

Ministry of Foreign Affairs – Embassy of Denmark in Addis Ababa

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Agenda Item No. 5

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- 2. Title:** Ethiopia Country Strategic Framework
- 3. Amount:** Amount to be confirmed
- 4. Presentation for Programme Committee:** 12.03.2024
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Denmark-Ethiopia Strategic Framework 2025-2029

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1. Introduction

Ethiopia has global political weight; is a key regional and continental political actor and a host nation for the African Union. At the same time, Ethiopia is among the most fragile countries in the world, with a stark increase in fragility since 2019. The country faces immense political, security, economic, social and environmental challenges but also has great potential. Ethiopia's stability is central. It contributes to curbing irregular migration, including towards Europe, and to the overall stability of the region. Ethiopia is also an ambitious actor in addressing climate change domestically and internationally, placing itself as a strong global voice and a particularly relevant partner with regards to the climate agenda.

Therefore, Ethiopia is highly relevant for Denmark's ambition to strengthen engagements in Africa through targeted, equal, and credible partnerships based on honest dialogue. Denmark's strategic interests in Ethiopia encompass foreign, security and development policies. Denmark and Ethiopia share interests in promoting stability and fighting poverty and Denmark and Ethiopia have highly aligned agendas around climate change mitigation, adaptation and green energy. The strategic framework outlined in this document supports Ethiopian national plans and builds on strong experience from existing engagement through a variety of instruments that have created solid partnerships and platform for strengthened engagement. The framework also responds directly to evolution of the context in Ethiopia. In response to the conflict in northern Ethiopia (2020-2022), the EU and EU member states including Denmark adjusted their engagements with Ethiopia. For Denmark, this included adjustments to the bilateral development cooperation and extension of the program until 2024. Following the Cessation of Hostilities Agreement in November 2022 and progress in implementation of the agreement, the EU Foreign Affairs Council in April 2023 agreed to progressively normalise relations with Ethiopia, most evident with the formal launch of the EU's Multi-Annual Indicative Programme (MIP) for Ethiopia with a financial envelope of EUR 650 million for 2024-2027. Similarly, Denmark has also taken steps to normalise the relations with Ethiopia, including by normalising bilateral development cooperation.

The overall vision for Denmark's engagement in Ethiopia for the period 2025-2029 is **to improve the stability, resilience, and green development in Ethiopia**. This will also contribute to reduced fragility in the Horn of Africa and curb irregular migration.

Denmark will promote this vision through three complementary strategic objectives:

1. *Promote human rights, social cohesion, peace and stability.*
2. *Strengthen resilience and future opportunities.*
3. *Support conflict sensitive and inclusive green growth.*

Denmark will promote human rights and social cohesion through critical dialogue and support to national and local governmental and civil society actors. This will further contribute to peace and stability, also supported through Denmark's regional approach in the Horn of Africa. With a view to fight poverty and inequality the framework will strengthen resilience focusing on food security, livelihoods and employment. And Denmark will contribute to green growth through multiple instruments supporting Ethiopia's green ambitions in areas of agriculture, forestry, water, and energy.

The engagement will be aligned with Danish and Ethiopian policy and priorities including Denmark's upcoming government strategy for engagement with African countries. Instruments will include political dialogue, development cooperation, strategic sector cooperation, support for civil society, humanitarian assistance, refugee and migration efforts, and trade promotion. It is expected to collaborate with a variety of partners including government/regional authorities, multilateral organisations, civil society, and private sector. Reflecting Ethiopia's challenging and fragile situation, the engagement is designed in a conflict-sensitive, adaptive manner to allow for adjustments to changing framework conditions as well as policy and priorities. The framework is supported by a Fragility Risk and Resilience Analysis (FRRAT) background study. The FRRAT outlined sources of vulnerability as well as resilience in the country, highlighting the rich culture as well as current fragmentation and fragility. The study suggested 3 possible future scenarios and recommended an adaptive approach supporting a range of actors and initiatives, also reflected in this document.

Denmark's bilateral engagement is complemented by engagement through the EU across priority areas. Likewise, Denmark maintains close partnerships with the UN, the World Bank and the African Union to support the country's social and economic development. As host country, Ethiopia also provides the framework for Denmark's long-standing cooperation with the African Union Commission. Cooperation with the AUC on peace, security and democracy in Africa has been central to Danish engagement during the previous four phases of the *Africa Programme for Peace* (2004-2023) and will continue to be so in the new *Africa Partnership for Peace and Sustainability*, expected to be launched in 2024.

2. Context, challenges and risks

Ethiopia has a rich history and culture. The country saw high economic growth rates of around 10% in 2012-2017 and a general domestic and international optimism after Prime Minister Abiy Ahmed came to power in 2018. However, Ethiopia has in recent years been affected by a number of global and national crises, not least the COVID-19 pandemic, violent conflicts, instability, stagnant economic growth, climate-related disasters, and democratic setbacks. Deep-rooted fragmentation is apparent and manifests itself across the political, economic, social, environmental, and security spectrum. This has led to widespread uncertainty about the future stability and development of the country. While gradually improving, the cooperation with international partners such as Denmark and the EU remains strained in the aftermath of the conflict in northern Ethiopia and Ethiopia's need for donor support is balanced against a strong political desire to avoid other countries' interference in national affairs.

At the same time, the country has great potential not least due to its population of around 120 million people and the opportunities in the country to produce for example, sustainable energy, minerals and agricultural products. Ethiopia has ambitious political goals to become a green pioneer globally, an economic frontrunner in Africa, and a stabilising factor in the Horn of Africa.

Geopolitics, Regional and International Partners

With Somalia in the East and Sudan and South Sudan in the West, Ethiopia is at the heart of a highly fragile and conflict affected region and is geopolitically a key country in the Horn of Africa. Ethiopia has a potential role to play as a stabilising factor in a troubled region. However, past years' conflict in northern Ethiopia as well as recent increased tensions with both Eritrea and Somalia related to Prime Minister

Abiy's efforts to obtain direct access to the sea, has jeopardized this. Similarly, the ongoing construction of the Great Ethiopian Renaissance Dam (GERD) over the Nile River has over the past years caused increasing tensions between Ethiopia and downstream countries Sudan and Egypt, with long-running negotiation processes so far failing to produce a political solution. Ethiopia remains one of the leading countries in the intergovernmental cooperation organisation in the Horn of Africa, IGAD, which is often sought from the Ethiopian government to increase and underpin its political influence in the region. At the same time, Ethiopia is an influential political actor in Africa by virtue of its historical role in the continent's anti-colonisation movement and as host nation for the African Union headquarters. This further underscores Ethiopia's strategically important position.

Globally, Ethiopia has historically played a significant role on the political stage, e.g. as one of the largest troop contributors to UN peacekeeping operations globally. Most recently, Ethiopia's membership of BRICS in 2024 has underlined the country's global political weight, economic potential, and ability to form alliances that go beyond traditional Western partners. Ethiopia balances its bilateral relations with, for example, China and Russia vis-à-vis the West. Historically, Ethiopia enjoys close ties with Russia and has done a high number of student exchanges over the years. Chinese infrastructure investments and loans are important sources of income for the struggling Ethiopian economy, as are investments from Gulf and Middle Eastern partners, notably the UAE and Türkiye.

