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Special points of interest:

- ECONOMY
- DEVELOPMENT

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ECONOMY

Ethiopian Inflation Rate at 7.8 pct yr/yr in January

Ethiopia's inflation rate edged up to 7.8 pct in the year to January from 7.7 percent a month before, after a rise in the price of some non-food items, official data showed on Wednesday.

The Central Statistics Agency said non-food prices rose 10.9 percent in January over the 12-month period, owing largely to price increases of clothing and khat, a leafy plant chewed as a stimulant in the Horn of Africa and the Arabian penin-

sula.

Ethiopia Inflation basket divided into Two Groups:

- 1-Food 57.01%
- 2-Non Food 42.99%

- 1-Beverages 2.02%
- 2-cigarettes and Tobacco 0.48%
- 3-Clothing and Foot wear 8.32%
- 4-House Rent, Construction Materials, Water, Fuel and Power 20.56%

- 5-Furniture, Furnishing, Household equipment and operation 3.75%
- 6-Medical care and Health 1.11%
- 7-Transport and Communication 2.49%
- 8- Recreation, Entertainment and Education 1.09%
- 9-Personal care and effects 0.83%
- 10- Miscellaneous Goods 2.34%. [Full Story](#)

Private Sector Capacity Building: Boosting Ethiopia’s International Competitiveness

The project has achieved its objectives beyond the original targets: 39% increase in the number of jobs created by the private sector from a 10% original target. As of October 2012, there was 71% increase in total value of assets transferred to private sector management from state-owned enterprises from a 55% target, 112% increase in value of exports by participating firms of

which 60.4% of the direct project beneficiaries were women.

Challenge

When the Private Sector Development Capacity Building Project (PSDCB) was being designed in 2003/2004, Ethiopia was in transition from a system in which the

state was heavily involved in almost all production and distribution activities [Full Story](#)

Ethiopia's Renewable Energy Revolution Shouldn't Fail to Empower its Poor

“Large-scale clean energy projects shouldn't eclipse the urgent need to provide electricity to low-income and rural communities”

The 84 wind turbines erected just south of Addis Ababa, Ethiopia's capital, tower above an arid landscape of grassland and unpaved roads, inhabited mostly by small-scale farmers, who – along with 77% of the country's population –

lack access to electricity.

The Ashegoda wind farm, launched in November, will produce an estimated 400 GWh of electricity per year, and forms just

one piece of the Ethiopian government's strategy to harness indigenous energy resources for development. . [Full Story](#)

Government Banks Hard Currency Earnings Declined by 22%

“The 4 financial institutions earned 5.6 bln br profit”

Public financial institutions collected 22 percent less hard currency in the first half of the current fiscal year compared with the similar period last year.

The three public banks; Commercial Bank of Ethiopia (CBE),

Development Bank of Ethiopia (DBE) and Construction and Business Bank (CBB), that planned to earn USD 3.15 billion in the first half of the 2013/14 fiscal year have met 77.1 percent of the target.

The hard currency generation was also significantly lower than the first half year of 2012/13, which was USD 3.1 billion. The six month performance has met 78 percent of the past year's achievement. [Full Story](#)

Ethiopian Government Signs Deal With the European Union

An agreement has been signed between the Ethiopian Government and the European Union for a loan of 26.9 million euro for the financing of four projects.

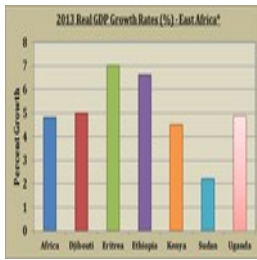
The agreement was signed between Finance and Economic Development State Minister Ahmed Shide and Director

for East and Southern Africa and African Caribbean and Pacific Coordination (ACP), Ms. Francesca Mosca.

