

Unofficial Translation

**Implementation of the First Five Year Plan (2005/06-
2009/10) and Preparation of the Next Five Years
Growth and Transformation Plan (2010/11-2014/15)**

**Presentation material prepared for public discussion
at the level of Regional States and Municipal
Administrations¹**

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Table of Content

No	Topic	Page No.
Part One	Implementation of the First Five Years Plan (2005/06-2009/10)	3
1.1.	The Basis and Objectives of the Plan	4
1.2.	Pillar Strategies of the Plan	4
1.3.	Implementation progress of the macro economy and major sectors of the development plan	5
1.4.	Challenges encountered in the process of implementation and lessons learnt	9
1.5.	Conclusion	11
Part Two	The Next Five Years Growth and Transformation Plan (2010/11-2014/15)	13
2.1.	The basis of the Plan	14
2.2.	The Objectives of the Plan	14
2.3.	The Pillar Strategies of the Plan	15
2.4.	Goals set by the plan for macro economy and major sectors	29
2.5.	Capacity Building and Good Governance Goals	33
2.6.	Monitoring and Evaluation System	35
2.7.	Conclusion	36

Part One

Implementation of the First Five Years Development Plan (2005/06-2009/10)

1. 1. The Basis and Objective of the Plan

The Basis of the Plan

- The Plan was prepared based on the country's vision and development activities carried out in the previous five years.

The Objectives of the Plan

- The main objective of the plan was to bring about tangible development by accelerating and sustaining economic growth, ensuring the benefit of the society on every scale and achieve the millennium development goals

Pillars Strategies of the Plan

The following were the pillar strategies of the First Five Years Development Plan

1. Building capacity on a wider scale
2. Ensure accelerated, broad based and sustained economic growth
3. Follow a balanced approach between population growth and economic growth

4. Create conducive conditions to fully utilize the overall capacity of Ethiopian women
5. strengthen infrastructure
6. vigorously pursue human resource development
7. Limit the threats posed against peace and stability
8. Create employment opportunities

1.3. Implementation progress of macro economy and major sectors of the development plan

In the last five years, rapid and broad based economic growth has been registered in Ethiopia. The progress achieved in the macro economy and major sectors is presented as follows:

Table 1.3.1. Progress in terms of Macro Economic Indicators

A. Economic Growth

Sector	Base Year 2004/2005	2005/06	2006/07	2007/08	2008/09	2009/10	Average (2005/06- 2009/10)
Gross GDP	12.6	11.5	11.8	11.2	9.9	10.1	11.0
Agriculture and Related Sectors	13.5	10.9	9.4	7.5	6.4	6.0	8.0
Industry	9.4	10.2	9.5	10.0	9.9	10.2	10.0
Service	12.8	13.3	15.3	16.0	14.0	14.5	14.6

B. Share of Major sectors as a percentage of GDP (%)

Sector	Base year (2004/05)	Target Year (2009/10)
Agriculture and related sectors	47.4	41
Industry	13.6	13
Service	39.0	46
Gross Domestic Product (GDP)	100	100

C. Share of total consumption, investment and income gap in Gross Domestic Product (GDP) calculated in current prices (%)

Sector	Base year (2004/05)	Target Year (2009/10)
Gross Consumption	94.1	90.6
Gross Investment	23.8	23.7
Export	15.1	10.5
Import	35.5	27.3
Income Gap (Gini Coefficient)	-20.4	16.8
Share of Gross Domestic Saving as a percentage of GDP (%)	5.9	9.4
Number of people living below the poverty line (%)	39	29.2 (est.)
Number of people living below the food poverty line (%)	38	38.2 (est.)

1.3.2. Implementation progress of Major Sectors

Sector/indicator	Base year (2004/05)	Target Year (2009/10)
Agriculture		
Main Cereal products (million ton)	11.9	18.08
Education		
Gross primary enrolment ratio (%)	79.8	94.2
Net Primary enrolment ratio (%)	68.5	86.5
Proportion of girl students compared to boys		0:93:1
Proportion of books to students	2:1	1.25:1
Health		
Health service coverage (%)	30	89
Maternal Mortality Rate (100000)	871	590
Under five mortality rate (1000)	123	101
Number of people using contraceptives (%)	15	55
Women delivering babies with assistance of health professionals	9	25
Ratio of Health extension workers in comparison to population	1:25000	1:2500
Infrastructure		
A. Water		
Potable Water coverage in 0.5 km range (urban areas)	80	91.5
Potable Water coverage in 1.5 km range (rural areas)	35	65.8
Total water coverage	36	68.5
B. Road		
Road Density (1000sq.km)	33.6	44.5
Roads in good condition (%)	64	81
Estimated time to reach all weather road (hour)	5.7	3.7
C. Electricity		
Electricity coverage (%)	16	41