Security

After two years of violent conflict in northern Ethiopia, the government and the Tigray People's Liberation Front (TPLF) signed a Cessation of Hostilities Agreement (Pretoria agreement) in November 2022 that effectively ended the conflict. While the government's implementation of the peace agreement in some areas has long prospects e.g. in terms of disarming, demobilising and reintegrating ex-combatants and ensuring accountability for human rights violations during the conflict, the agreement has been successful in silencing the guns and restoring humanitarian access to affected areas. However, Eritrean troops have retained a presence in the border areas between the two countries, reportedly responsible for continued human rights abuses against the civilian population. In addition, the regional affiliation of contested areas remains unsolved and continues to be a source of tension between Tigray and the neighbouring Amhara region. The Pretoria agreement was poorly received by groups in the Amhara region who felt left out and not sufficiently represented in the agreement. The situation has since escalated into armed conflict between local militia and federal security forces, which in turn led the federal government to declare a state of emergency August 2023, which was extended by 4 months in February 2024. Reports have documented widespread human rights violations across the region perpetrated by both parties to the conflict. The state of emergency itself has allowed the government to disrupt lines of communication, shut down internet connection, impose curfews and more. This has had consequences for private businesses, schools, universities, civil society organisations and others, many of whom have had to close down operations for months.

Several of Ethiopia's other regional states has for the past few years seen a rise in local conflicts – either internal ethnic conflicts, or conflicts between the central government and local militias and rebel groups, while the Somali region's border with Somalia makes it vulnerable to attacks and intrusion attempts by the terrorist organisation Al-Shabaab. The government has so far managed to keep the concurrent conflict situations in check, but capacity of the federal security forces is not unlimited. Ethiopia ranks as

the 11th most fragile country in the world according to Fragility States Index 2023, and among the most insecure countries, being number 151 of 163 countries in the Global Peace Index 2023. The ongoing violence furthermore exacerbates economic stresses, destroys and damages infrastructure, disrupts economic activity, reduces livelihoods, and contributes to high rates of internal displacement and major violations of human rights, including Sexual and Gender Based Violence.

Economic and social development

Ethiopia faces serious socio-economic challenges and ranks near the bottom of the 2023/2024 Human Development Index (HDI) (176 out of 193 countries). The economy has since 2019 been characterised by declining growth rates and high inflation. Moreover, the chronic shortage of foreign currency is a significant impediment to private sector development and attracting of foreign investment, while also significantly hampering the government's ability to finance imports as well as meeting international loan payment obligations. The conflict in the northern regions resulted in an increase in defence spending by 88% to USD 1 billion from 2021-2022, and left a multi-billion dollar funding gap for post-conflict reconstruction in the conflict-affected regions. The state budget has insufficient funding for public services and the high inflation has contributed to a widespread cost-of-living crisis. For large parts of the population, wages no longer cover the cost of basic necessities, and lack of employment opportunities, not least for the large youth population, is a major challenge. Widespread frustration is a potential driver for recruitment by and support to armed groups in a number of local conflicts throughout the country. Ethiopia has an important social safety net (PSNP), which is the second largest social safety net program in Africa (after South Africa) and supports 8 million people each year, being a key instrument to combat poverty and inequality, but it only covers part of the needs. The government has launched large economic reform process, with the *Home Grown Economic Reform Agenda* aiming to increase macroeconomic stability, control inflation, provide more conducive environment for trade and investments and increase productivity. However, the reform process has had to give way to conflict, drought, etc. A possible future IMF support programme, as well as possible budget support from bi- and multilateral partners, will be important for Ethiopia's economic recovery, but will require further economic reforms including potential currency devaluation, which in the short term risks aggravating the inflation. Ethiopia received a total of \$4.9 billion in Development aid from international partners in 2022, with the World Bank's IDA, the US and the EU (including member states) as the largest international donors.

At the same time, Ethiopia holds important socioeconomic potential. Ethiopia is well connected to regional markets in the East and Horn of Africa, and several industries are also globally significant, including coffee, gold, and certain agricultural products. The top five export markets include Somalia, United States, Germany, the Netherlands, and Saudi Arabia, while the top five exporters to Ethiopia are China, India, United States, Türkiye and Malaysia. Green energy is an area of growing international investment, with Ethiopia and United Arab Emirates' AMEA Power in 2023 signing an agreement for the construction of a 300 megawatt wind farm at a cost of \$600 million. Modernisation of the agricultural sector, which employs around 80% of the population and accounts for around 40% of the country's GDP, in particular has significant potential for Ethiopia's economic development. Also Ethiopia's growing youth population presents several opportunities. Around 40% of the Ethiopian population is below the age of 14, and 30% is between 15 and 29 years old, and there is great potential in equipping this generation with relevant education. The country however has relatively low education outcomes at

present, rating below Sub-Saharan Africa and low-income averages in a number of indicators and with a more pronounced gap between girls' and boys' education level.

Democracy and human rights

Ethiopia is a federal democracy with ethnically based regional states. Prime Minister Abiy Ahmed assumed office in 2018 and was reappointed in 2021. Abiy launched an ambitious democratic reform agenda in 2018. However, recent years have been marked by clear democratic set-backs, particularly related to the recent conflict in northern Ethiopia. The next general election is set to be held in 2026.

Ethiopia is ranked as “not free” in Freedom House’s democracy index, reflecting a highly problematic human rights situation, which also poses a risk to social cohesion and political stability in the country. In 2019, the Civil Society Proclamation entailed important liberalization for civil society, enabling growing numbers of civil society organisations to work explicitly on rights, advocacy, governance, and peacebuilding issues, where they had previously been restricted to service delivery. Despite this notable opening of the civic space, there are in practice various means by which activities and attitudes are curtailed or controlled, especially as a consequence of recent and ongoing conflicts. While civil society space is today still wider than before 2019, recent years have seen a clear deterioration. Challenges include deteriorating conditions for human rights activists and media, internet blockages, arbitrary detentions, and prison conditions. Playing an important role in addressing these issues, the Ethiopian Human Rights Commission has become a respected and independent advocate for protection and promotion of human rights in Ethiopia. While the country has strong anti-corruption laws in principle, they are not implemented adequately, and Ethiopia has seen a decline in the World Bank “Control of corruption” indicator since 2020 and the Corruption Perceptions Index since 2021. Widespread political corruption continues to erode the rule of law, challenge democratic progress and impede socio-economic development. Meanwhile, petty and bureaucratic corruption thrives at local level maintaining structures of unequal access to basic services, opportunities and participation.

The EU, including Denmark, maintains a critical political dialogue with the Ethiopian government on human rights. The political dialogue has been highly contentious as a consequence of the conflict in northern Ethiopia and a continued resistance from the Ethiopian government towards international involvement especially in human rights issues. However, the dialogue between the government and EU-partners on human rights has seen notable improvements following the signing of the Pretoria agreement in November 2022, especially with the structured dialogue between the EU and Ethiopia taking place in December 2023. The Ethiopian government’s launch of a Transitional Justice initiative in 2023 is an important step to ensure accountability for human rights violations during the conflict. The process, however, is still in its early stage and it remains to be seen whether the process will live up to regional and international human rights standards. The National Dialogue process initiated in 2021 is another key initiative launched by the government with the potential to forge national consensus and provide a platform for lasting peace and reconciliation. This initiative is also still in its preparatory phase. with consultations conducted in several regions across the country in preparation for the actual dialogues.

Ethiopia is a highly patriarchal society and has a number of challenges related to gender equality, sexual reproductive health and rights. Harmful traditional practices, such as child marriage and female genital mutilation (FGM), are widespread. Ethiopia has taken important steps to increase protection of sexual

and reproductive health and rights. This has e.g. contributed to reduced maternal mortality by 6.5% annually from 2000 to 2020, while births attended by skilled healthcare providers have increased from 6% in 2000 to 50% in 2019. Steps have also been taken to improve the legal framework addressing gender based violence (GBV), but significant gaps remain in implementation. Likewise, progress has been slow in delivering on the government's pledge to end child marriage by 2025. The conflict in northern Ethiopia aggravated existing challenges further, leading to extensive, grave and systematic sexual and gender-based violence. Likewise, as a result of the conflict as well as widespread drought from 2020-2023, schools were closed or girls were forced to leave school to support their families.

