Foreword

During 2004 we are celebrating 50 years of development cooperation between Ethiopia and Sweden. Our longstanding partnership covers a wide range of areas of which development cooperation has played a primary role. Most Ethiopians know about the Swedish Primary School Programme, which led to the construction of 6,000 primary schools, equal to half the present number of schools in the country. Also known to many Ethiopians is the CADU project in Arsi, which contributed to a substantial increase in agricultural production in this area.

Development cooperation has continued in these fields but has also expanded to areas such as health, democracy and human rights, research cooperation, roads, humanitarian assistance and civil society cooperation.

In 2003 Sweden and Ethiopia agreed on a five-year development cooperation strategy, which will lead to a substantial increase in our cooperation, introducing four new areas: budget support, food security, justice sector reform and private sector development.

The objective of this booklet is to present the diversity of the Ethio-Swedish partnership from the arrival of the first Swedish missionaries in Ethiopia to present day development cooperation. I hope you will enjoy reading it.

Håkan Åkesson
Ambassador of Sweden to Ethiopia
Ethio-Swedish relations began in 1866 when the first Swedish missionaries landed in Massawa. Swedish missionary societies offered education and medical care in areas where there were no government schools or hospitals. In 1904 Pastor Karl Cederqvist – as the first Swedish missionary ever – reached Addis Ababa and started a school and a medical clinic.

The relations between the royal courts in Ethiopia and Sweden developed during the early twentieth century. Emperor Haile Selassie visited Sweden in 1924. Crown Prince Gustav Adolf made a reply visit to Ethiopia in 1935. That was the first time a member of the Swedish royal family came to visit a country in Africa.

In the 1930’s and 40’s many Swedes were recruited by the Ethiopian government. This recruitment included army officers, medical staff, teachers, policemen and lawyers.

In 1943, Sweden granted Ethiopia a loan of sek 5 million, which made it possible for Emperor Haile Selassie to employ more Swedish experts to promote development in Ethiopia. The loan was the first credit granted by Sweden for development work.

A Swedish diplomatic mission was established in Addis Ababa in 1946 and the present Swedish embassy residence was a gift from Emperor Haile Selassie to King Gustav V. In 1947 Ethiopia opened a diplomatic mission in Stockholm. By 1954 the Swedish colony comprised of 350 people working within the administration or doing missionary work.

The first Ethiopian Olympic team (marathon and cycling) was sent to Melbourne in 1956, headed by Bertil Larsson, a physical fitness teacher in the city of Debre Zeit.

By 1958 the number of Swedes in Ethiopia had increased to more than 500. Grouped in falling numbers they were: air force personnel, missionaries, telecommunication and technical assistance personnel, army officers and teachers.
From left to right: Joelsson, an Abyssinian monk, chaplain Nils Nilsson and his wife.
Photo: Red Cross photo collection in The National Archives
Ethiopia and Pakistan were the first developing countries to receive Swedish government-to-government support. For Ethiopia an agreement was signed in October 1954 for the construction of a Building College in Addis Ababa to train engineers for among other things primary school construction. The detailed plans for the college were developed by Swedes who were already working within the Ministry of Education. A year after the agreement was signed, the first students were admitted to the Building College. The college was officially opened by the Emperor in early 1957. In 1962 the Building College was incorporated into the then newly established university.

The first health project began in 1957, when the Ethio-Swedish Paediatric Clinic was built as an extension to Princess Tsehai Memorial Hospital. A commercial initiative from this time was the production of milk powder, “Bar Sweden”, later “Scandmilk”. At the end of 1959 Prince Bertil of Sweden opened the Paediatric Clinic and handed out the first certificates at the Building College. A new development cooperation project – a children’s nutrition unit – was added in 1962. The research for this project was partly carried out in Sweden, and finally resulted in nutritional food for children called “Faffa”.

In the 1970’s and 80’s the pioneering years were followed by support to the building of primary schools throughout the country with the help of Swedish volunteers and support to the Elementary School Building Unit (ESBU). Through this support more than 6,000 primary schools were built in Ethiopia (which is equal to half the present number of primary schools). Other large programmes in the 1970’s and 80’s were the integrated rural development programmes CADU and EPID. Research Cooperation began in 1979. The emphasis for Swedish cooperation has recently shifted from projects to programme support.

