



Federal Democratic Republic of Ethiopia

**Ethiopia's Mid-Term Review on
Implementation of the IPoA
(2011-2015)**

**National Planning Commission
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I. Introduction

The Istanbul Program of Action for the Least Developed Countries (LDCs) for the decade 2011-2020 adopted by the Fourth United Nations Conference for Least Developed Countries, in Istanbul , Turkey on 13-17 May 2011. The overarching goal of the program of action for the decade 2011-2020 is to overcome the structural challenges faced by the LDCs in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the LDC category.

The specific objectives of the Program are:

- (a) Achieve sustained, equitable and inclusive economic growth in LDCs, to at least at the level of 7 per cent per annum, by strengthening their productive capacity in all sectors through structural transformation and overcoming their marginalization through their effective integration into the global economy, including through regional integration;
- (b) Build human capacities by fostering sustained, equitable and inclusive human and social development, gender equality and the empowerment of women;
- (c) Reduce the vulnerability of least developed countries to economic, natural and environmental shocks and disasters, as well as climate change, and enhance their ability to meet these and other challenges through strengthening their resilience;
- (d) Ensure enhanced financial resources and their effective use for least developed countries' development, including through domestic resource mobilization, official development assistance (ODA), external debt relief, foreign direct investment and remittances;
- (e) Enhance good governance at all levels, by strengthening democratic processes, institutions and the rule of law; increasing efficiency, coherence, transparency and participation; protecting and promoting human rights; and reducing corruption, and strengthen least developed country Governments' capacity to play an effective role in their economic and social development.

The eight priority areas identified by the IPoA include (1) Productive capacity (2)Agriculture, food security and rural development (3) Trade (4) Commodities (5) Human and social development (6) Multiple crises and other emerging challenges (7) Mobilizing financial resources for development and capacity building and (8) Good governance at all levels.

As per the above objectives and priority areas, countries have agreed to mainstream the IPoA into their respective National Development Planning Framework and prepare progress reports (e.g. National Mid-Term Review) on its implementation. Accordingly, Ethiopia has prepared a Mid-Tem Progress Review Report on implementation IPoA. The objective of the report is to provide information on the progress, Ethiopia has made on the first five years of IPoA implementation (2010/11-2014/15).

Data sources for the preparation of this Mid-Term Progress Review Report on implementation of IPoA are (1) survey data from the Central Statistics Agency of the Federal Democratic Republic of Ethiopia and (2) administrative data/information from the relevant implanting bodies of the Federal Government. The report is

organized in such a way that first it discusses mainstreaming of IPoA into the Mid-Term National Development Plan, the first Growth and Transformation Plan (GTP I), the second part discusses the progress Ethiopia has made so far in the first half of the implementation of the IPoA with particular focus on priority areas of IPoA while the final part of the report comprises conclusions, challenges, lessons learned and the way forward.

II. The National Development Planning Process

The main development agenda of the Ethiopian Government is poverty eradication and ensuring good governance; and hence, all Government policies, strategies, plans and programs are geared towards that end. The country's national vision is "to reach the level of lower middle-income countries where democracy and good governance are maintained through people's participation and where good will and social justice are secured. The national vision "in the economic sector is to build an economy which has a modern & productive agricultural sector with enhanced technology & an industrial sector that plays a leading role in the economy; to sustain economic development and secure social justice; and increase per capita income of citizens so that it reaches at the level of those in the lower middle income economies by the year 2025."

The First Five years (2010/11-2014/15) Growth and Transformation Plan (GTP I), which is Ethiopia's medium-term national development plan with which the IPoA has been fully mainstreamed, implemented, monitored and evaluated during 2010/11-2014/15. The five year implementation period (2010/11-2014/15) of GTP I has been completed the first week of July 2015. The main objectives of GTP I are (1) maintain at least an average real GDP growth rate of 11.2 percent and attain MDGs (2) expand and ensure the qualities of education and health services and achieve MDGs in the social sector (3) establish suitable conditions for sustainable nation building through the creation of stable democratic and developmental state and (4) ensure the sustainability of growth by realizing all the above objectives within stable macroeconomic environment. To realize the four objectives of GTP I, seven strategic pillars to which priorities of IPoA fully mainstreamed have been set to coherently guide an effective implementation the national plan across the country. These include:

1. Sustaining rapid and equitable economic growth (including priority 1,3,4,6 &7 of IPoA),
2. Maintaining agriculture as major source of economic growth (including priority area 2 of IPoA),
3. Creating conditions for the industry to play key role in the economy (including priority 1 of the IPoA),
4. Enhancing expansion and quality of infrastructure development (including priority 1 of IPoA),
5. Enhancing expansion and quality of social development (including priority area 5 of IPoA),
6. Building capacity and deepen good governance (including priority area 7&8 of IPoA), and
7. Promote gender and youth empowerment and equity (including priority area 8 of IPoA).

With regard to the national planning process, the Growth and Transformation Plan was prepared through full participation of the citizens including women, youth, farmers and pastoralists, the business community, the academia, civil society organizations, religious institutions and Development Partners at all levels of the Government with Government accountability. GTP I, has then be approved by the Council of Ministers and ratified by parliament to become a legal binding planning document for the period 2010/11-2014/15.

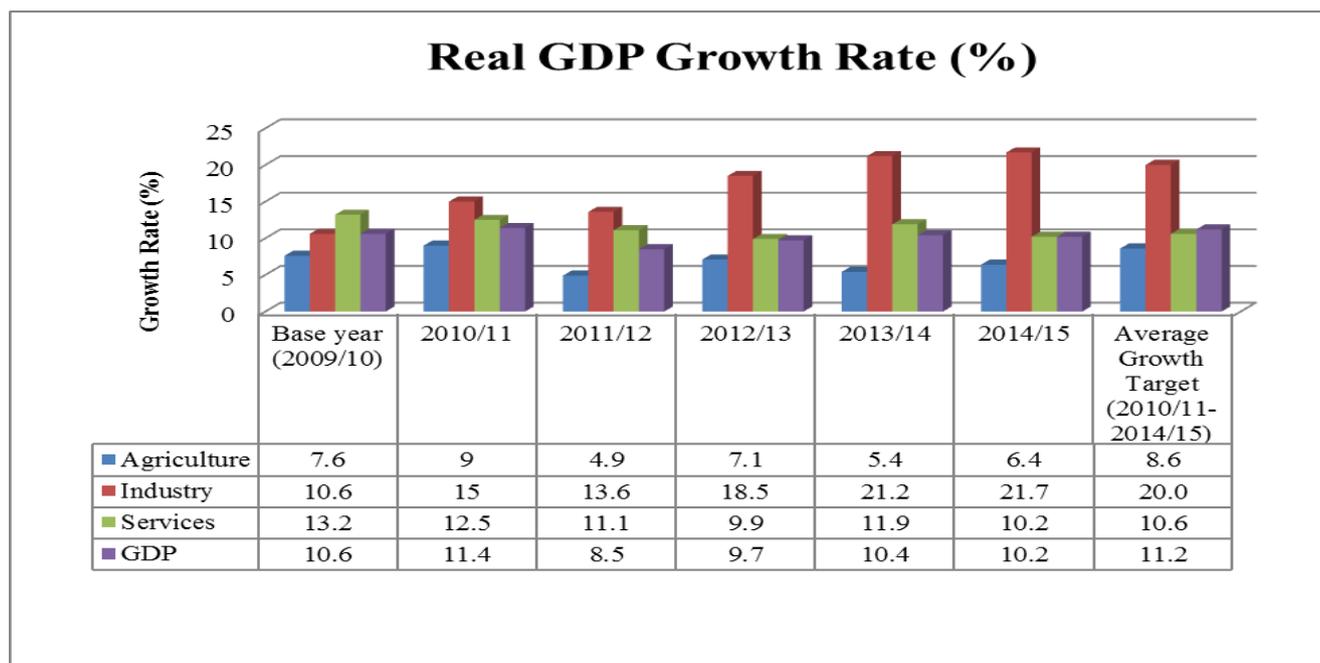
GTP I has a well-established National Monitoring and Evaluation System with clear indicators to measure progress on implementation of the national plan. The National Monitoring and Evaluation System has thus been guided by the National Strategy for the Development of Statistics (NSDS). According to NSDS, two main data sources have been used for planning and monitoring and evaluation in Ethiopia. These include (1) survey data