Climate and environment

Ethiopia has ambitious national plans in the areas of climate change and adaptation, forest management, access to water, and green energy. Ethiopia's 2020-2030 development plan sets the goal of reducing CO2 emissions by 68.8% by 2030, and the extensive reforestation and afforestation campaign under the Green Legacy initiative sets the ambitious target of planting over 25 billion trees. Ethiopia's *Climate-Resilient Green Economy (CRGE)* strategy and National Adaptation Plan further emphasize Ethiopia's commitment to climate change mitigation and adaptation.

Alongside its high ambitions, the country faces great challenges. Ethiopia is one of the most drought-prone countries in the world and experiencing negative effects of climate change, particularly visible in recent years' severe and recurrent widespread droughts combined with seasonal floods in some areas¹.

Ethiopia's climate vulnerability is further exacerbated by its high levels of poverty and dependence on natural resources, resulting in low adaptive capacity to deal with climate change-related challenges. Less than 10% of farmland is irrigated, making the agriculture sector highly dependent on rainfall and therefore vulnerable to climate change especially in drought-prone areas. Water infrastructure is highly underdeveloped, with only about 50% of the population having direct access to water. Water supply in Ethiopia is highly dependent on groundwater, which accounts for 90% of domestic and industrial supply. However, insufficient data and knowledge result in unsustainable and ineffective use of water resources in Ethiopia. Climate change exacerbates these issues, with recurrent droughts and flooding affecting the recharge rates of groundwater aquifers. Around 85% of Ethiopia suffers from moderate to very serious land degradation². This reinforces the impacts of frequent droughts on remaining forests and ecosystem functions, leaving the natural capital at minimal capacity to absorb future shocks.

Women and girls are generally disproportionately affected by the consequences of climate-induced disasters such as interrupted access to health services, water, and education. Environmental and climate conditions also contribute to displacement and intra-communal conflict over natural resources. As the country becomes increasingly urbanised, Addis Ababa particularly is expected to come under further strain, leading to a range of environmental and social challenges.

¹ <https://www.undrr.org/publication/gar-special-report-drought-2021>

² Ministry of Environment, Forest and Climate Change (MEFCC). 2018. National Potential and Priority Maps for Tree Based Landscape Restoration in Ethiopia (version 0.0): Technical Report.

Access to reliable and affordable energy is fundamental for enabling structural transformation of the Ethiopian economy and society. Electricity generation in Ethiopia is green (95% hydropower and 5% wind power), but Ethiopia remains heavily dependent on fossil fuel imports for transport and industry. The case for scaling and transitioning to renewable energy sources is evident and a priority for the government, not least to reduce the heavy burden of fuel on the trade balance. Further, Ethiopia also has a potential to export green electricity and thereby reduce fossil fuel use in neighbouring countries. Ethiopia's commitment to the green transition was reconfirmed in 2023 by the participation in the Africa-led initiative "Accelerating Access to Renewables in Africa", supported by Denmark.

Ethiopia's goal of increasing electrification of households has so far failed. Only 20% of households have a legal connection to the national grid and around 20% have informal connections, often being weak and unstable. With the current progress, only 26% will be legally connected in 2030. The heavy reliance on hydropower for electricity generation makes Ethiopia vulnerable to expected more extreme weather patterns, and access to water and energy can be a source of disputes, a risk that is expected to increase due to demand from a rapidly growing population. However, the access to large hydropower capacity is also a strength as it allows to integrate other sources of renewable energy such as solar and wind.

Ethiopia has lost most of its forest cover due to anthropogenic deforestation and forest degradation. The current 17.2% forest cover is inadequate to provide an economic and ecological support system in this mountainous and climatically precarious country. Deforestation is driven largely by the demand for fuel and agricultural land. The unsustainable use of forests in Ethiopia is negatively affecting communities' resilience to climate change-related shocks and deforestation exposes hillsides to erosion and reduces availability of water resources. Moreover, rural households depending on forest resources are losing livelihood and income opportunities as a result.

Humanitarian challenges and migration

More than 20 million people out of the country's 120 million inhabitants are estimated to be in need of humanitarian aid as a result of protracted and overlapping humanitarian crises putting people's lives and livelihoods at risk. Widespread drought from 2020-2023 impacted around 13 million people and climate change-related shocks such as drought and recurrent floods are only expected to become more frequent and serious in the future. Also, the high level of conflicts has contributed to the crisis and led to substantial internal displacement. Around 4 million people are internally displaced, among the most vulnerable groups in the country. 2023 figures on internal displacement indicate that 70% had been displaced due to local conflict and 13% due to drought (remaining due to other reasons). Finally, Ethiopia is hosting approximately 1 million refugees from Somalia, South Sudan, Sudan, and Eritrea. Ethiopia has an open door policy towards refugees and has made considerable commitments as part of the Global Compact on Refugees (GCR). However, resources are inadequate to provide protection and services. Levels of food insecurity and malnutrition are alarming with very high levels found especially among internally displaced and refugees. The Humanitarian Response Plan for 2023 amounted to 4 billion USD and was largely underfunded with a coverage of 34%. With massive humanitarian needs in Ethiopia, available resources continue to be insufficient and there is a clear need for sustainable solutions to the country's humanitarian challenges.

Located along the Eastern Migration Route at the Horn of Africa, Ethiopia is a key country of origin and transit for irregular migrants. Some 382,000 transnational movements have been registered in 2023 (around 72% outbound/28% inbound), the vast majority of which are labour migrants traversing the eastern route to Saudi Arabia (around 45%). Large numbers of Ethiopian migrants to Saudi Arabia are forcibly returned to Ethiopia, arriving in very vulnerable conditions, often rejected by their families or communities who were expecting them to provide financial support through remittances.

Scenarios for the future

Based on current context, three broad scenarios can be envisioned for the coming 1-5 years: improvement, ‘Status quo’ moving towards gradual deterioration, and deterioration. Factors especially important for Ethiopia’s stability include the country’s security situation, the federal government’s ability to manage the increasing political and social fragmentation, and the ability to address macroeconomic challenges. With the proposed scenarios combining a range of security, political and economic developments, there is a likelihood that actual developments will be a combination of improvements in some areas and deterioration in others, thus cutting across the scenarios. Overall, the most likely scenario for the coming years is considered to be somewhere between the “status quo” and “deterioration” scenarios, with continued high degrees of fragility and uncertainty to be expected.

Improvement: Ethiopia manages to find sustainable political solutions to key internal conflicts and to increase social cohesion, including through the processes initiated to ensure prosecution of human rights violations and national dialogue. The government implements economic reforms that enable IMF support programme and improve framework conditions for both the private sector and foreign investment. The positive steps increase the overall stability and human rights situation of the country and provide a basis for resuming the democratisation agenda and widening space for civil society and media. The humanitarian situation is improving as a result of reduced levels of conflict. As a result of positive developments, cooperation between the government and international partners, including the EU, will be improved.

‘Status quo’ moving towards gradual deterioration: The overarching drivers of fragility essentially remain. Armed conflicts and instability in a number of states continue without real political solutions or is replaced by other conflicts. Deep-rooted fragmentation continues and the economic conditions facing the country create additional sources of tension. Progress in democratic reforms are slow, human rights violations remain, and civil society framework conditions are under pressure. Economic reforms are pursued but it will take time to address significant structural imbalances as well as difficult private sector conditions that hamper job creation and growth. The humanitarian situation in the country remains broadly unchanged as a result of continuing conflict and climate change-related crises. Cooperation between the government and international partners, including the EU, remains difficult but possible in some areas and in joint priority areas.

