



Ambassade van het
Koninkrijk der Nederlanden

FTI secretariat
Ms Rosemary Bellew, Head
Room G8-28
The World bank
Washington D.C.
USA

Royal Netherlands Embassy
P.O. Box 1241
Addis Ababa
Ethiopia

Date 27 January 2005
Our ref. ADD/MV/05/62
Page 1/1
Encl. List of signatures
Re FTI Endorsement ESDP II
Cc Minister of Education, Ethiopia
Education donor group members

Contact Mieke Vogels
Tel. + 251 1 711100
Fax + 251 1 711577
Mieke.Vogels@minbuza.nl
www.netherlandsembassyethiopia.org

Dear Ms Bellew,

Please find enclosed a letter that was written on behalf of the education donor group in Ethiopia in July 2002, expressing donors' commitment to take the Ethiopian Education Sector Development Programme II (ESDP II), covering 2002-2005, as the guiding policy document for donor support to the education sector.

As was communicated to you, the list of signatures of donor representatives that participated during the meetings in 2002 could not be retrieved in the files of colleagues, so I herewith send you a new list of signatures of donor representatives, present during the donor group meeting of 26 January 2005, confirming our commitment to support the ESDP II.

Please note that Ethiopia is preparing for ESDP III, which is supposed to start implementation in July 2005. Please note also that the donor group is involved in policy dialogue with the government in preparation of ESDP III.

I hope this is sufficient information for the secretariat to formalise FTI endorsement of the Ethiopian Education Sector Development Programme.

Yours sincerely,

Mieke Vogels
Chair Education Donor Group Ethiopia



EUROPEAN UNION

DELEGATION OF THE EUROPEAN
COMMISSION TO ETHIOPIA

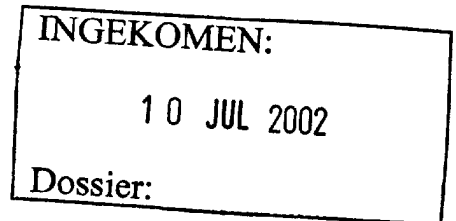
The Economic Advisor

Addis Ababa, 1 July 2002

Ref.: 1468/02-TV

File no: EDU 7

H.E. Minister Genet Zewdie
Minister of Education
ADDIS ABABA



Excellency.

Following our discussions on 3 June, I am pleased to convey, on behalf of the donor group, our comments on the revised draft of the ESDP II Action Plan. I regret the delay in our reply to the Ministry's presentation and PAP document.

The donor group has carefully reviewed the document and appreciates the clarifications and amendments that have been introduced. It is clear from the revisions that the Ministry has taken the donor's earlier comments seriously and has built upon them to develop a stronger document. We also note with particular appreciation that the Ministry recognizes the value in incorporating flexibility into the strategy process. Given that this is a living document, and in the spirit of continuous dialogue, I am attaching herewith several observations, with suggestions from our group on steps that might be taken to further clarify or improve the programme. We hope that these comments will help to inform your internal discussions and to guide our subsequent dialogue with government.

The donors are in agreement that the PAP provides the framework for a holistic sector development strategy and offers sufficient flexibility to address some of the complex policy and implementation issues that remain in several of the sub-sectors. I look forward to an opportunity to further clarify these comments and to elaborate on the donors' commitments to support ESDP II. The inclusion of this topic in the agenda of the forthcoming monthly meeting between your Ministry and the donors, would be a useful next step. Finally, we are hopeful that Government will consider our suggestion to hold a 2 day seminar in October/November to review the lessons learnt from some of the planned studies, as described in the attached note.