which are generated under the jurisdiction of the Central Statistics Agency of the Federal Democratic Republic of Ethiopia and (2) administrative data/information which are regularly generated by implementing Government bodies across the country and compiled by respective sectors at the federal level. Based on the survey and administrative data/information, regular follow-up, monitoring and evaluation were conducted to track the progress on implementation of GTP I during 2010/11-2014/15. As part and parcel of GTP I, the progress on implementation IPoA has been regularly tracked and its mid-term progress reviewed.

III. Implementation of IPoA for the decade 2011-2020: Ethiopia’s Progress and Challenges

Ethiopia has successfully completed its First Growth and Transformation Plan (GTP I: 2010/11-2014/15) with which the IpoA has been fully mainstreamed and effectively implemented. This progress is a mid way to the implementation of the Istanbul Program of Action for the Least Developed Countries for the Decade 2011-2020. During 2010/11-2014/15 period of GTP I implementation, the Ethiopian economy grew at an average rate of 10.2 percent per annum in real Gross Domestic Product (GDP) terms, which is one of the fastest growth rates achieved globally. In the same period Agriculture, Industry and Services grew at an average rate of 6.6 percent, 20.2 percent and 10.8 percent respectively (Figure 1). The fastest economic growth registered over the last five years in Ethiopia is inclusive in a sense that it is sectorally broad-based and its source is diversified. The annual average economic growth rate Ethiopia has registered during 2010/11-2014/15 is well above the required annual average growth rate of 7 per cent set for LDCs to achieve sustained, equitable and inclusive growth to achieve MDGs and IPoA’s targets.

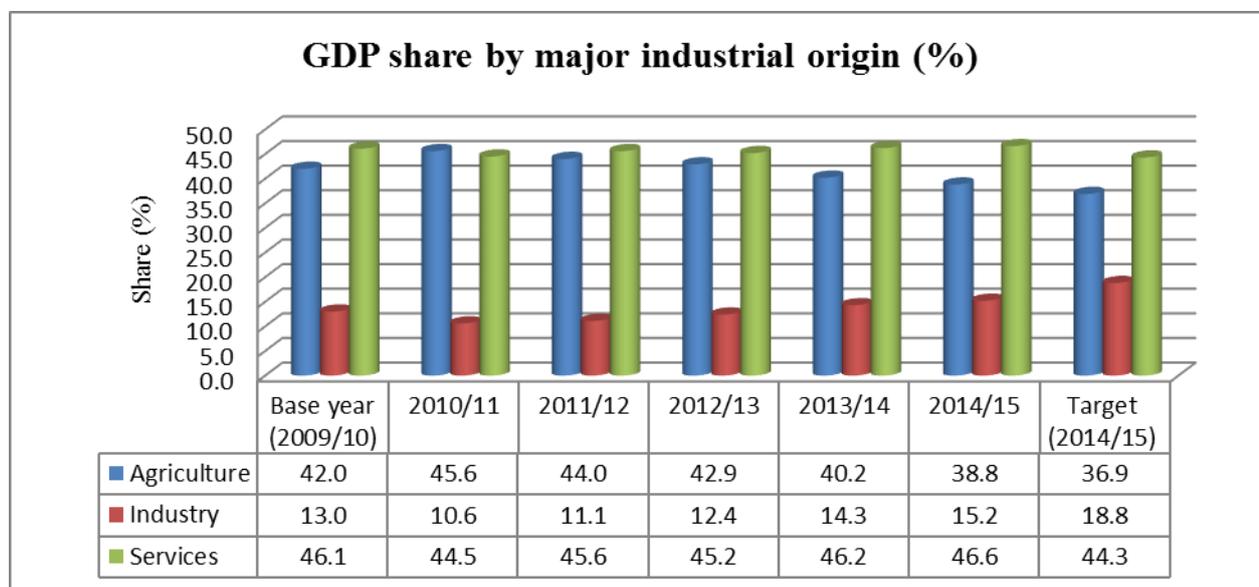
Figure 1. Real GDP Growth Rate (%)