Deterioration: Existing or new armed conflicts escalate and spread in the country. Tensions along ethnic dividing lines deteriorate and the public's confidence in the government decreases sharply while support for armed groups increases. The government in Addis is under threat. Widespread security and governance vacuums in the country's regional states contribute to increased fragility. The economy is deteriorating with rising unemployment and poverty. The situation threatens the country's cohesion and creates the risk of civil war and an ultimate risk of fragmentation of the country. This may have consequences for the stability in the whole Horn of Africa, including relationships with neighbouring Somalia and Eritrea, and lead to increased displacement, refugee flows, and humanitarian needs.

3. Danish political priorities, past achievements and strengths

Denmark's Foreign and Security Policy Strategy establish the ambition to strengthen partnerships in Africa and contribute to political stability and security, sustainable economic development, and the strategic independence of the countries as well as curb irregular migration. At a global level, Denmark wishes to continue to be at the forefront of climate action. These political priorities are highly relevant in regards to Danish partnership and engagements with Ethiopia. The upcoming government strategy for Danish engagement with African countries as well as the new Danish development policy strategy expected in 2025 will further elaborate on Danish priorities.

Ethiopia is a strong example of why Denmark should strengthen its engagement in Africa. The country has significant global political weight and alliances, it has ambitious engagement in global climate politics, clear economic potential, and influence on peace and stability in Africa and the Horn of Africa region specifically. As such, engaging with Ethiopia is relevant in a geopolitical perspective where ties with Ethiopia is an element in balancing global alliances, promoting green transition, as well as to support opportunities for international economic development and security in a continent neighboring Europe. Despite increased tensions with neighbouring countries in recent years, Ethiopia has a self-perception and important potential as a stabilising factor in the region, supported by its contributions to peacekeeping forces in the continent. But the role of Ethiopia is complex. On one hand, Ethiopia's quest for direct access to the sea reflects the country's great ambitions for international trade while the quest on the other hand also risk further destabilising an already highly fragile region by straining its relationship with Somalia and Eritrea. This calls for a dynamic and strategic approach.

Through engaging with Ethiopia, Denmark will advance its key priorities of fighting poverty and inequality, promoting democracy, political stability and security, sustainable economic development, curbing irregular migration, and leading global climate action with a focus on climate change mitigation and adaptation. Denmark is well placed to advance on these priorities based on its existing extensive engagement across a range of instruments in Ethiopia. The framework for the forward looking engagement expands areas where positive results have been made and uses learnings from past engagements to inform the political cooperation, selection of development instruments, engagement design and partnerships.

Key achievements and learnings informing Denmark's political priorities are outlined below. A full overview of the range of current Danish engagements can be seen in Annex 2.

Stability and security

Denmark has a strong interest in supporting stability and security in Ethiopia, as central to stability in the region which is key to ensure development and curb irregular migration. Denmark's engagement in peace and stability in Africa takes outset in Denmark's strong commitment to an international rules based order, multilateralism and strong institutions. Denmark and the African countries have a shared interest in supporting African multilateralism to deliver African solutions.

Denmark has a close partnership with the African Union, being an important actor for stability and security on the continent. Denmark also has a particular strength in addressing peace and security challenges on the Horn of Africa through a whole-of-government approach, drawing from the experiences of Danish military, police and foreign services. The first phase of Denmark's regional Peace and Stabilization Programme (PSP) for the Horn of Africa was launched in 2011 to address key challenges in the region and direct and indirect threats to Denmark's security such as violent extremism. The current fifth phase of the PSP (2023-2026) aims to address root causes of insecurity in the Horn of Africa and to mitigate Somalia, Ethiopia and Kenya's destabilizing effect on each other.

At bilateral level, Denmark's strong focus on human rights, democracy, and social cohesion, further contributes to lay the foundation for sustainable stability and security in Ethiopia.

Human rights

Denmark will continue to promote democratic values and respect for human rights to create hope and opportunities for all. Further, human rights and democracy is the foundation cutting across the Danish development cooperation. There is a fine balance to be made between a strong and principled engagement for human rights on one side and a more equal approach with outset in pragmatic idealism on the other side. In balancing these considerations, Denmark builds on extensive experience engaging in human rights in Ethiopia on both political, strategical and programmatic level. Despite a highly challenged human rights situation, some positive results have been seen as well as important learnings. For example, Denmark's support to the partnership between the Danish Institute for Human Rights and the Ethiopian Human Rights Commission has been instrumental in building capacity of the Ethiopian Human Rights Commission in Ethiopia. Denmark has also placed itself as an important partner supporting nationally led processes which hold key potential for strengthening social cohesion and human rights. Denmark supports the National Dialogue initiative through support to UNDP and engages actively with the Ethiopian government in relations to the Transitional Justice process.

Poverty reduction and resilience

Fighting poverty and inequality remains a key priority in Danish development cooperation. In Ethiopia, Denmark aims to support this priority through contributing to resilience and economic opportunities with a focus on vulnerable communities. This is in line with Denmark's priorities for development

cooperation which establishes that Denmark takes a human-centered approach and works to protect the most vulnerable and make a particular effort to promote and protect the rights of girls and women.

Under the current bilateral development programme, Denmark has been a steady partner in supporting Ethiopia's social safety net (PSNP) which has contributed to ensure basic food security for Ethiopia's poorest population and is a key instrument to address poverty and inequality. Denmark and Canada were together with the World Bank founding partners enabling the Urban Productive Safety Nets and Jobs Programme (UPSNJP), which expanded the national safety net from rural to urban areas supporting more than 1.5 million people since inception in 2020. This programme particularly focuses on youth employment and targets refugees and host communities. In response to the considerable needs, the programme is to be expanded in the coming years with additional support targeted refugees and internally displaced. Denmark has also placed itself as a strategic partner supporting resilience activities for displaced and host communities cutting across humanitarian-, development-, and peace objectives.. Finally, Denmark is a key voice supporting sexual and reproductive health and rights in the country.

These areas of strength are complemented by extensive humanitarian support and presence of NGO Strategic Partners in Ethiopia strengthening protection, resilience and wellbeing of most vulnerable populations including refugees and internally displaced, women and girls, among other things.

Green growth

With outset in Denmark's ambitious national climate targets and significant global climate engagements, Denmark has the prerequisites for acting as a green frontrunner and bridge builder with regard to the climate agenda. Ethiopia is a particularly relevant partner country, having highly ambitious domestic and international climate agendas. Furthermore, Denmark already has a very well established climate engagement in Ethiopia ranging across instruments, as well as good experiences with partnering with Ethiopia on the climate agenda multilaterally.

Denmark has reached clear results within agriculture, sustainable forestry, water and electricity, and established strong close relationships with federal and regional bodies. Denmark's support to Ethiopia's Agricultural Transformation Institute (ATI) under the current bilateral development programme has been instrumental in attracting support from other partners and increasing agricultural productivity and production. Likewise, the Danish support to the forestry sector has resulted in the conservation of more than 50,000 hectares of forest resources, the planting of around 9 million trees and the support of more than 4000 households to start forest resilient livelihood business activities in south west Ethiopia. Furthermore, Denmark is supporting Ethiopia's One WASH National Programme through UNICEF aiming to increase equitable access to safe, affordable and sustainable water and sanitation services.