Yours sincerely,

Tom Vens
Economic Advisor
Chairman Education Donor Group

Attachment

Donor Summary Comments on revised ESDP II Program

As noted during the PAP discussions held on June 3 in Addis Ababa, the donors commend government for making considerable improvements and clarifications in the revised draft of the ESDP II plan. Most notable among those changes are: (i) clarification of the actual and proportional allocations proposed for basic education; (ii) low and high case funding scenarios and strategic priorities associated with the availability of financing; (iii) elaboration of a TVET strategy and commitment to explore various service delivery options including public-private partnerships; (iv) greater attention to reducing regional, gender and other disparities in access to basic services; and (v) evidence of linkage to the PRSP, EFA targets and Millennium Goals.

The donors also recognize that considerable thinking underpins the basic strategy contained in the ESDP II PAP and that the breadth and depth of that thought has been captured in greater detail in sub-sector planning documents such as the recently signed agreement with GTZ on development of TVET, the Higher Education Capacity Building Documents and The Report of the Teacher Training Task Force, among others. A review of those documents confirms government's position that the ESDP II PAP provides a framework under which sub-sector strategies will be *iteratively* developed as further study and exploration of strategic options inform the policy making and implementation process. In that spirit of open dialogue and quest for best solutions to complex problems, the donors offer the following reflections on key parts of the PAP for the Ministry's consideration.

1. The emphasis on academic quality and student performance at all levels of the system as reflected in the PAP is very welcome. A number of possible options for addressing the quality issue have been identified, but it is unlikely, given capacity constraints, that all of these can be undertaken at one time. A clear prioritization of initiatives, limiting them to no more than 3 major operations at any one time, would be helpful in ensuring that effort and resources are highly focused and the likelihood of results strengthened. The Ministry is encouraged to examine options for a mixture of "quick wins" and longer term accomplishments.

2. The donors also commend government for establishing ambitious enrollment targets at the basic education level. Quite a number of possibilities have been identified for hastening enrolments, but few have been elaborated beyond simple statements of intent and, as such, the multitude of possibilities do not form a strategy but rather a list of potential interventions. It would be useful to indicate which of these interventions will be given greatest emphasis and in which geographic areas. Not all strategies will be equally effective or equally appropriate, depending upon social-economic and cultural environments. The donors strongly support government's intention to reduce Grade 1 dropouts by half, but the strategy for accomplishing this is under-defined. We note that if this target could be accomplished, nearly one-half of the enrolment targets for the period could be achieved. Thus, we recommend a combination of studies and more highly defined and differentiated strategy formation for addressing the access problems.

3. Our observations in items 1 and 2 above contain an underlying theme: the PAP contains a plethora of initiatives, many of which are highly complex (establishing a national assessment system, creating cluster training centers, operational zing PTAs and communities to be more involved and effective in school affairs), and some that are simpler to implement (increasing the volume of textbooks, printing teacher guides, enacting a policy change). In total, the number of initiatives are probably unachievable in three years and the effort to accomplish all may dilute the effectiveness of those which are completed. The donors recommend that an exercise be undertaken whereby all of the activities proposed in the PAP are extracted, and inserted into the following illustrative matrix which should be completed as part of the exercise.

Activity from PAP	Priority (H, M, L)	Implementing Unit	Development Period (dates)	Projected Development Cost
(Activity 1)				
(Activity 2)				
(Activity 3)				
etc.				

With approximately 125 sub-sector activities proposed over a 3 year period and nearly 30 cross-cutting initiatives, the strain on already limited capacity will quickly become evident during implementation unless activities are strategically sequenced, apportioned across implementing units in a sustainable fashion, and in realistic time frames. This exercise may be useful in transforming the long list of things to be accomplished into a more doable, integrated set of strategic commitments.