In 2004 there are approximately 150 Swedes living in Ethiopia.
Why Does Sweden Cooperate with Ethiopia?

The following arguments motivate current Swedish development cooperation with Ethiopia.

**Poverty:**
Ethiopia is one of the world’s poorest countries and resource needs are immense at every level. The Ethiopian government has drawn up a strategy for combating and reducing poverty in the form of a sustainable development and poverty reduction programme (SDPRP). The programme clearly prioritises poverty reduction and has been accepted by Sweden as a good basis for development cooperation.

**Low levels of donor flows:**
Despite the fact that Ethiopia is extremely poor and an important partner country to most donors, the volume of assistance received is small in relation to the country’s population and level of poverty.

**Efficiency:**
Ethiopia has a relatively efficient public sector and acceptable systems for managing public funds and for follow-up and monitoring.

**Partnership:**
There is a strong sense of Ethiopian ownership in all relations with the international community. Sweden as a member of this community cooperates on the financing of programmes coordinated by the federal government. A real partnership has begun to emerge.

**Pluralism:**
There is a need in Ethiopia for continued progress on democratisation, including greater transparency to facilitate public participation in political decision-making.
The overall aim of development cooperation with Ethiopia is to contribute to the reduction of poverty by helping to remove the factors that create or perpetuate poverty. To that end, development cooperation on the basis of the newly launched SDPRP will focus on three main, mutually reinforcing, areas.

- Democratic development and respect for human rights
- Social development
- Economic growth

Special consideration will be given to gender equality and environmental concerns in all programmes.

The country strategy is contingent on Ethiopia’s ability to maintain peace with its neighbours, preserve internal stability and promote human rights.

Ethiopia’s strong sense of ownership of the development process provides the conditions for a dynamic political dialogue with Sweden. Thus, development cooperation should be used for continued political dialogue about issues of vital importance to the achievement of development cooperation objectives.

**The dialogue issues are:**
1. Democratisation and governance
2. Gender equality
3. Human rights and reform of the judiciary
4. HIV/AIDS
5. Land ownership and security of tenure
6. Favourable climate for the private sector

Sweden will take an active part in harmonisation and coordination efforts. Sweden intends to limit the number of projects supported and instead extend direct budget support and support to sector development programmes.

The total funds made available for development cooperation with Ethiopia during the first three years of the strategy period are estimated at SEK 1,500 million – about the same amount in ETB – of which SEK 200 million will be channelled to civil society and the private sector.
Ethiopia experienced relatively good macroeconomic stability during the 1990’s. The systems for managing public funds work well and corruption is relatively limited.

During the early 1990’s, Sweden gave import support to Ethiopia. Via foreign exchange auctions, importers gained access to foreign exchange, which contributed to the revitalisation of the Ethiopian economy after the civil war.

Several donors are working together with the Government on budget support to Ethiopia.

By providing budget support, Sweden will support the SDPRP.

The progress in poverty reduction will be followed up yearly by monitoring indicators, agreed between the donors and the government. Some of the indicators are school enrolment, access to health care, reforms in the public sector and progress within private sector development.

By providing budget support, Sweden could play an active role in the dialogue with the Ethiopian Government on how the poverty reduction strategy will be translated into real programmes and projects. This gives a chance to bring forward Swedish views, for instance on gender mainstreaming and environment.
As a natural follow-up to the first Swedish project (the Building College), Sweden began in 1965 to contribute to the Ethiopian school construction programme. Contributions consisted of funds and the work of Swedish building engineers through the Swedish Volunteer Service.

The Elementary School Building Unit (ESBU) was established in 1968 under the Ministry of Education with assistance from Sida. Around half of the present primary schools in the country have been constructed with the help of ESBU.

Swedish support since the mid 1990s has however covered a wider range of issues than just the building of schools, e.g. the printing of school textbooks and developing an Education Management Information System (EMIS).