Structural transformation is another focus area LDCs are expected to make adequate progress during implementation of IPoA (2011-2020). In this respect, Ethiopia has made remarkable progress particularly in building national consensus to fight against poverty with all its dimensions, in national image building, in economic and social development. With regard to economic structural transformation, though the targets set were stretched and the achievements slightly behind the targets, the progress registered were encouraging. On

the one hand, the percentage share of Agriculture in the total GDP decreased from 42 percent in the base year (2009/10) to 38.8 percent at the end of the plan period (2014/15). On the other hand, the share of industry slightly increased from 13 percent in the base year to 15 percent at the end of the plan period, while the share services to GDP marginally increased from 46.1 percent in base year to 46.6 percent in the final year of GTP I implementation (Figure 2).

Figure 2. GDP share by major industrial origin



Per capita GDP is one of the important parameters which has to be used to assess and judge the progress made in implementation of IPoA by Least Developed Countries towards their graduation from LDC category. In this respect, Ethiopia has made remarkable progress by significantly improving the per capita income of its people from USD 377 in the base year (2009/10) to USD 691 in final year of GTP I implementation period (2014/15).

Economic growth registered during 2010/11-2014/15 in Ethiopia has been rapid, broad-based, pro-poor and effective in generating employment, accelerating social development and reducing poverty. Accordingly, population living below the poverty line has declined to 23.4 percent in 2014/15 from that of 29.2 percent in 2009/10. In the same period, delivery of basic services such as education, health, drinking water, transport, etc. has expanded significantly. Accordingly, Ethiopia has achieved six of the eight MDGs. The two exceptions are MDGs 3 (Promote Gender Equality and Empower Women) and MDGs 5 (Improve Maternal Health). These achievements indicate that by sustaining the economic growth and social development and strengthening the implementation of the ongoing social and economic programs, it is possible to achieve the targets set by Istanbul Program of Action for the Least Developed Countries by 2020. Along with these achievements, the progress made in implementation of the eight priority areas of the IPoA is presented below.

3.1 Productive capacity

Encouraging achievements have been recorded in infrastructural development of the country during 2010/11-2014/15 of IPoA implementation. The development of major infrastructure in Ethiopia includes road, rail, energy and telecommunication. The progress made so far in the development of these infrastructures has

accelerated all aspects of socio-economic development of the country, encouraged increased flow of foreign direct investment, contributed to job creation and improved access to basic services.

Road: Physical accomplishment in road sector enabled the national level road length to have increased from 48,800 kilometers in 2009/10 to 58,247 kilometers in 2014/15. Road density increased from 44.5km/1000km² in 2009/10 to 100.4km/1000km² in 2014/15, average travel time to all-weather roads declined to 1.7 hours in 2014/15 from 3.7 hours in 2009/10.

Railway: Design studies and construction activities of rail infrastructure have been under progress. During 2010/11-2014/15, about 90 percent of 656 km railway line project running from Sebeta (Addis Ababa) to Dewonle (Djibouti border) effectively constructed, while design studies have continued for other similar projects. The construction works of Addis Ababa Light Rail Transit project (34 km) have been completed and the project has started providing services.

Energy: Energy infrastructure development is one of the most important strategic areas where the Government is continuing to invest. Ethiopia has huge potential for renewable energy which includes hydro, wind, geothermal and solar. During the last five years of GTP I implementation (2010/11 to 2014/15), the country's energy generating capacity has doubled from 2000 MW in 2009/10 to 4000 MW in 2014/15. The implementation of mega energy infrastructure projects (e.g. the Great Renaissance Hydroelectric Power Project on the Blue Nile River and other Hydro Power and Wind Plant Projects) is also progressing as per the plan. During 2010/11 to 2014/15, national electricity service coverage has increased from 41 % in 2009/10 to 60 % in 2014/15.