Number of towns benefiting from electricity service	648	3367
D. Telecommunication		
Telecommunication service coverage in 5 Kms range (%)	13	49.3
The number of <i>kebeles</i> receiving Telecommunication services	3000	13000
Number of Mobile Phone users (million)	0.56	4
Number of Landline Telephone users (million)	0.62	0.74
Number of internet users (million)	0.02	0.2

1.3.3. Capacity Building and Good Governance

- Significant undertakings have been made in the areas of development and democratization with the wide and active participation of the populace
- Enormous work has been made in the decentralization of *woreda* administration through the improvement of rural *woredas* and strengthening the organization and operation of *woredas* and *kebeles* as well as deploying the necessary human resource
- Legal frameworks, organizational and operational systems have already been laid out to ensure transparency and accountability as well as efficiency and effectiveness in the areas of Land management, finance and urban planning in accordance with the urban good governance programme which became operational since 2006/07.
- With regards to the fight against corruption the citizenry and the public servant has started to oppose corruption and favoritism; there is an increasing trend of exposing and penalizing those

found to be corrupt; therefore one of the achievements registered in the implementation period of the plan was the decline in the incidence of corruption.

1.4. Challenges encountered and lessons learnt

1.4.1. Challenges

- The dramatic rise of inflation in a manner which is unprecedented in the history of the country and its impact on the balance of payment was a matter of serious concern. Eventually, it was possible to significantly reduce the inflation after a series of administrative and policy measures were undertaken by the government.
- Although there was a marked improvement in revenue collection, it is still not adequate and a lot remains to be done. In this regard, the government has undertaken radical reform measures to address the issue.
- It was not possible to increase capital accumulation in order to support investment necessary for economic growth since domestic saving is quite insignificant. Therefore, attention will be given to the issue of increasing domestic saving in the coming years.
- Although rainfall distribution in the past year has been generally good, in relative terms there was delay in the start of the rainy season and it came to an end very quickly in

rainfall deficient areas of the country and in some other areas there is intermittent rainfall during the *Beleg* season. This has therefore indicated the need for the government to pursue vigorous efforts in the areas of small, medium and large scale irrigation farming.

1.4.2. Lessons learnt

- Significant lessons have been drawn in the leadership and management of the economy in the process of ensuring collaboration and coordination of developmental entrepreneurs, the public at large and non-governmental organizations.
- Enormous experience has also been gained through the implementation of huge development projects through the mobilization of domestic saving and capacity.
- Experience has also been gained in human resource development, democratization, expanding and strengthening public participation, integrated institutional capacity building, ensuring transparency and accountability in the implementation of the good governance package
- Positive lessons have been learnt in raising model farmers in order to increase the productivity of the agricultural sector to the desired level.

- In the area of industrial sector development it was not possible to see the desired progress particularly in the manufacturing sector; lessons have been drawn in this process in order to encourage the development of this sector.
- Although significant progress has been registered in expanding services in the social development sector, enormous experiences have been gained which indicate the need for quality improvement

1.5. Conclusion

- In the last five years, our country has registered significant progress in terms of ensuring fast economic growth, accelerating social development and realizing a democratic developmental state which is unprecedented in its history. It has drawn lessons in this successful process which give added momentum to future development activities by overcoming challenges ahead.
- The economic growth registered in our country in the last five years is also unprecedented compared to those countries which are at the same level of development with Ethiopia.
- The registered economic growth is not of the usual type but fast and sustainable.

- The registered economic growth is not only fast and sustainable but also broad based and benefits every sections of the society at every level.
- There is no doubt that we will be able to ensure food security at the national, regional and family levels in a short period of time and eventually eradicate poverty in the not too distant future if this economic growth is sustained in the future.
- Therefore, lessons gained from the previous development plan will be implemented broadly in the next five years growth and transformation plan. In this process we will be able to register much better results than the last five years by ensuring the continuity of the economic growth achieved thus far through our concerted and coordinated drive for national development.