Denmark has supported significant results in the green transition in Ethiopia. Denmark is supporting the construction of a 100 MW wind farm in Assela in the Oromia region, aiming to increase access to reliable and green energy and improve energy planning and efficiency in the Ethiopian energy sector. Through the Strategic Sector Cooperation (SSC) in water and energy sectors, Denmark has supported capacity building in relation to energy and water planning, efficient operation of the power grid and integrating

wind power in the Ethiopian power system. Danish climate programmes address risks of conflict related to access to natural resources and unsustainable resource management through ensuring inclusive and equitable provision of services in order to reduce exclusion and marginalization. For example, water access strengthens resilience to climatic shocks and stresses and reduces incentives for conflict in drought-prone areas.

The SSC programmes engage in areas where Denmark and Ethiopia has strong common interest and demonstrates how Danish expertise can benefit Ethiopia, which has made Denmark a trusted partner in the water and energy sectors. Through the SSC programme the Danish embassy has gained a strong network and knowledge about how Danish solutions can respond to local challenges, the programme therefore both contributes to ensuring a sustainable development in Ethiopia and promotes Danish solutions. Furthermore, the SSC programmes has enabled Denmark to enter into partnerships with Ethiopia on multilateral avenues. For example, Denmark and Ethiopia co-chaired the energy transition track at UNGA in 2019.

Research collaboration

Considerable Danish-Ethiopian collaborative projects supported through the Danida Fellowship Center (DFC) has supported academic partnerships between Denmark and Ethiopia providing a strong platform for future engagement not least related to the climate change agenda. Ongoing collaborative research projects cover a range of topics including climate mobility, decent work and inclusive industrialization, global norms and violence against women, barley breeding techniques, climate-smart coffee as well as the renewable energy transition. Since the last round in 2023 and looking ahead, the research topics have and will have climate as a principle focus.

4. Strategic choices for the future engagement

Denmark's comprehensive engagement in Ethiopia supports Denmark's ambition to strengthen engagement emphasising targeted, equal, and credible partnerships based on honest equal dialogue as well as shared interests. Shared interests with Ethiopia especially include the green agenda, supporting a green transition and sustainable solutions, and increasing the stability and livelihood opportunities in the country, also contributing to stability in the Horn of Africa region and mitigating irregular migration. While human rights is a sensitive area of cooperation, an improved human rights situation remains a key Danish priority in Ethiopia and is seen as a precondition for stability and a fundamental engagement area in an equal partnership.

Recognising the fragility and uncertainty currently characterising Ethiopia, a conflict-sensitive and adaptive approach is called for. While Danish engagement is based on pragmatic idealism, prioritizing to maintain relations even when values are not shared, Denmark's engagement will continue to be subject to ongoing assessment of the framework conditions for collaboration. Engaging in political frank and honest dialogue will be the foundation for the engagement as well a tool to inform the evolvement of the engagement.

Supporting programmes led by federal- and regional state governments will be a key element in the partnership; a central reflection of normalised relations with Ethiopia and necessary to enable the Ethiopian government to address the country's fragility. This will be balanced with extensive support to other actors including notably civil society, strengthening local responses and advocacy, and multilateral partners who especially have important roles to play in supporting capacity building of Ethiopian authorities, and implementation of national strategies and development plans. Multilateral partners, including the World Bank, is likewise key to address the macroeconomic challenges facing Ethiopia with a view to build resilience of the Ethiopian economy as a critical precondition for development across the strategic objectives.

Working with a variety of partners across government, multilateral and civil society support an adaptive design, where the nature and level of engagement across partners can be adjusted in response to changes in the context and preconditions for Denmark's engagement. Furthermore, a geographically targeted approach is called for to address challenges and opportunities across Ethiopian regional states.

Reflecting the broad interests in Ethiopia, the comprehensive engagement encompasses a range of instruments. This includes a bilateral development programme, green strategic sector cooperation, and programmes on peace, stability and sustainability in Africa. Of further relevance is humanitarian support, UN and World Bank core support, NGO SPA agreements and other Danish funded engagements as well as non-aid instruments such as political dialogue and private sector cooperation. The engagement is designed with a view to ensure a coherent effort.

5. Vision and strategic objectives

The overall vision for Denmark's engagement in Ethiopia for the period 2025-2029 is **to improve the stability, resilience, and green development in Ethiopia**. This will also contribute to reduced fragility in the Horn of Africa and curb irregular migration.

Denmark will pursue this vision through three complementary strategic objectives. Promoting human rights is a goal in itself and a foundation for engagements across the strategic objectives in support of the overall vision. Denmark's efforts are complemented with engagement through the EU and the three strategic objectives are aligned with pillars under the EU Multiyear Indicative Programme (MIP) 2024-2027. Possible synergies and joint programming, e.g. under Team Europe Initiatives and Global Gateway investment strategy, will be sought where possible. This section unfolds main policy areas and instruments under each of Denmark's three strategic objectives.

1. *Promote human rights, social cohesion, peace and stability*



With shortcomings with regards to protecting human rights, upholding security, rule of law and accountability fuelling the country's instability and fragility, persistent engagement is needed in these areas, also providing foundation for results under the other two objectives. In addition, recent and continued political and ethnic based violence underline the need for efforts to address deeply entrenched root-causes of conflict and to promote social cohesion, sustainable peace and reconciliation.

The strategic objective will be pursued through political dialogue, diverse partnerships under the Bilateral Development Programme and regional programmes for the Horn of Africa and have strong synergies with human rights and social cohesion activities under the NGO Strategic Partnerships. The objective is furthermore supported through the EU MIP 2024-2027 pillar on governance and peacebuilding.

Human rights and social cohesion

Denmark's overall engagement rests on democratic values and human rights. Political dialogue bilaterally and through the EU will be a key instrument to address human rights, rule of law and accountability, while recognising that the dialogue has been challenged and that ongoing conflicts and the government's need to maintain control remain a critical barrier to real progress on the rights agenda.

In this context, supporting national actors and processes offering potential to improve the human rights context is an important avenue to engage with outset in an equal partnership. Denmark will continue its support to the national dialogue process and a Transitional Justice process that aligns with regional and international standards and gives special attention to justice and accountability for the widespread gender-based and sexual violence that took place during the conflict. Likewise, the national dialogue process is supported as a key potential to promote nationwide, sustainable peace and reconciliation.

Denmark's political dialogue and support to nationally led processes will be balanced with broad and expanded support to human rights actors in the country. Special attention will be paid to promote women and girls' rights and gender equality, including increasing women's political engagement and leadership. As a new area, potential support for cultural activities should be explored as a means to stress the country's rich history and culture as a basis for social cohesion.

Peace and stabilisation

In multilateral fora, particularly during Denmark's tenure in the United Nations Security Council 2025-2026, Denmark will work to adapt conflict responses and prevention to fit new realities. This includes support for the African Union and subregional peace support operations in Africa as well as new mediation initiatives. Denmark's partnership with the African Union in the nexus of climate, peace and security will be further intensified in the Africa Partnership for Peace and Sustainability (2024-2028). Denmark will also continue to follow the African Union's monitoring of the Pretoria agreement ending the conflict in northern Ethiopia, as well as efforts to mediate in the escalating dispute between Ethiopia and Somalia.

Denmark's engagement will continue to encompass targeted peace and stabilisation interventions focusing on security challenges in Ethiopia's border areas. Specifically, Denmark's Peace and Stabilisation Programme for Horn of Africa (2023-2026) will contribute to address emerging or evolving clan disputes

in border areas with Kenya and Somalia where disputes and conflicts over resources and access to land risk deteriorating the social cohesion and stability. In addition, Denmark will continue to support IGAD's role in mediating and containing conflicts in the Horn of Africa.

2. Strengthen resilience and future opportunities



Strengthening the resilience of vulnerable communities to mitigate and recover from crises and giving economic opportunities to all will be key to address poverty and inequality in the country; conditions that contribute to fragility and are root causes for migration.