Telecommunication: The basic telecommunication infrastructure has well been in place before GTP I. During the implementation period of GTP I (2010/11-2014/15), expansion activities were conducted to enhance access and quality of telecommunication services. Accordingly, the number of mobile subscribers increased from 6.25 million in 2009/10 to 38.80 million in 2014/15 and the number of internet service subscribers increased from 0.187 million in 2009/10 to 9.4 million in 2014/15. This is an incredible progress, which Ethiopia has achieved during the first half of the IPoA implementation.

3.2 Agriculture, Food Security and Rural Development:

Ethiopia's agriculture is predominantly smallholder, and a little more than 80 percent of the Ethiopian population is living in rural areas. Therefore, the Government is working to modernize agriculture and transform rural areas by increasing agricultural productivity, accelerating industrialization through fast-moving light manufacturing industries and properly managing rapid urbanization. During the last five years of GTP I implementation, production of major food crops (cereals, pulses and oilseeds) increased from 193.9 million quintals in 2009/10 to 270.3 million quintals in 2014/15. Productivity of cereal crops, cultivated by smallholder farmers has increased from 17 quintals/hectare in 2009/10 to 25 quintals/hectare in 2014/15. Productive Safety Net Program (PSNP), a targeted program focusing on capacity building of the rural poor through asset creation has also been effectively implemented along with broad-based agriculture growth during 2010/10 to 2014/15 in order to ensure food security and poverty reduction.

Natural resources conservation and proper utilization play a key role in ensuring sustainable development, accordingly, it has been given due priority in GTP I. In the last five years of GTP I implementation, remarkable

progress has been achieved in terms of natural resource conservation through massive community mobilization across the country. At the center of this accomplishment are the extensive awareness creation and resultant conviction about the benefits of natural resource conservation works in improving productivity and climate change mitigation. These massive investments in natural resource conservation have enhanced agricultural productivity and improved food security,

Irrigated Land: During 2010/11-2014/15, encouraging achievements have been registered in small scale irrigation development. Accordingly, irrigated agricultural land area under small scale irrigation increased from 0.85 million hectare in 2009/10 to 2.4 million hectare in 2014/15 while medium and large scale irrigation reached 283,408 hectares in the same period. This indicates that Ethiopia is on the right move in building resilience of its national economy while achieving remarkable progress in natural resources conservation.

Stunting: Growth stunting is a reduced growth rate in human development which is primarily a manifestation of undernutrition. Growth stunting can be measured using specific indicators including height for age, length for age, etc. Growth stunting in Ethiopia is high and has slightly been declined from 44 percent in 2010/11 to 40 percent in 2014/15, indicating that integrated and organized efforts need to be exerted to significantly address the problem in the remaining period of IPoA implementation as part and parcel of Ethiopia's second Growth and Transformation Plan (GTP II, 2015/16-2019/20).

3.3 Trade

In the reporting period (2010/11-2014/15), efforts were made to establish efficient, effective and transparent market system. Promoting a competitive and efficient domestic trade and distribution system, ensuring consumers' rights and rule of law were the main strategic directions pursued during the plan period. Along with these activities, concerted efforts have been exerted to enable the country to become a member of World Trade Organization (WTO) by conducting implication studies, preparing negotiation documents and sending to WTO office and preparing response to the questions sent from some WTO members.

Accordingly, implication studies were made on trade related aspects of Intellectual Property Rights, Health and education services. Similarly, legal assessment studies were also conducted on the new investment proclamation, health regulation, and the trade ban on semi-finished leather, agricultural domestic support measures, and financial sectors liberalization. In addition, accession and other documents including goods offer and responses to the third round questions from members were prepared and sent to WTO. Moreover, the third round working party meeting was held. Various activities were also carried out to complete regional integration agreements and studies were conducted to evaluate the bilateral agreements which already been signed and that are going to be signed in the near future.

3.4 Commodities

With regard to external trade, the export items of the country are predominantly agricultural raw materials with no value additions, limited volume and diversifications. As a result, trade balance was negative during the plan period (2010/11-2014/15) due mainly to the decline in the international market prices. Currently, strategic framework to address trade imbalances is in place aiming at diversifying export items, exploring additional international market destinations and increasing competitiveness of the export items. This strategic framework will be effectively implemented in the remaining period of IPoA implementation during Ethiopia's second Growth and Transformation Plan (2015/16-2019/20).