In the Country Strategy for 2003-2007, support to the education sector still holds high priority. The goal is to support the whole sector. This is planned for when ESDP (Education Sector Development Programme) starts in 2005. Until then the cooperation is given to the teacher training sector in a pooled partnership with five other donors.
Swedish cooperation to support the health system in Ethiopia started in 1957. The Swedish government established the first Ethio-Swedish Paediatric Clinic in Princess Tsehai Memorial Hospital and assigned some Swedish doctors to work there. Later the cooperation was increased to strengthen the health sector as a whole by support provided through the Ministry of Health. The Swedish contribution was mostly channelled onwards to the regions. The areas given prominence were training of middle and lower level health cadres to provide integrated mother and child health care in the country.

The Health Sector Development Programme (HSDP) was launched in 1997 in which Sweden has been and continues to be an active contributor.

According to the Country Strategy for Development Co-operation with Ethiopia 2003–2007, health care support shall be provided in two phases. In the short term a contribution has been made to the strengthening of Essential Obstetric Care, a project within the reproductive health area, which is one component of the HSDP 11. In the long term (as of 2005), Sweden’s support to HSDP 111 shall be provided as sector programme support.

**Health – putting women’s needs in focus**
Swedish cooperation to rural development programmes in Ethiopia dates back to the 1960’s when the Chilalo Agricultural Development Programme (CADU) started. The programme was comprehensive in its nature involving several areas of rural development initiatives including agriculture, natural resources, water use, marketing etc. It was a successful programme when it comes to increasing agricultural productivity and has made a significant contribution to the present national agricultural research and extension programmes. After CADU, Swedish support was focused on the former Wollo Province where support was concentrated on rural roads, participation of local communities in project planning and natural resources conservation.

Since 1996 Swedish cooperation is focused on an integrated rural development programme in the Amhara National Regional State. The main goal of the support is to improve the livelihood of the rural poor through sustainable increase in agricultural productivity, natural resources conservation, economic diversification, promotion of good governance and ensuring equitable development. The programme is designed in line with the Government’s Poverty Reduction and Rural Development Policies and strategies. The programme is on-going and covers 16 out of 106 Woredas (districts) in the region. There is a plan to expand the coverage to 30 Woredas from 2004.

Rural Development – improving the livelihood of the poor

Women fetching water from the Genale River. Donkeys are often used to carry water when the water source is far away. Photo: Håkan Pohlstrand
The key objective of Swedish support to research in Ethiopia is to build national capacity to generate and apply appropriate technologies for the realisation of Ethiopia's socio-economic goals. Other objectives are to rationally conserve and utilise the country's national resources and human capital. To achieve this, research cooperation has focused on capacity building in the fields of science, technology and medicine and in particular in the form of postgraduate training and improvements to the institution's infrastructure.

Research cooperation between Sweden and Ethiopia began in 1979. In accordance with the capacity building objectives, funding for individual research projects at Addis Ababa University and Alemaya University has been accompanied by funding for research management and administration at the universities and at the Ethiopian Science and Technology Commission. Support has also been extended to research institutes outside the universities. In the medical sphere, Norway and Sweden jointly support the Armauer Hansen Research Institute, a biomedical research institute.

As there are few women in the academic world or in senior positions in society, special consideration is given to facilitate access by women students to master programmes and postgraduate education. Sweden has reserved 25% of all the funds for master science programmes for female students.
According to the SDPRP, 45% of the Ethiopian population live on consumption levels that are below the poverty line. These people lack access to the key productive assets required to escape poverty, and they become dependent on public and/or private transfers. Between 3 to 6 million people suffer from chronic food insecurity, and are at risk of starvation every year. For the last two decades or so donors have been providing food aid to people in need.

The annual food handouts have not solved the problems of chronic food shortages, hence the government’s national food security programme to address the problems of vulnerable households through long-term development interventions.

Sweden has supported Ethiopia in various ways for many years including responding to annual emergency appeals. Sweden was the first donor to support local purchasing of grain. At present, a shift from emergency interventions to supporting the Government’s long-term food security strategy is under preparation by Sweden.
Human rights violations happen, especially in the rural areas of Ethiopia where the situation for women is particularly difficult. Education in those areas is often poor and the legal sector is underdeveloped.