4. The many initiatives / reforms suggested in the PAP are scheduled to occur during a period of considerable transition in basic education service delivery. Donors are very supportive of government's intentions to decentralize basic education administration to the woreda level. Experience in other countries indicates that during periods of fairly radical transition, especially when planning and management capacities are weak—a critical problem as stated in the PAP—efficiency declines, at least temporarily. The PAP notes that capacity building is essential to improved service delivery, but it offers few specifics on how decentralization will be supported or affected by ESDP II, what capacities will be developed, and how they will be created, both in the short and long-term. The donors suggest that this issue needs considerable attention and support under ESDP II. The development of a skill needs assessment, a skills audit of exiting personnel and a carefully crafted 5-10 year capacity development plan would offer considerable confidence to the sustainability of the ESDP II reforms and the decentralization effort. We suggest that the capacity development plan be at least partially integrated with the curricular and expansion reforms planned under the higher education initiative.

5. A considerable amount of research and studies that are directly related to the strategies and financing of ESDP II are currently under way or will be initiated shortly. These include *inter alia* : (i) the Public Expenditure Review which will focus on the social sectors this year; (ii) Operationalization of the Teacher Training Task Force



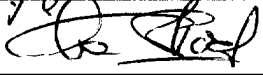
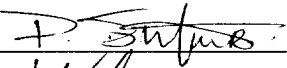


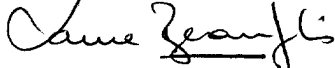
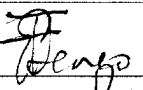
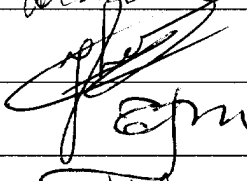
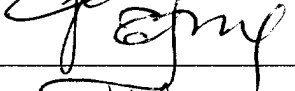
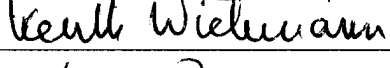
recommendations; (iii) World Bank sector work on Higher Education, civil service reform, enrollment projections and financial implications; (iv) donor supported studies in preparation for ESDP II assistance including, a review of unit costs, exploration of TVET options, sub-sector financing and cost recovery options, etc., and (v) the planned donor joint review mission in September 2002. These activities should contribute, individually and collectively, to our understanding of the critical barriers impeding growth in access and quality in the education sector. We encourage government to consider holding a 2 day seminar towards the end of October or in November to review, discuss, and synthesize the lessons learned from these various activities **and previous studies carried out on ESDP 1**. We believe that the insights gained will help to clarify and strengthen strategic options for ESDP II and will help donors' representatives to clarify issues and provide reassurances within their respective funding agencies.

The donors would like to reassure government that we feel the revised ESDP II document is a sound strategic framework that provides the architecture for a workable development agenda. Portions of that structure have yet to be fully defined while other components have been well furnished. Although we have not raised, **though it still remains a** lingering concern, the overall macro-financing envelope in which ESDP II is programmed, we also feel that as government prioritizes and winnows the activities contained in the current draft, and as capacity dictates the speed of implementation, some of these activities- and costs associated with them- will be shifted to future years, with lower overall cost implications for the three year period of ESDP II. We note in addition that for FY 02-03, there appears to be a Birr 1.5 billion financing gap, even factoring in anticipated donor contributions. As promised on June 3, we are attaching a **TENTATIVE, non-committal** map of potential donor financing for assistance in your planning.

Please be assured that the donors are very appreciative of the level and quality of dialogue initiated by government with us in the preparation of ESDP II. We hope that this will continue and pledge our technical and fiscal support to help address the questions that may require additional planning, research and technical assistance.

Education Donor Group - Ethiopia
January 2005

List of donor representatives, supporting FTI endorsement of ESDP II

Organisation	Name	Signature
Austrian Embassy	Mieka Vogels	
USAID	Aberra Makonnen	
Belgian Embassy	Camille de Stoep	
IRISH EMBASSY	FRONCH MURRAY	
GIZ / Germ. Emb.	Horst Sommer	
Embassy of Finland	Sari Rautio	
DFID	Laure Zangjils	
UNESCO Florence Sserero	Florence Sserero	
European Commission	Joris Heeren	
World Bank	Getahun Gebra	
Sida	Kenth Wickmann	
UNESCO	Hanna Post-Mokas	