health workers are a further concern for the delivery of services to the poor (Women's affairs department-Ministry of health, 2008).

A health sector review of the gender responsive targets in the HSDP-11 found that while a number of awareness and sensitisation trainings on gender issues had been conducted in different parts of the country and overall utilization of health services had improved, it was difficult to show utilisation by women in the absence of sex-disaggregated data. Furthermore, the establishment of functional women's affairs units was deemed to be still inadequate (Federal ministry of health, 2005).

Some progress was made with the production and dissemination of Gender-mainstreaming guidelines *Gender Perspective Guideline/checklist for Program/Project Planning in Ethiopia* (2001), first developed in 2001 by the Ministry of economic development and co-operation and Women's affairs department.² There is however no clear evidence that these guidelines have been a strategic tool informing planning within all ministries and there has not been adequate monitoring of the implementation of these checklist/guidelines. The Women's affairs department noted that there is a pressing challenge in ensuring the development of sex-disaggregated data that arises from the perception in the health sector that "we are providing health services to all" such that calls for sex-disaggregated data are often resisted and seen as "only for the consumption of the Women's affairs department" of the ministry of health.

Under the current HSDP-111 (2006-10) the Ministry of women's affairs carried out research on the "*Impact of Poverty on Women*" that analysed issues related to poor access

² Both these structures have changed with the former combining with the Ministry of Finance to form MoFED and the latter becoming a fully fledged Ministry.

to health services by women and though there has poor follow up of all its recommendations an important outcome was a successful drive to recruit all new Health Extension Workers from among women, in each rural kebele (lowest community structures) to increase women's use of health services. Two women are selected from each kebele to become HEWs, enrolled in a one year training programme and on completion work in pairs and are paid a monthly salary by their local government.

External aid financing to the health sector

Available data (Benfield, 2008) on who were active donors in health list Africa Development Bank, Austria, DFID, EC, France, Ireland, Italy, Japan, Netherlands, Spain, USAID and the World Bank and drawing from an OECD 2008 survey of Paris declaration commitments and show that DFID's contributions were US\$7.8 million and EC support was US\$ 12.8 million.

Partnership and co-operation between government, donor and NGOs at the level of Joint Steering Committee and a Joint Consultative Forum of Ministry of health and Health population and nutrition donors has marked the policy and preparation dialogue for the HSDPs. However, harmonisation and alignment for purposes of integrated planning, financing, disbursement cycle, procurement and progress reporting systems have made little or no progress even in this SWAP context of increasing resource flows to health (Ministry of Health, 2008). Traditionally all external funding to the government is recorded within the development/capital budget even if it is utilised for recurrent expenditures as is the case with donor's funds that are utilised for the payment of doctors' and nurses' salaries. The challenge is in tracking all external financing specifically for gender responsive programmes unless they are earmarked for that purpose in the health sector. However, it is possible to distinguish components that consistently received all their budgetary allocations entirely from donor assistance.

The work required is to determine whether the budget allocations for the above aid allocations were gender responsive for those items that were not gender specific expenditures. The policy environment in health is gender aware in certain aspects as already noted but the policy still requires an appraisal that identifies and accesses the gendered implications of all the seven key components of the HSDP-111 and the resource allocations being made.

A review of resource allocations and utilisations provided by the HSDP-111 show that during HSDP-1 utilisation rates ranged from 50% to 80% of the health budget; with most regions spending a larger share of the budget on recurrent expenditures while at the federal level a significant share of the budget went to development/capital expenditures. This pattern reflects the fact that service delivery and thus most salaries are at the sub-national level. During HSDP-11 there is a fairly similar pattern of utilisation for both recurrent and development/capital. The concern this raises is whether actual investments in health are being sufficiently made to make progress on the PASDEP and MDG targets. Progress has been made, see table 6, for example, the major goals of HSDP-111 is

universal primary health service coverage by the year 2008 a target that has made great strides from 70% (2004/05) to 89% (2006/07) but as with increasing proportion of births attended to by skilled health personnel from 9% (2004/05) to 32% (2009/10) the targets are far from being met by next year. Reducing maternal mortality ratio from 871 in 2004/05 to 600 in 2009/10 was another important target that also shows progress from 871/100,000 to 673/100,000 in 2005. The Contraceptive prevalence rate (CPR) and reduction to the Under Five Mortality Rate both show some ground gained previously being lost or being under reported (MoFED, 2007).

Indicators	Baseline 2004/05	Actual 2005/06	Achievement 2006/07	PADEP Targets 2009/10
Reduce Infant Mortality Rate out of 1000	77	77	-	45
Reduce Under Five Mortality Rate out of 1000	123	123	106	85
Reduce Maternal Mortality Rate out of 100,000	871	673	-	600
TB Treatment Success Rate (%)	76	78	85	-
DPT3 Coverage (%)	70	76	73	80
Contraceptive Prevalence Rate (%)	15	36	33	60
Proportion of Births Attended to by Skilled Health Personnel (%)	9	16	16	32
OPD (Out-Patient) Visit Per Capita	0.3	0.32	-	0.6
Percentage of Households in Malarious Areas with two ITNs	1	43	91	-
Potential Health Service Coverage (%)	70	72	89	100
Health Extension Workers to Population Ratio	1:25,000	1:7,800	1:4,369	1:2,500

Table 6: PASDEP Health Targets and Progress to Date

Source: MoFED, 2007: 16-17, 68.