The Ethiopian Constitution of 1994 states that human rights and democratisation are important components in developing Ethiopia. This is however a difficult task since there is a lack of democratic tradition in the country, and institutions working within this field are weak.

Sida provides cooperation to various civil society groups in Ethiopia working with democratisation and human rights. This support will continue.

Sweden furthermore intends to support the justice sector reform programme, the Parliament, the Ombudsman institution and the Human Rights Commission – all important for the democratisation of Ethiopia.

Sweden will also promote free and fair elections by supporting the 2005 General Elections and the 2006 Local Elections in various ways.

Radio theatre at Radio Bahir Dar broadcast one hour every day. It is directed towards local farmers and contains mostly pedagogical plays, information and advice.

Photo: Heldur Netocny/PHOENIX
Since the 1960’s Swedish support to Non-Governmental Organisations (NGO:s) has mainly been channelled through Swedish NGO:s working in Ethiopia. These include organisations such as the Swedish Church, Save the Children Sweden, the Swedish Red Cross, the Swedish Philadelphia Mission, etc.

The organisations are directly funded by Sida from Stockholm. A number of Ethiopian organisations cooperate with these Swedish NGO:s at local, regional and central levels. The activities they contribute to range from disaster relief to rural development, children’s rights and health services.

The NGO:s play an important part in poverty reduction and other development issues. Since the Ethiopian government has recognised this, more and more Ethiopian civil society organisations have been formed.

In addition to funds channelled through Swedish NGO:s, Sweden, through the new Country Strategy, has also provided resources for direct cooperation with local NGO:s. An operation model is being finalised by the Embassy.

The priority areas identified for this cooperation are HIV/AIDS, human rights including gender and children’s rights and environmental issues.

Civil Society – an important actor in developing Ethiopia
Private Sector Development – contributing to pro-poor growth

The government of Ethiopia recognises the importance of developing and strengthening the private sector as one of the means to achieve growth and fight poverty. The development of an enabling environment will permit private sector players from different levels – micro to large enterprises – to expand and grow.

Since 1998, Sweden promotes economic diversification, the development of the private sector and the expansion of a micro-credit system in partnership with the Amhara National Regional State within the Sida Amhara Rural Development Programme (SARDP).

Sweden is now interested in increasing its support to the private sector in Ethiopia. The initial focus will be on supporting the dialogue between the Government and the private sector, strengthening the chambers of commerce, improving the legal framework and land tenure security.

Roads
Sida plans to co-finance a road project in the Amhara region designed to link an area of food surplus, East Gojjam, with a deficit area, South Wollo. The proposed project is extensive with a total cost of USD 160 million, due to the difficult terrain and the fact that several bridges will have to be built, including one over the Blue Nile. The project is therefore a joint effort undertaken by the Ethiopian government, the European Commission, Italy and Sweden. Swedish support for the road sector is justified in light of the importance of infrastructure for poverty reduction and food security.
Facts & Figures about Ethiopia

Area, km²: 1 104 000
Total population, millions (2001): 67.3
Annual population growth rate for 2000–2015, %: 2.4

Life expectancy at birth (2000), years
Women: 44.6
Men: 43.2
Population below 1 USD a day (2001), %: 81.9
Human Development Index,
rank of total countries (2000): 168 of 173

Gross enrolment ratio in primary education, % (2002)
Women: 53.8
Men: 74.6
Adult literacy rate (age 15 and above), % (2000)
Women: 30.9
Men: 47.2

Infant mortality rate per 1,000 live births (2000): 117
Under five mortality rate per 1,000 live births (2000): 174
Maternal mortality ratio per 100,000 live births, (2000/01): 500-700
HIV prevalence among 15–49 years old, % (2000): 6.4
Number of children orphaned due to HIV/AIDS (2001): 989,000

GNI per capita 2002, USD: 100
GDP annual growth rate 1990–2001, %: 2.4
Total debt service as % of exports of goods and services: 284
Overseas Development Assistance per capita, USD (2000): 11

Agriculture, % of GDP (1998): 49.8
Industry, % of GDP (1998): 6.7
Services, % of GDP (1998): 43.5
Proportion of seats held by women in national parliament, %: 7.8

Swedish Development Assistance to Ethiopia (in SEK thousands):

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Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.