Part Two

Preparation of Ethiopia's Next Five Years Growth and Transformation Plan (2010/11-2014/15)

2.1. The basis for the plan

- The plan is prepared based on the country's vision, the results registered in the previous five year plan and the lessons learnt during the process of implementation.
- The country's vision is to realize a democratic system of governance and social justice based on the will and active participation of the populace and to extricate Ethiopia from poverty and join the rank of middle income countries by the year 2025.
- The primary agenda of the plan is to maintain and strengthen the broad-based, accelerated, sustained and equitable economic growth achieved in the last years and eventually eradicate poverty.

2.2. Objectives of the Plan

- To remove the obstacles emerging in our economy and achieve the Millennium Development Goals by registering at least an annual average growth rate of 11%.

- To achieve the Millennium Development Goals through social development activities by expanding access and ensuring the quality of education and health services.
- To create a favorable environment for nation building by establishing and strengthening a stable, democratic and developmental state.
- To ensure sustained development by implementing the aforementioned main objectives in the framework of a stable macro economic environment.

2.3. Pillar Strategies

- 2.3.1.** To register accelerated, sustained and equitable economic growth
- 2.3.2.** To ensure that the agricultural sector continues to serve as the main engine of economic growth
- 2.3.3.** To enable the industrial sector play a key role in the economy
- 2.3.4.** To expand and ensure the quality of infrastructure
- 2.3.5.** To accelerate and enhance the quality of social development
- 2.3.6.** To strengthen efforts in the areas of capacity building and good governance
- 2.3.7.** To increase the skill of women and youth and guarantee their benefit

2.3.1. To register accelerated, sustained and equitable economic growth

- To sustain and strengthen the economic growth registered in the last five years and guarantee the benefit of the people in every levels of society.
- To maintain and strengthen the priority given in the past to economic infrastructure and social development which accelerate growth.
- To ensure that the agricultural sector continues to serve as the main engine of growth in the next five years by sustaining and strengthening efforts that have been exerted in the past years to increase agricultural productivity.
- To enable the industrial sector play its due role in the economy based on export oriented industrial development.
- To ensure that the industrial sector develops faster than other sectors of the economy and create the foundation for the next phase of development by giving adequate attention to competitive import substitution industries.
- To expand employment opportunities and gradually reduce poverty by fostering accelerated, sustained and equitable economic development.

Growth Scenarios

Two scenarios have been drawn for the next five years growth and transformation plan in order to ensure accelerated, sustained and equitable development. These are the base case scenario and the high case scenario.

- The base case scenario aims to ensure continuity of the annual average growth rate of 11% registered in the last five years.
- The high case scenario aims to double agricultural production and the gross domestic product by 2014/15 from where it was in 2009/10; to grow the economy on average by 14.9% annually to achieve this objective; to accelerate the development of the industrial sector with a view to lay the basis for the sector to take the leading role in the economy.
- The two scenarios are presented in table 2.3.1.1 and table 2.3.1.2.

Table 2.3.1.1: Growth rate of GDP by sector (%)

Sector	Base year (2009/10)	Average			
		Base Scenario	Case	High Scenario	Case
Agriculture and related sectors	6.0	8.0		14.9	
Industry	10.2	20.1		21.4	
Service	14.5	10.5		12.8	
Gross Domestic Product (GDP)	10.1	11.0		14.9	

Table 2.3.1.2: Share of major sectors as a percentage of GDP (%)

Sector	Base year (2009/10)	Average			
		Base Scenario	Case	High Scenario	Case
Agriculture and related sectors	41.0	35.8		41.0	
Industry	13.0	19.0		16.9	
Service	46.0	45.2		42.2	
Gross Domestic Product (GDP)	100	100		100	

Table 2.3.1.3: Share of Gross consumption, investment and income gap as a percentage of the GDP calculated in current market prices (%)

Sector	Base year (2009/10)	Average	
		Base Case Scenario	High Case Scenario
Gross Consumption Expenditure	90.6	82.6	78.7
Gross Investment	23.7	31.5	31.1
Total Export	10.5	12.5	11.8
Total Import	27.3	26.7	21.6
Income Gap (Gini Coefficient)	16.8	14.1	9.8
Gross Domestic Saving	9.4	17.4	21.3

2.3.2. To ensure that the agricultural sector continues to serve as the main engine of economic growth

- To continue and strengthen market oriented agricultural production by small holder farmers and pastoralists, which targets both the domestic and international market, by following the directions set in the agricultural development

strategy and based on the lesson learnt in the past years in the sector.