3.5 private sector development

During 2010/11-2014/15, the Government of Ethiopia has taken lot of measures to strengthen the role of the private sector by ensuring stable macroeconomic environment to create favorable investment conditions, improving investment proclamations, engaging the private sector in regular dialogue with Government and increasing supply of trained human power to the labor market, promoting industrial zones and clusters in different parts of the country to speed up the industrialization process of the country. Furthermore, the progress made in the development of physical infrastructure such as road, energy and telecommunication and rail inspired the private sector to play pivotal roles in the economy.

3.6 Human and Social Development

With a population size of 90.1 million in 2015, the greatest resource Ethiopia has is its people. Therefore, the outset and destination of Ethiopia's development is its people. Every year, a quarter of Ethiopia's population is at schools at all levels of education including general education (preprimary, primary and secondary) and higher education (technical and vocational education and training-TVET, Colleges and Universities). In 2015, a little more than 22 million Ethiopian citizens were at schools at all levels of education. Integrated adult functional education is also one of the priority areas of human and social development in Ethiopia. Major health problems in Ethiopia are preventable communicable diseases and nutritional disorders. Accordingly the main health sector strategy pursued during 2010/11-2014/15 was preventive health care.

Education: With regard to education, integrated functional adult education participation rate increased from 36 percent in 2009/10 to 63.4 percent in 2014/15. Net enrolment rate in primary education (grades 1-8) has increased from 82 percent in 2009/10 to 97 percent in 2014/15, secondary gross enrolment rate (1st Cycle-grades 9-10) marginally increased from 39.7 percent in 2009/10 to 40.5 percent in 2014/15 while secondary gross enrolment rate (2nd Cycle- grades 11-12) increased from 6 percent in 2009/10 11.2% in 2014/15. Undergraduate gross enrolment increased from 185,788 in 2009/10 to 387,685 in 2014/15 and proportion of girls to boys in undergraduate gross enrolment increased from 29 percent in 2009/10 to 32 percent in 2014/15.

Health: With regard to health sector, the primary health service coverage increased from 89.6 percent in 2009/10 to 94 percent in 2014/15. The ratio of population to health extension workers decreased from 2,500:1 in 2009/10 to 2437:1 in 2014/15. Family planning service (Contraceptive prevalence rate) increased to 42 per cent in 2014/15. Infant and under-five mortality rates per 1000 live births declined to 44 and 64 in 2014/15 from its level of 77 and 123 in 2004/05 respectively. Maternal mortality ratio per 100,000 live births declined from 673 in 2000 to 420 in 2014/15. National, rural and urban potable water supply access coverage reached 58 percent, 591 percent and 512 percent in 2014/15. Proportion of households using improved latrine reached at 60 percent in 2014/15, while HIV/Prevalence rate declined from 2.4 percent in 2009/10 to 0.03 percent in 2014/15. Birth attended by skilled health workers, penta 3 immunization coverage and antenatal health service coverage (with 4 visits during pregnancy) reached 60 percent, 94 percent and 32 percent in 2014/15 respectively.

¹ Within 1 km. radius and 25 liters of water/person/day.

² Level I, 100 liters of water/person/per day with direct connection; Level II, 80 liters of water/person/day with direct connection; Level III, 60 liters of water/person/day with direct connection; Level IV, 50 liters of water/person/day with direct connection and Level V, 40 liters of water/person/day with direct connection.

Shelter: During the last five years (2010/11-2014/15) of GTP I implementation including IPoA; the number of dwelling low cost houses constructed and developed by the Government in urban areas and transferred to the citizens are about 174,190. Such construction and development and transfer (to the citizens with low income) of low-cost dwelling houses in urban areas and around industrial zones will continue in the second growth and transformation plan period (2015/16-2019/20) to address housing problems.

Gender equality and empowerment of women: During the last five years GTP I implementation period (2010/11-2014/15) gender parity index in primary education (grades 1-8) remained the same at 0.93:1. The participation of women in decision making with the parliament, judiciary and executive bodies reached nearly 50 percent, 30 percent and 16.5 percent, respectively.