The funds will be used to support gender equality and women's empowerment, trade enhancement and facilitation activities, civil

society organizations and technical support. [Full Story](#)

Ethiopia: An Analysis of Recent Economic Growth and Potential Challenges



Source: African Development Bank: African Economic Outlook [6]

Nestled in the turbulent Horn of Africa (HOA) region, Ethiopia is Africa's oldest independent modern nation-state and second most populous. [1] The second poorest country in the world according to the United Nations Development Programme (UNDP) Multidimensional

Poverty Index, [2] Ethiopia consistently ranks extremely low upon a variety of socioeconomic, development and human rights indicators

[3] Recently, however, Ethiopia has experienced economic

growth – making it amongst 'Africa's best performing economies.' [4] This development reiterates the Ethiopian government's lofty ambitions to attain 'middle-income status by 2020.' [Full Story](#)

Ethiopia: Manufacturing Push Demands Strategic Roadmap

From the many distinguishing ambitions of the ruling Revolutionary Democrats, that of industrializing Ethiopia by reaping the benefits from agricultural surplus and establishing a direct link between the two sectors stands out. Their declaration of doing so, set

out under their Agricultural Development Led Industrialization (ADLI), is so popular within the public sphere that numerous debates have been ongoing over the issue.

For critics, it remains implausible. Industrializing a nation based on largely subsistent and rain-fed small-holder agriculture is impossible, they argue. [Full Story](#)

“If Africa's economies are to take off, Africans will have to start making a lot more things. They may well do so”

LESS than an hour's drive outside Ethiopia's capital, Addis Ababa, a farmer walks along a narrow path on a green valley floor after milking his cows. Muhammad Gettu is carrying two ten-litre cans to a local market, where he will sell them

for less than half of what they would fetch at a dairy in the city. Sadly, he has no transport. A bicycle sturdy enough to survive unpaved tracks would be enough to double his revenues.

At the moment none is easily available. But that may be about to change.

An affiliate of SRAM, the world's second-largest cycle-components maker, based in Chicago, is aiming to invest in Ethiopia. Its Buffalo Bicycles look ungainly but have puncture-resistant tires, a heavy frame and a rear rack that can hold 100kg. [Full Story](#)

An Awakening Giant

DEVELOPMENT

Crown Plaza Hotel Coming to Ethiopia with IFC Support

The World Bank Group's International Financial Corporation (IFC) is considering an investment of 19 million dollars for the completion of an international standard hotel in Lideta District. The total cost could add up to as much as 37 million dol-

lars. If the investment materializes, it will be concluded with Tsemex Global Enterprise Plc and its subsidiary, Tsemex Hotels and Business Plc, both owned by Rezene Ayalew, a local business man, and his children. The re-

quest for investment was made by Tsemex's owners, who have already erected the structure of the 11-storey building in Lideta at the site of the old Etfruit facility, a source close to the business said.

[Full Story](#)

“The hotel will be the fourth of an international standard in Addis Ababa, with a fifth, Marriott, also expected soon”

Ethiopia Seed Bank's Novel Approach to Preserving Diversity Under threat

Inside the Ethiopian Institute of Biodiversity's unassuming office complex in Addis Ababa, a series of vaults houses tens of thousands of seed samples tightly sealed into small envelopes and neatly catalogued in cold storage – a treasure trove of

genetic diversity painstakingly assembled and set aside for future generations.

Founded in 1976, Ethiopia's national seed bank is the oldest and largest of its kind in sub-Saharan Africa. It is also part of a

pioneering experiment to link scientists with small-scale farmers to collectively revive and conserve traditional, indigenous seeds in the face of drought and other threats. [Full Story](#)

“As a result, the industrial sector, especially the manufacturing sub-sector, remains severely stunted.”

Ethiopia: U.S. Awards Eight Grants to Ethiopian Enterprises

The United States Agency for International Development (USAID) funded Agricultural Growth Program-Livestock Market Development project (AGP-LMD) hosted a grant signing ceremony between

USAID and eight grantees on Wednesday Feb. 19th.

According to a statement from the US Embassy in Addis Ababa, the eight small grants valued at over \$760,000 will encourage local Ethiopian investment and innova-

tion in the livestock sector. "The overall purpose is to improve productivity and competitiveness of selected livestock value chains including live animals, meat, and dairy."

[Full Story](#)

“Through this new Innovation Grants Fund, USAID's AGP-Livestock Market Development project intends to award up to \$5 million over the next three years”

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<http://www.et.undp.org>

UNDP Ethiopia 2013 Vision: A Year of Partnership and Innovation for Results.

PAU Vision: To become a credible policy and analytical wing of UNDP Country Office in Ethiopia.

PAU Mission: To provide high quality evidence-based policy and strategic advice to the UNDP Country Office and to the Government of Ethiopia to accelerate sustainable development and attainment of MDGs.