- To encourage private sector investment in the agricultural sector and provide better support to large scale commercial farming.
- To give priority to parts of the country which have a strong potential for growth and encourage the private sector and small holder farmers to engage in the production of agricultural commodities which are demanded by the market and fetch better price.
- To continue and strengthen public investment and expansion of services to support the efforts in the development of this sector.
- To protect the environment through the participation of small holder farmers and pastoralists and preserve soil fertility; to develop surface and underground water resources to improve utilization of water and give priority to the expansion of irrigation works.
- To foster the rapid growth of the Agricultural sector annually with a view to:-
 - ensure food security at the family, regional and national level
 - enable the sector play its critical role in fighting inflationary pressure

- contribute significantly in resolving foreign currency shortage
- To ensure that the agricultural sector contribute its share of creating a favorable condition for agricultural development and realize the vision of creating a middle income country thereby achieving the goals set for the sector in the five years development plan.
- To facilitate conditions for the agricultural sector to contribute its share to the development of the industrial sector

2.3.3. To enable the industrial sector play a key role in the economy

- By ensuring fast growth in the industrial sector better than other sectors
 - Create conditions for the industrial sector to gradually become the backbone of the country's development
 - Ensure that the industrial sector contributes its share in resolving foreign currency shortages
 - Ensure that the industrial sector contributes its share to the development of the agricultural sector
 - Expand different industries by giving maximum attention to the sector so that it reaches a stage where it could create vast employment opportunities
- By ensuring sustained technological development for medium and high industrial sector

- Enhance our country's economic competitiveness
- Expand and strengthen small and medium enterprises
- Create favorable condition for the development of the industrial sector
- By giving attention to expanding and strengthening of small and medium enterprises
 - Create employment opportunities
 - Expedite urban development
 - Give closer support for agricultural development
 - Create conditions for the emergence of new entrepreneurs
- To Ensure that the export oriented industry leads the sector and resolve foreign currency shortage; contribute its share in technology transfer
- To give maximum attention to the expansion of import substitution industries more than anytime before since they have immense contribution in replacing imported products and reduce foreign currency shortage thereby laying the foundation for fast industrial development

2.3.4. To expand and ensure the quality of infrastructure

- To significantly increase the investment on infrastructure by resolving main challenges encountered in the sector

- To improve domestic savings and as much as possible produce or supply materials and services needed for expansion of infrastructure domestically thereby significantly reducing their impact on the provision of foreign currency
- To provide quality and competitive power, transportation and communication services necessary to foster fast economic development
- To give priority to the infrastructure development of road, railway, energy, telecommunication, irrigation, water and sanitation
- To build new rural roads in all regions to connect rural *Kebeles* to the main highway with standard and all weather roads.
- To start construction of national railway network in three corridors and five lines (Addis Ababa-Dire Dawa-Dewale), (Awash-woldya-mekele), (woldya-semera-galafi), (Addis ababa-Ijaji-Jima-Bedele), (Modjo-Konso-Weyeto) and finalize most of them
- To expand renewable energy sources by utilizing clean and environmentally friendly hydro and wind power in order to satisfy the country's energy needs
- To finalize the enormous work being undertaken to expand telecommunication network with a view to benefit from new

generation information technologies; to rapidly expand quality, modern and integrated telecommunication services through out the country

- To develop and utilize the countries water resources in an equitable and sustainable manner for its various socio-economic development endeavors; expand potable water services; expand irrigation
- To expand infrastructure and ensure rapid and equitable development in cities taking into account their role in socio-economic development; ensure that the infrastructure to be built in cities provides ample employment opportunities and facilitates the creation of small scale enterprises
- To ensure that the construction industry employs a vast number of manpower; making the sector developmental, market oriented and entertain healthy competition, allow the private sector play a pivotal role in the sector, enable women and youth to participate and benefit on every scale, take into account the interest of handicapped persons in construction designing
- To create a clean urban environment conducive for living both in the work place and domicile