3.7 Multiple crises and other emerging challenges

Debt Management: In the last five years of GTP I implementation, Ethiopia's economy on the average grew by 10.2 percent annually. Along with this rapid economic growth, Government loans and the capacity of the Government for repaying its loans have significantly been increased. In this respect, Ethiopia has paid a total amount of 2.9 billion USD during 2010/11-2014/15 for its debt service (interest and the principal). Guided by its debt strategy, Ethiopia is well cautious to closely monitor its debt and remains vigilant regarding new debt accumulation. Accordingly, Ethiopia remains at low risk of external debt distress in 2014/15 and the public debt sustainability analysis suggests that Ethiopia's overall public sector debt dynamics are sustainable.

Climate change and environmental sustainability: Ethiopia's historical contribution to greenhouse gas emissions on a global scale has been negligible and the country will not be forced to prejudice future growth and wellbeing by restricting emissions". Ethiopia's national vision, however, is to become a lower middle income economy by 2025. If Ethiopia follows a conventional development path of becoming a lower middle income economy by 2025, among other adverse effects, there appears to be a sharp increase in Green House Gas (GHG) emissions and unsustainable use of natural resources by increasing the level of emission from 150 Mt CO₂e in 2010/11 to 400 Mt CO₂e in 2029/30. A conventional development path could also be financially challenging. Therefore, Ethiopia is aggressively implementing its Climate Resilient Green Economy (CRGE) since 2010/11.

3.8 Mobilizing financial resources for development and capacity-building:

During 2010/11-2014/15, remarkable achievements have been achieved in domestic resource mobilization. Tax revenue increased from 43 billion Ethiopian Birr in 2009/10 to 165 billion Ethiopian Birr in 2014/15. Similarly domestic saving as percent of GDP increased from 9.5 percent in 2009/10 to 22.5 percent in 2014/15 while investment as percent of GDP increased from 22.3 percent in 2009/10 to 38.9 percent in 2014/15. Total Domestic revenue and tax revenue as percent of GDP reached 15.1 percent and 13.4 percent in 2014/15 respectively. In 2014/15, the share of tax revenue alone, comprised 83 percent of the total revenue and covered 75 percent of Government expenditure. It can be seen from the above progress that tax revenue has been the major source of domestic revenue and expenditure in Ethiopia. Furthermore, there is a potential to increase tax revenue through improving the tax administration system.

On the other hand, the overall expenditure policy of the country is allocating more resources to pro poor and growth enhancing sectors. In this regard, Government expenditure as percent of GDP remained at 18.6 percent

during 2010/11-2014/15 and the capital expenditure as percentage of GDP has reached 9.5 percent in 2014/15. The share of expenditure for the pro-poor and pro-growth sectors (such as education, health, agriculture, water, and roads) as percentage of GDP remained at 12.4 percent during 2010/11 to 2014/15. On the other hand, the percentage share of pro-poor and pro-growth sectors expenditure from the total Government expenditure remained nearly the same at 66 percent during the same period. This shows that the Government's high commitment and practical actions to reduce poverty and achieve MDGs by 2015.

Flow of External Assistance and FDI: Ethiopia receives Official Development Assistance (ODA) from two major sources: bilateral and multilateral donors. The assistance has been provided through development financing, technical assistance and debt relief. Taking the national average population size of the country into account, the per capita total amount of external assistance disbursed during 2010/11-2014/15 was about 229 million USD. The total FDI which has been flown to Ethiopia during 2010/11-2014/15 was about 7.2 billion USD.

IV. Good governance and democratization

Strategies on Good Governance and Democratization pursued during 2010/11-2014/15 aimed at building capacity of the public service which supports and enables democratic institutions, improves service delivery and continues to strengthen the ongoing democratization process. Democratic institutions including National election Commission, House of Peoples Representatives and House of Federation, Ombudsman, Human Rights Commission and Anti-Corruption Commission, etc. were the focus of the strategy to ensure good governance and democratization through capacity building so as to properly deliver on their respective mandates.