The Bilateral Programme, NGO Strategic Partnerships and humanitarian support to Ethiopia will all be key instruments supporting this strategic objective, further promoted through political dialogue around implementation of government initiatives will The objective is in synergy with the EU MIP 2024-2027 human development pillar, focusing on health, education, and forced displacement.

Social safety nets and decent employment opportunities

Ethiopia's government led social safety nets programme is the country's main instrument to address poverty, inequality and food insecurity of the poorest and thus central to strengthen resilience of vulnerable populations. With unemployment being another key socio-economic challenge also driving poverty and fragility, creating decent job opportunities is essential. This will particularly address urban settings and decent employment opportunities for the large generation of Ethiopian youth, as well as for women, facing particular challenges in accessing decent and formal employment opportunities.

Durable solutions to displacement

Migrants, refugees and internally displaced persons are among the most vulnerable in the country with very limited access to protection and basic services. Denmark will use its strength in protection and promoting humanitarian-development-peace nexus to create durable solutions and livelihood opportunities. Particular attention will be given to women and children who are often especially impacted by crisis and to address climate-displacement challenges and live up to Denmark's commitments to localization. Geographically targeted interventions are particularly relevant in this context.

Health and education

Access to health and education is a critical challenge, especially in regions affected by conflict. In Tigray region, 80% of health services and 85% of schools were destroyed during the conflict and have to be rebuilt. The Ethiopian government has launched an ambitious plan for recovery and reconstruction of conflict-affected regions which will be key to strengthen resilience, but resources are falling short.

Denmark has particular capacity and expertise in relations to sexual and reproductive health and rights (SRHR) and Denmark is a key partner with a strong and respected voice in the Ethiopian context. The Ethiopian government supports the area and has expressed a wish to advance on commitments such as ending child marriage. Access to clean water and energy is another relevant Danish expertise, being crucial to counter communicable diseases. Denmark's capacity in supporting education specifically focuses on gender equality and displacement settings. Danish strategic NGO partners offer additional relevant capacity including on mental and psychosocial health which is highly relevant in conflict-affected areas.

Private sector

Danish companies' involvement in the Ethiopian private sector remains low reflecting the difficult framework conditions under which foreign companies operate in Ethiopia. However, Denmark will continue to explore opportunities and support private sector engagement in ways feasible as well as advocate for better framework conditions. Danish private sector especially has a role to play in supporting access to health, education and green collaboration. In addition, the next phase of Denmark's partnership with the African Union will focus on free trade with the recent ratification and launch of the African Free Trade Area (AfCFTA) is an important step towards intraregional trade in Africa as a foundation for sustainable development.

3. Support conflict sensitive and inclusive green growth



With green growth being a main areas of shared interest, Denmark will engage to support Ethiopia's ambitions and address vulnerability to climate change. Ethiopia's *Climate-Resilient Green Economy (CRGE)* strategy focuses on four pillars: agriculture, forestry, renewable energy, and advanced technologies. Denmark's engagement will support the implementation of the CRGE strategy by focusing on climate change adaptation and green development. The engagements will have a conflict sensitive approach addressing ways in which environmental and climate conditions intersect with conflict dynamics, also relevant for Denmark's focus on peace-climate nexus as a priority area for the candidature for membership of the UN Security Council in 2025-2026. There is also potential for using the climate sector collaboration as a stepping-stone to enter into alliances to push for more ambitious global climate goals on various multilateral avenues.

Danish engagement will include strategic sector cooperation, bilateral and multilateral development support and partnerships, as well as research collaborations. Partnerships with the Ethiopian federal and regional governments, UN and civil society and intensified positive policy dialogue will contribute to increase impact of these engagements. The objective is further supported through the EU MIP 2024-2027 pillar on Green Deal.

Denmark's engagement will continue and expand current engagement areas. In addition, there is potential to build on and expand efforts related to research and analysis with a focus on understanding and mitigating climate related challenges as well as informing development of sustainable food systems.

Green agriculture

The agricultural sector is the key contributor to Ethiopia's economy and therefore a key driver for the economic development in the country. Denmark will build on its position as a strategic partner to continue engagement in the agricultural sector with particular focus on improving climate smart agriculture, creating decent jobs, and sustainable food systems.

Water and energy

Denmark will use its strength and expertise to continue its strong engagement in water and energy with a focus on collaborations at regional state level, where Denmark can reach tangible results. Denmark will focus on improving conflict sensitive water resource management and access to clean water and sanitation, as well as green and affordable electricity. This will furthermore contribute to strengthening resilience, improving the livelihoods and health of the population.

Forestry

Building on good results from current engagement and being a Danish political priority, Denmark will explore opportunities to scale up engagement in forest conservation and reforestation in Ethiopia with a conflict sensitive lense. The aim is to contribute to climate adaptation, protection of biodiversity, reduction of CO2 emission and social and economic development for local communities.

6. Adaptability and Monitoring of the strategic framework

Given the fragile and unpredictable environment in Ethiopia, continuous monitoring of context and risks, especially related to security and political development in the country, is an overall foundation and precondition for Denmark's ongoing engagement in Ethiopia. Similarly, the framework will be informed by the ongoing development of a Danish strategy for engagement with African countries.

It will be the joint responsibility of the Embassy of Denmark in Addis Ababa and relevant departments in the Ministry of Foreign Affairs in Copenhagen to monitor and analyse the situation and evaluate the results of Denmark's broad engagement in Ethiopia and the implementation of the Strategic Framework. This will also provide the basis for discussion of needs for adjustments in instruments and approach.

Engagements managed by the Embassy will be monitored by the Embassy to assess progress and results and ensure compliance with Danida Aid Management Guidelines. Giving most attention to engagements with higher risk profiles, a differentiated approach is applied where frequency, level and types of monitoring is based on individual assessments of risk and relevance of each project.

Programmes and projects managed by departments in the Danish Ministry of Foreign Affairs (such as humanitarian support, NGO Strategic Partnerships) will be monitored by the relevant department in Copenhagen in coordination and cooperation with the Embassy.

Indicators listed in figure below provide relevant information to monitor the context for the engagement:

Figure: Key indicators on trends relating to strategic objective areas:

1: Human rights, social cohesion, and peace and stability.	2: Resilience and future opportunities.	3: Conflict sensitive and inclusive green growth.
1: Human rights and governance MOV: Freedom in the World Index; Reporter Without Borders' Press Freedom index Universal Periodic Review; Mo Ibrahim governance score; Fragile States Index indicator on state legitimacy	1: Socio economic vulnerability MOV: World Bank Human Capital Index	1: Climate adaptation, resilience to climate change and sustainable water management MOV: Ethiopia Long-Term Low Emission and Climate Resilient Development Strategy, ND-GAIN Country Index on Climate Change Vulnerability, Adaptation Actions described in Ethiopia's updated National Determined Contribution
2: Peace and stability: MOV: Global Peace Index; Fragile States Index	2: Youth and female unemployment MOV: Afrobarometer; World Bank, "Labour force participation rate, female	2: Productive and green agro systems MOV: Ethiopia Food Systems Report; SDG 2.4.1 - Proportion of agricultural area under productive and sustainable agriculture (FAO).
3: Implementation of National Dialogue and Transitional Justice processes MOV: Reports from OHCHR and the Ethiopian Human Rights Commission	3: Sexual and Reproductive Health, Violence against women and girls, Child marriage MOV: Ministry of Health; World Bank, Gender Data Portal: Ethiopia; World Population Dashboard Ethiopia (UNFPA)	3: Climate mitigation. Forest conservation and sustainable energy. MOV: Mitigation Actions described in Ethiopia's updated National Determined Contribution (2021), IEA energy security index