2.3.5. To accelerate and enhance the quality of social development

- Regarding the expansion and quality improvement of education and training services
 - To ensure continuity of the progress that has been achieved thus far
 - Exert efforts to remove obstacles which limit the participation of children and particularly girls in education
 - Strengthen the efforts to expand higher learning since training highly skilled labor is the key for economic growth and development
 - In this regard, ensure that the training program focuses on science and engineering fields and its quality is competitive with similar institutions in other countries
 - Improve the administration and management of universities; build a quality higher learning system by training Ethiopian students and lecturers in big numbers
 - Implement the technical and vocational training programme, which has been started as one part of the government's capacity building programme, in conjunction with efforts being made by other

institutions to reduce unemployment by creating job opportunities in small scale enterprises

- The Millennium Development Goals set for the sector will be met during the period of the plan
- Regarding the expansion and quality improvement of health services
 - Improve basic health and monitoring services through the coordinated participation of the public
 - Ensure that medical institutions are equipped with the necessary human and material resources commensurate with the set standard
 - Improve the skill, composition and management of human resource deployed in the health sector; particularly exert efforts to reduce the migration of medical professionals and significantly increase the training of medical professionals to compensate for the loss
 - Undertake the necessary monitoring and follow up on the private sector involved in the field of health, drawing lessons from the experience of other countries, in order to enhance its role and expand quality medical services satisfactory to all
 - Provide support and incentives for the expansion of manufacturing companies involved in the production of medicines and other medical equipments

- The Millennium Development Goals set for the sector will be met during the period of the plan

2.3.6. Enhancing Capacity building and Good Governance

- Regarding good governance and enhancement of capacity building at every level to accelerate economic development
 - Ensure that the civil service implement government policies and strategies effectively by enhancing its integrated capacity; expand nationwide the achievements and lessons learnt thus far in the process of implementing the civil service reform programme
 - Support the justice system strengthen its efforts that it has started to bring about change in the provision of efficient judicial services
 - Undertake deep and wide efforts in good governance in order to ensure accountability and drain corruption right from its source
 - Undertake coordinated efforts to increase the public's awareness of the constitution and legal consciousness; nurture the culture of resolving conflicts in peaceful means
 - Educate the public on ethics and the negative impact of corruption so that it is aware of the issue and take a stance against corruption

- Work focusing towards the creation of one economic and political community

2.3.7. Multi-sectoral issues

1. Enhance the skill and benefit of women and youth

- The objective of the development plan can be achieved if the multidimensional problems of women and youth is resolved in a broad manner
- Therefore, the government will continue to pursue its efforts to implement women affairs and youth policies thereby enhancing and utilizing the all rounded skills of women and youth
- Accordingly, the government will expand the opportunities for the economic, social and political participation and benefit of women and youth by implementing the women and youth packages in a strengthened and coordinated manner during the period of the development plan

2. Social security

- Expand social security services through the participation of all stakeholders in order to ensure social security in the process of accelerating the country's socio-economic

development; identify social security problems and take measures to address them; undertake efforts which ensure the participation of mentally ill and disabled persons as well as the elderly

3. population development

- Create strong foundation which synchronizes main behaviors of the population with the capacity of the economy

4. Culture and tourism

- Ensure that the cultural industry contributes its share in the country's economic development by strengthening and expanding the sector; to make the tourism industry competitive and particularly become the preferred destination in Africa thus also benefiting the public and building the country's image

5. Environment and climate change issues

- Implement existing environmental laws and environmental protection systems in order to build a green economy which does not impinge on economic growth and social

development and particularly enhance capacity to achieve ongoing national efforts to build a green economy

2.4. Goals for the macro economy and major sectors

To follow the basic direction of the aforementioned main goals set in the five years growth and transformation plan and achieve them, the main goals for macro economy and major sectors is presented as follows:-

Table 2.4.1. Goals for macro economy and major sectors

Sector/indicator	Base year (2009/10)	Target Year (2014/15)
1. Macro economic Goals		
Real GDP growth (%)	10.1	11.5
Per Capita Income (Real) (US dollar)	235	354.7
Per Capita Income in current market price (US dollar)	472	698.0
Share of Gross consumption expenditure as a percentage of GDP	90.6	82.6
Share of Gross domestic investment as a percentage of GDP	23.7	31.5
Share of export as a percentage of GDP	10.5	12.5
Share of import as a percentage of GDP	27.3	26.7
Share of income gap (gini coefficient) as a percentage of GDP	16.8	14.1
Share of Gross domestic saving as a percentage of GDP	9.4	17.4
Share of revenue as a percentage of GDP	12.9	17.3
Share of tax revenue as a percentage of GDP	9.7	15.3
Share of poverty related expenditure as a percentage of GDP	12.5	14.2
Share of capital expenditure as a percentage of GDP	10	11.4