Women as beneficiaries of the health sector³

Maternal Health

- Improvements in maternal indicators including in antenatal care coverage increased from 50% in 2005/06 to 52% in 2006/07.
- Postnatal care coverage increased from 16% in 2005/06 to 19% in 2006/07
- Proportion of deliveries attended by skilled health personnel increased from 15% in 2005/06 to 16% in 2006/07.
- A consistent increasing trend has been witnessed in the contraceptive acceptance rate for the years 2001/02 to 2005/06 from 14% to 36% with slight decline in 2006/07 to 33%.

³ MoFED, Annual Report PASDEP (2007) MOFED, Addis Ababa: 66-7.

7. CONCLUSION

This section briefly suggests apparent opportunities and entry points for using GRB as a tool to promote gender equality work within the instruments used by donors and government for planning, programming, budgeting and M&E. The issue for this review is to begin to inform the realisation of development effectiveness through gender responsive budgeting so that the government's budget is implemented in ways that realise gender equality and women's rights.

There are sectors at the federal level (education, health), that already have specific measures to:

- Improve women's access to resources and services
- Improve statistics and indicators disaggregated by sex, and the support gender-aware impact assessments
- Implement the national plan for gender equality
- Finance the budget and programmes of the Women's affairs ministry and departments
- Strengthen the institutional and operational capacities for gender equality in the development process

Furthermore, several opportunities are presented; for example, there are civil service reforms underway presenting possibilities for rethinking capacity building to be inclusive of gender responsive administration and accountability. MoFED has developed GRB guidelines that will need to be refined and strengthened to inform gender mainstreaming, keeping in mind that all ministries are required to report bi-annually to parliament about their activities.

There are however strategic ministries like agriculture given Ethiopia's agrarian population which have not clearly defined gender responsive interventions within the PASDEP yet remains crucial for rural women's empowerment. There are also PASDEP sectors such as governance and capacity building; Agriculture, HIV/AIDS and youth that are recipients of funding from EC and DFID and whose main expenditures are not gender specific but yet will have gender impacts that need to be understood by collecting sex-disaggregated data. This study has fore-grounded the health sector in Ethiopia as a site of gender specific and pro-poor expenditures that need to be more deeply analysed to expand the engendering of the health sector budget.

Next phase activities led by MoFED with support from UNIFEM

- must target Ministries and public service with a view to popularise the MoFED guidelines for gender responsive budgeting, create public awareness of guidelines and provide capacity development of government officials for effective implementation of GRB.

- Develop gender equality response manuals for two important sectors: Agricultural and Rural Development and the Health Sector.⁴ These two ministries already receiving a large volume of aid are key priority areas for pro-poor initiatives in the PASDEP are critical to address women's substantive priorities for equality.
- Required first is the strengthening of the monitoring indicators for the PASDEP in the ministries of Agriculture-Rural development and Health, critical for assessing their budgets for gender equality responsiveness. Second, the women's affairs department in MoFED working with ministries of Agriculture-Rural development and Health will need to carry out a more substantive gender responsive budget analysis in the two ministries for advocacy actions with budgeting and planning department heads in MoFED for the inclusion of gender equality budget statements for the next fiscal year.

⁴ The Education sector in Ethiopia has expanded furthest on initiatives for gender equality especially with regards to enrollment of girls; it has also recently developed its own guidelines for GRB for the sector guided by the GRB tool from MoFED.

APPENDIX 1

Interviews with Key informants

Ministry of economic development (MoFED)

1. Mr. Belachew Beyene , Unit leader multi-lateral department (MoFED)
2. Endeshaw Kefle, Senior expert of Macro-economic policy department

Ministry of health

1. Dr. Mekdem Enkossa, Expert for PBS
2. Michael Miraw, Planning and budgeting department
3. Woineshet Nigatu, Team leader, Family health department
4. Sister Tsigeroman Abera , Head of Women's affairs department

Ministry of Women's Affairs

1. Atsede Guta, Head of Gender department

Representatives of the European commission delegation

1. Joris Heeren, Head of Economic, social and trade section
2. Andy Benfield, Aid effectiveness consultancy

Representative of Department for international development (DFID)

1. Dr. Robin Milton, Senior social development advisor

Representative of civil society organization: Network of Ethiopian women's associations (NEWA)

1. Saba Gebremedhin, Director

ACRONYMS

CAP:	Country Assistance Plan
CSP:	Country Strategy Paper
DAC:	Development Assistance Committee (of the OECD)
DFID	Department for International Development
DAG:	Development Assistance Group
DGGE:	Donor Group on Gender Equality
EC:	European commission
EDF:	European Development Fund
GAVI:	Global alliance for vaccine initiatives
GDP:	Gross Domestic Product
GFATM:	Global fund against tuberculosis and malaria
GEQIP:	General Education Quality Improvement Programme,
GRB:	Gender Responsive Budget
HDI:	Human Development Index
HEW:	Health Extension Workers
HICE:	Household Income Consumption Expenditure Survey
HSDP:	Health Sector Development Program Health
HSEP:	Extension Service Package
IDA:	International development assistance
MOFED:	Ministry of Finance and Economic Development
MOW:	Ministry of Women's Affairs
NAP-GE:	National Action Plan on Gender Equality
NEWA:	Network of Ethiopian Women's association
OECD:	Organization for Economic Cooperation and Development
PASDEP:	Plan for Accelerated Sustainable Development to End Poverty
PEPFAR:	President's emergency plan for AIDS relief
PBS:	Protection of Basic Services
PRSP:	Poverty reduction strategy papers
PSNP:	Productive Safety Nets Programme
PSCBP:	Public Sector Capacity Building Programme.
RBM:	Roll back malaria initiative
SSA:	Sub-Saharan Africa
SWAPs:	Sector Wide Approaches Programmes
UNDP:	United Nations Development Programme
UNICEF:	United Nations Children's' Fund
UNIFEM:	United Nations Development Fund for Women

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