7. Outline of the Bilateral Development Programme

Previous sections outlined efforts across instruments under the comprehensive engagement. This section will specifically propose elements under the bilateral development programme for 2025-2029, being one of the instruments in the comprehensive engagement. The development programme will be based on Danish strategies and priorities as set out in this document, and aligned with central development plans of Ethiopia, most notably Ethiopia's Ten-Year Development Plan (2020-2030); the *Home Grown Economy Reform* plans, *Green Legacy* strategy and *Long Term Low Emission And Climate Resilient Development Strategy*, and where relevant the *Justice Sector Road Map*. The development programme will consist of engagements under each strategic objective, while consideration is given to identify engagements that are relevant across objectives. All engagements will be evaluated for do no harm and their potential contribution to peaceful development

Denmark will continue working with Ethiopian government institutions, UN agencies, the World Bank, Human Rights Institutes, civil society and private sector. Where relevant, Denmark aims to scale up partnerships with international and national local civil society organisations. This is both a reflection of international civil society organisations' demonstrated strong capacity to deliver as well as the relevance of supporting local civil society, holding a key potential for contributing positively to the country's future. The balance between government, multilateral and civil society partners under the bilateral development programme will continuously be evaluated against the political and security context of the country and adjusted if changes in the context warrant this.

Reflecting the highly unpredictable political and security developments in the country, a share of the budget will initially be unallocated, allowing for additional projects to be formulated to account for changing context or to address relevant objectives and challenges as the situation evolves.

Engagements in the Bilateral Programme will be implemented by partner organisations, be that bilateral, multilateral or CSO partners, and the Danish Embassy will ensure close and continuous engagement within its capacity at a strategic level with a consideration to added value and leveraging development engagements for possible political influence.

Denmark's strategy for development cooperation establish the overall priority to fight poverty and inequality, conflict and displacement – and thereby mitigating irregular migration. Denmark aims to create hope and opportunities for the individual, support just and resilient societies and fight climate change. The framework for Denmark's engagement in Ethiopia directly supports these development priorities. Human rights is a crosscutting element, being a goal in itself and a means to create a more safe, resilient and sustainable Ethiopia. Likewise, gender equality is a priority supported throughout the engagement as well as by targeted actions.

1. Development projects in support of human rights, social cohesion, peace and stability:

Denmark will support capacity building of national authorities, including the Ethiopian Human Rights Commission, at the same time the aim will be to scale up partnerships with Danish/international and Ethiopian civil society organisations or actors. The Ethiopian Human Rights Commission and civil society organisations are increasingly vocal human rights defenders, having managed to utilise recent years relative widening of civil society space. Support should take into consideration risks facing civil society in terms of operational capacity, sector maturity, and civic space. Building on results from the current bilateral development programme and recognising the continued constraints on media freedom, specific projects supporting a free media sector will be considered. Special attention will be given to misinformation, disinformation and hate speech which play a significant role when it comes to the recent and ongoing conflicts, violence, social fragmentation and political polarisation in Ethiopia. Denmark is well placed to provide critical support to the Ethiopian media sector building on engagement under the current development programme. Likewise, specific projects to support gender equality (including women's role in political processes) will be explored.

Subject to changes in the context, it is expected that Ethiopian-led processes around transitional justice and the national dialogue process will be supported, together with other nationally led initiatives following

up on the COHA agreement, such as support for disarmament, demobilisation, and reintegration (DDR), aiming to increase social cohesion and reduce potential conflict in the country. This will likely be through UNDP or another multilateral partner, engaged by the government to facilitate partner support and provide technical capacity. Complementary support to actors including civil society organisations to promote participation and interests of especially women and youth in nationally led processes will be explored. By investing in civil society capacity and expertise, civil society actors can serve as the engine for sustaining efforts, despite the institutional shape they may take.

Support to projects with a cultural focus will be explored, for example focusing on the diversity and rich history of Ethiopian culture or supporting cultural exchange between Denmark and Ethiopia.

A part of the budget for this objective should initially be unallocated to enable flexibility to tap into relevant opportunities in support of democratisation/election support, and good governance.

2. Development projects in support of resilience and future opportunities:

The Bilateral Programme will support vulnerable populations' resilience through efforts to increase food security and fight poverty. Continued support to the government owned national productive safety net (PSNP) is expected, likely through the World Bank Multi-Donor Trust Fund. Within this engagement, Denmark can especially advocate for a strong focus on climate adaptation in public work investments under the programme. Similarly, Denmark will consider continued support to the Urban Productive Social Safety Net and Jobs Programme (UPSNIJP) which focuses on youth employment and displacement settings, while other partnerships to improve decent employment opportunities should also be explored.

The programme will include engagements aimed at supporting food security and durable solutions for displaced persons, refugees, and host communities. Working with international or local civil society organisations potentially through consortia structures will be explored as a way to create synergies with Denmark's NGO SP engagements and leverage strong capacity in these areas.

It is expected to continue engagement to promote SRHR through the programme, where Denmark can build on existing partnerships for with UNFPA and UNWomen. Finally, support to Ethiopia's plan for recovery and reconstruction of conflict-affected areas will be explored.

3. Development projects in support of conflict sensitive and inclusive green growth.

Denmark will continue to support green development and climate adaptation in Ethiopia by a number of instruments. Through development engagements, Denmark will continue engaging in developing the agricultural sector through support to the governmental Agricultural Transformation Institute (ATI) as a way to increase capacity of national institutions. In this engagement, Denmark will strengthen its focus on decent jobs, sustainable food systems and green jobs. Building on strong results from the strategic sector corporation on water and the UNICEF WASH programme, the bilateral programme may include conflict sensitive engagements on access to clean water and sanitation, being central to climate adaptation and to strengthening the resilience of vulnerable populations. Furthermore, continuing and scaling up Denmark's engagement within forest preservation with a conflict sensitive lense and potentially as part of a Team Europe Initiative will be explored as a key contribution to climate mitigation. Finally, further