Share of recurrent expenditure as a percentage of GDP	8.4	8.6
Number of people living below the poverty line (%)	29.2 (est.)	22.2
Number of people living below the food poverty line (%)	28.2 (est.)	21.2
2. Agricultural sector development goals		
Main Cereal products (million ton)	18.08	39.5
Number of people benefiting from extension services (thousands)	5090	14640
Amount of coffee export (ton)	319,647	600,970
Families participating in safety net programmes (millions)	7.8	1.3
3. industrial sector development goals		
Amount of sugar production (thousand ton)	314.5	2250
Export of sugar product (million ton)	-	1.246
Revenue from export of sugar (million US dollar)		661.7
Revenue from export of textile and garment industry (million US dollar)	21.8	1000
Revenue from export of leather and leather products industry (million US dollar)	75.73	496.5
The country's total cement production capacity (million ton)	2.7	27
Per capita consumption of metals (Kg)	12	34.72
4. Infrastructure		
4.1. Road		
Total road length (thousand Km)	49	64.5
Estimated time to access all weather road	3.7	1.4
Proportion of Road network (km/1000 km square)	44.5	123.7
Proportion of Road network (Km/1000 population settlement)	0.64	1.54
Roads in good condition (%)	81	86.7
Places located beyond 5 km of all weather roads (%)	64	29
Construction of standard all weather road which connects all rural Kebeles with the main highway (Km)	0	71523
4.2. Railway Network		
Railway network (Km)	0	2395
4.3. Energy		
Electricity coverage (%)	41	100
Power generating Capacity (Mega watt)	2000	8000

Reduction of power wastage in power distribution (mega watt)	11.5	5.6
Number of customers receiving new electric power service	2000000	4000000
Construction of power interconnection lines (Km)	126038	258038
Reconstruction of power distribution lines (Km)	450	8130
4.4. Telecommunication		
Proportion of Mobile users (per 100)	1.5	8.5
Telephone service coverage within five kilometer distance (%)	49.3	100
Landline users (million)	0.74	8.5
Mobile users (million)	4.0	61.4
Internet service users (million)	0.20	7.17
4.5. water		
Potable water service coverage (%)	68.5	98.5
Clean potable water coverage in urban areas (within 5 km distance) (%)	91.5	100
Clean potable water coverage in rural areas (within 1.5 km distance)	65.8	98
Land cultivated through irrigation (%)	5	10
4.6. Construction and urban development		
Job opportunities created to reduce urban unemployment (thousand)	176	400
Provision of shelter and basic services (number of houses)	213,000	700,000
Reduction of congested and dilapidated areas (100)	40	20
Construction of roads with cobblestone in urban areas (Km)		3648
Number of enterprises established through the housing development programme		5000
5. Education sector development goals		
Net Primary education enrollment ratio (%)	86.5	100
Proportion of girls to boys in Primary education	0.93:1	1:1
Proportion of book per student	1.25:1	1:1
Gross Secondary Education Enrollment (%)	10.8	1.0
Ratio of students dropping from primary education	38.1	75
Admission capacity of undergraduate students by universities	185,788	467,000
Admission capacity of students by Technical and Vocational training institutions	430,562	1,127,330
6. Health sector development goals		

Health service coverage (%)	89	100
Under five mortality rate (1000)	101	67
Maternal mortality Rate (100000)	590	267
Women using contraceptives (%)	55	80
Women delivering babies with assistance of health professional s (%)	25	60
Families who use malaria bed nets (%)	100	100

2.5. Capacity building and good governance goals

2.5.1. Regarding Capacity building

- Increase the capacity of the top leadership
- Build human resource (change agent) capacity
- Build the capacity of government institutions
- Ensure a transparent and accountable, efficient and effective public financial system
- Enhance the capacity of capacity building institutions
- Nurture the communication of change and transformation
- Increase transparency and accountability
- Reduce rent-seeking behavior and action
- Increase popular participation