Within an overall objective of ensuring quality public services delivery to the people, the focus has been to enhance the GTP implementation capacity at the local administrative level, address the shortage of skilled human manpower, and improve the rural communication infrastructure. The Government strategies to fight against corruption and corrupt practices among citizens and public servants show encouraging progress in terms of identifying corrupt practices and bringing individuals and organizations with corrupt practices before the court.

V. Coherence & linkages with the post-2015 development agenda and other global processes

As one of the founding members of the United Nations, Ethiopia has committed and taken a bold step to mainstream, implement, monitor and evaluate SDGs. Ethiopia has also played important role in the design and formulation process SDGs of the Post 2015 Global Development Agenda at national, regional and global levels. Firstly, Ethiopia was selected as one of 50 countries of UN member states where national consultation on Post-2015 Development Agenda was conducted. Secondly, Ethiopia was one of the Sherpas to coordinate preparation process of the African Post-2015 Development Agenda referred as Common African Position (CAP), which is one of the precursors of the Post 2015 Global Development Agenda of the UN. Thirdly, Ethiopia has hosted an International Conference of Financing for Development in Addis Ababa which finally the conference has successfully come up with Addis Ababa Action Agenda.

Sustainable Development Goals of the Post-2015 Global Development Agenda including IPoA has, therefore been taken as one of the bases of the second Growth and Transformation Plan (GTP II) which runs from 2015/16 to 2019/20. Sustainable Development Goals and the Istanbul Program of Action are, therefore, fully

mainstreamed in GTP II and its policy matrix for coherent and effective implementation, monitoring and evaluation across the country by all sectors.

VI. Conclusions and the Way Forward

In the last five years of GTP I implementation (2010/11 to 2014/15), Ethiopia's economy has registered an annual average real GDP growth rate of 10.2 percent, which is well above the required annual average growth rate of 7 percent set for LDCs to achieve sustained and inclusive growth to realize MDGs targets and eradicate extreme poverty. During the same period, Industry, Services and Agriculture have registered average annual growth rate of 20.2 percent, 10.8 percent and 6.6 percent respectively. Accordingly, per capita income increased from 377 USD in 2009/10 to 691 USD in 2014/15, followed by a decline in the level of poverty from 29.2 percent in 2009/10 to 23.4 percent in 2014/15. With regard to national productive capacity, remarkable progresses have been registered in infrastructure development including roads, rail, energy and telecommunication during the same period (2010/11 to 2014/15). Furthermore, encouraging progresses have been achieved in areas of social development including education, health, water and sanitation. In line with these remarkable progresses, most of the MDGs except MDGs 3 (Promote Gender Equality and Empower Women) and MDGs 5 (Improve Maternal Health) and IPoA targets have been achieved during 2010/11 to 2014/15.

Accordingly, the Government of Ethiopia has continued its strong commitment, transformative leadership, and coordinated and integrated practical actions to address the unfinished business of MDGs with a big push to accelerate the implementation of SDGs in the road towards achieving the national vision of a lower middle income economy by 2025.

Challenges and Lesson Learned: Financial and capacity limitations were most important challenges during 2010/11-2014/15. Among the lessons drawn from the implementation of GTP I during 2010/11-2014/15 the following are worth to mention.

- (a) It has been witnessed that committed and transformational leadership is very critical for effective management, coordination and implementation of development intervention, economic transformation and poverty eradication.
- (b) The other important lesson of experience achieved was that continuous learning from own development process itself is a key to build on positive progresses on the one hand, while taking corrective measures against the shortfalls on the other; so that the gap between what has already been achieved and that is expected will be bridged through coordinated and integrated effort.
- (c) Effective mobilization of domestic resources (financial and human) is essential for continuous national capacity building and sustainable development and ensuring national policy freedom as well.

The way forward:- To complement domestic resource mobilization, financial, technical and technological support to LDCs including Ethiopia is very critical for effective realization of the Istanbul Program of Action in the remaining period of its implementation period (2015/16-2019/20) as well as SDGs to build national productive capacity. Furthermore, it is very important to make sure that the Istanbul Program of Action has been properly mainstreamed together with SDGs into the national development framework of LDCs for effective implementation, monitoring and evaluation to eradicate poverty in all its forms by 2030.