2.5.2. Regarding improvement of the justice system

- Enhance human resource capacity

- Improve the transparency and accountability of the justice system
- Ensure judicial independence, transparency and accountability
- Enhance service delivery
- Shape the behavior of prisoners in correctional facilities

2.5.3. With regard to strengthening the democratization process

- Strengthen institutions of democracy and good governance
- Create one economic and political community
- Ensure popular participation

2.5.4. With regard to ensuring good governance

- To take all the necessary legal action on any possession of wealth whose source is unknown and found to be illegal
- To create an aware society which does not tolerate corruption by expanding lessons on ethics and anti-corruption thereby draining corruption right from its source

2.6. Monitoring and Evaluations System for Implementation of the Plan

- A monitoring and evaluation system has been established to ensure that the targets set for macro economy and major sector are met in the process of implementing the plan
- The monitoring and evaluation system requires full and up-to-date information regarding implementation of the plan. This information is gathered from development agents in the country's different administrative levels which play critical development role (government, private sector and the public at large).
- The information related to monitoring and evaluation is expected to be gathered regularly and recorded adequately by sectors and flow from woreda to regional states and the federal government. Regular macro and sectoral implementation reports which give overview of the economic progress will be presented to stakeholders based on this information.
- Moreover, economic, social, demographic and geological information will be gathered, synthesized and analyzed through census and sample studies in an integrated manner and presented to beneficiaries
- All citizens, government bodies, businessmen and all other development agents, taking due cognizance of this issue as a matter of concern for themselves and their country, are

expected to follow up on the implementation of the plan with a sense of ownership and provide correct information when requested in order to ensure the efficiency and effectiveness of monitoring and evaluation.

2.7. Conclusion

- The five years growth and transformation plan is prepared in base case and high case scenarios. The high case scenario will double agricultural production and the country's GDP by 2014/15 in comparison to 2009/10. There is no doubt that this development goal will be achieved if all sections of the society contribute their share towards its realization. Therefore:-
 - Achieving this development goal requires enormous investment
 - It is necessary to have high domestic saving in order to fulfill the enormous investment required for development
 - Government should increase tax revenues by raising the public's awareness on payment of tax; increase investment by saving and efficiently utilizing non-investment expenditures
 - Increase domestic saving by encouraging the private sector, individuals, families, sectoral associations etc to develop a culture of saving

- Encourage the private sector to invest its savings on developmental (Investment) activities and create a favorable condition in this regard.
- Following on the five year growth and development plan, preparations will be finalized for the industrial sector to take the leading role in the economy during the plan period.
- Massive infrastructural development projects will be undertaken in the next five years. The newly built infrastructure will play a key role not only in laying a solid foundation for fast socio economic growth and development but also generate income and save foreign currency.
- Ethiopia will be able to achieve the millennium development goals, with a concerted effort, at the end of the implementation period of the five years growth and transformation plan.
- Capacity building efforts at all administrative levels will be vigorously pursued during the implementation of the development plan in the next five years and maximum attention will be given more than any time before to issues of transparency and accountability with a view to ensuring good governance.
- Similarly, efforts will be made to enhance the efficiency and effectiveness of the judicial system as well as expand and deepen the democratization process.
- All these efforts combined together will enable our country join the ranks of middle income countries by 2025 thereby achieving

the efforts being exerted to make poverty history and realize the Ethiopian renaissance.

2.8. Principal Messages

- We will double the total volume of agricultural production registered at the national level in 2009/10 by the end of the plan period by learning from positive lessons drawn from our experience in the past, implementing these lessons broadly and deeply in an integrated manner and adequately utilizing the provision of additional agricultural inputs
- We will ensure food security at the national, regional and family levels in the process of realizing this fast economic growth
- We will stand in unison more than any time before with a great sense of hope for the betterment of our country's development and prosperity in order to extricate ourselves from food aid dependence and particularly begging wheat.
- We will realize the objective of creating one economic community by exerting concerted efforts to implement the five years growth and transformation plan, achieving the goals set for economic goals and social development as well as equitable benefit from the fruits of economic growth and social development.

- We will make poverty history in the not too distant future through our mutually binding national interest, concerted and integrated efforts; through this process we will make Ethiopia a country of choice for different foreign citizens to live and work.