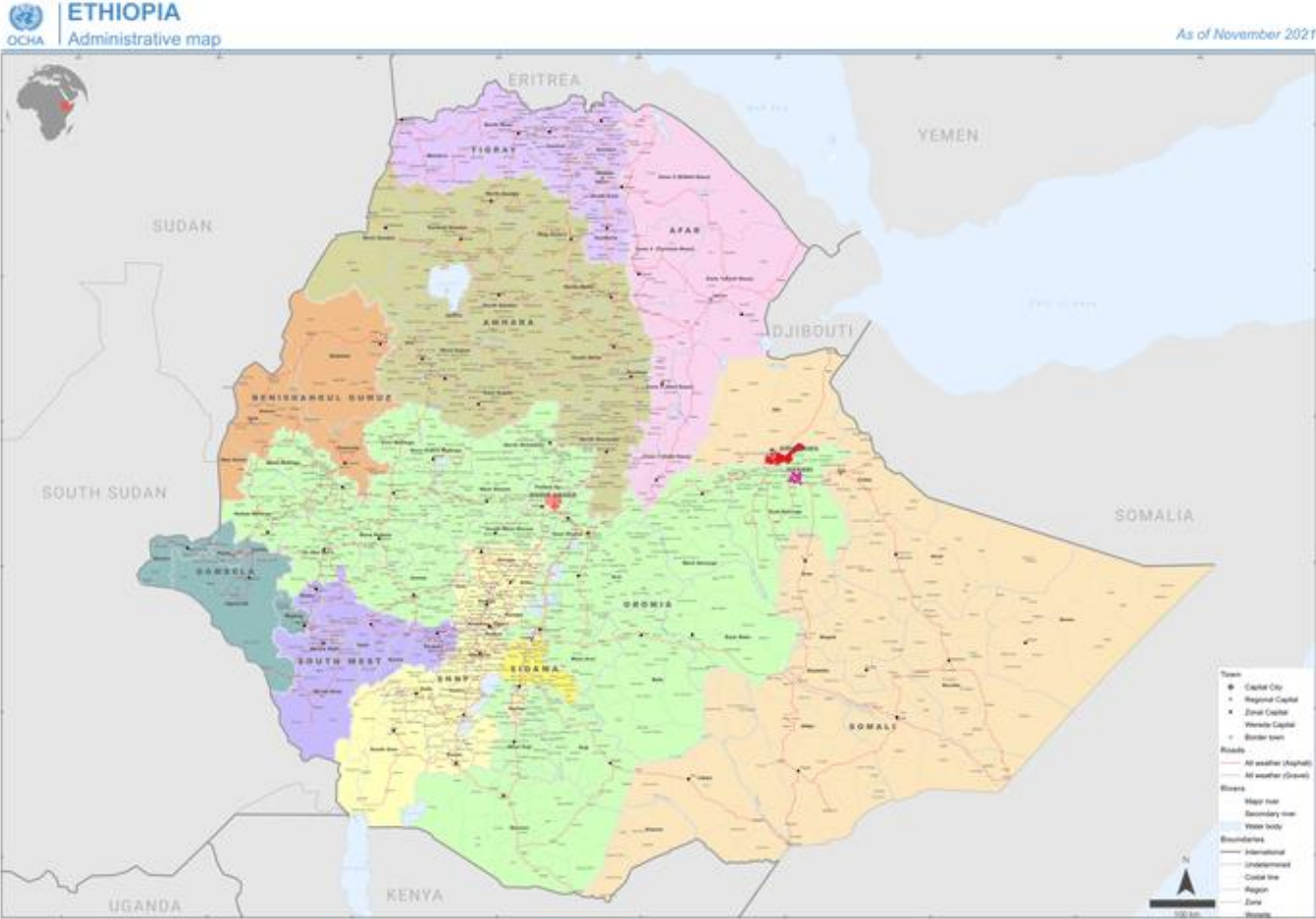
supporting Ethiopia in the energy sector and specifically within Ethiopia's electrification agenda will be explored, building on and creating strong synergies with Denmark's strategic sector engagement on energy and contributing to climate mitigation.

Green energy sourcing will also be explored from a holistic point of view as key contributor to sustainable socio-economic development where water use, job-creation and industrialisation depend on energy just as diversification away from unsustainable biomass use also will depend on access to modern energy.

8. Overall budget

In line with the ambition to strengthen Denmark's engagement, it is expected to increase the budget of the coming Bilateral Development Programme. However, a specific budget level is not yet established.

Annex 1: Map of Ethiopia

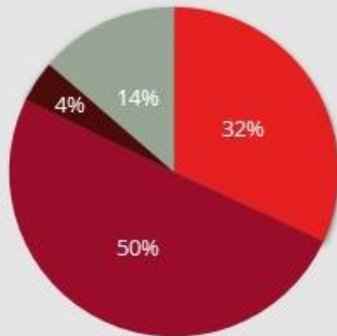


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Annex 2: Denmark's engagements

DENMARK'S ENGAGEMENT IN ETHIOPIA 2023/2024**ETHIOPIA COUNTRY PROGRAMME 2018-2024**

Overall budget: 1,097 mil DKK



Good Governance and Human Rights: 150 mil DKK- support for good governance and elections through, among other things, UNDP; combating violence against women and promoting women in leadership through UN Women, promoting free media, human rights, and national dialogue through support to OHCHR, the Ethiopian Human Rights Commission, and local civil society organizations.

Agriculture: 350 mil DKK- support to Agricultural Transformation Institute's program to promote commercialization of the agricultural sector.

Resilience (hum-dev nexus): 552 mil DKK- support for the national social safety nets Rural Productive Safety Net Program and the Urban Productive Safety Net and Jobs Project through the World Bank; support for WFP's efforts to promote resilience and sustainable livelihoods for refugee and host communities; as well as support for UNFPA's program in Ethiopia with a focus on promoting sexual and reproductive health and rights.

Climate Change: 45 mil DKK- support to Ethiopia's Climate Resilient Green Economy strategy with a focus on sustainable forestry in the Kafa Biosphere Reserve.

REGIONAL INITIATIVES

Peace and Stabilisation Programme for the Horn of Africa (2023-2026): The program focuses on strengthening political dialogue, women, peace and security, and climate related conflicts in Somalia, Kenya, and Ethiopia, with an expected budget of 284.6 mil DKK (253.6 mil DKK from the Ministry of Foreign Affairs og 31 mil DKK from the Ministry of Defense).

Africa Programme for Peace and Sustainability (2018-2023): The program has a budget of 225 mil DKK and works to increase the capacity of the African Union, ECOWAS, and IGAD to promote peace and security as well as democracy and good governance. The next phase of the programme (2024-2028) is expected to have a larger budget of around 400 mil DKK, and a broader focus that is expected to include, among other things, African free trade and climate and energy efforts.

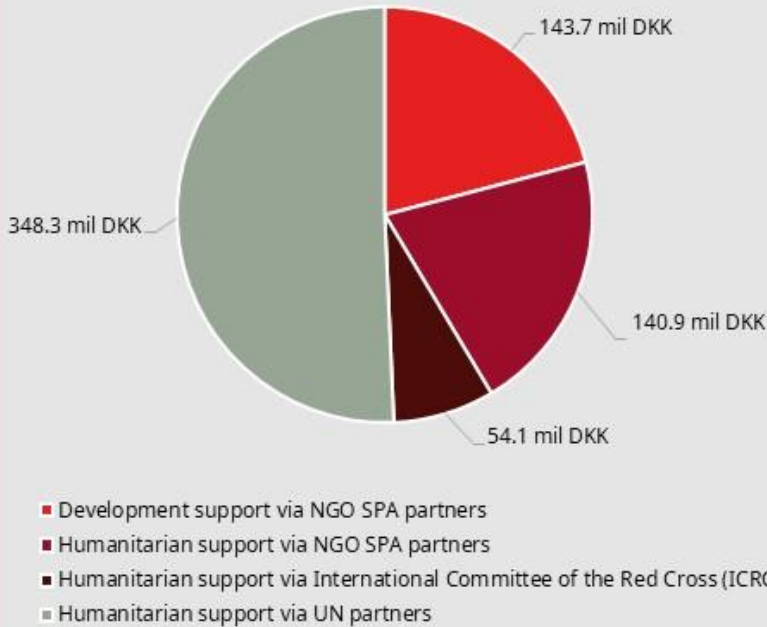
Continental Free Trade (2020-2024): 50 mil DKK support to the implementation of the African Continental Free Trade Agreement (AfCFTA) in collaboration with the UN Economic Commission for Africa (UNECA) and the African Union.

GREEN COOPERATION AND OTHER INITIATIVES

Danida Sustainable Infrastructure Finance (2020-2025)	727.3 mil DKK
Enhanced Danish-Ethiopian Energy Partnership (DEEP) climate pool (2023-2028)	60 mil DKK
Strategic Sector Cooperation on Water (2021-2026)	12.3 mil DKK
Strategic Sector Cooperation on Energy (2020-2023)	8 mil DKK
NGO Call: Community-led adaptation project, DanChurchAid (2021-2024)	8.6 mil DKK
Sector Counselors	3.2 mil DKK per year
UNICEF One-WASH Ethiopia (2022-2025)	200 mil DKK
World Bank GEQUIP-E AF program (integration of refugees in the edu. system) (2020-2024)	35 mil DKK
Education and child protection in refugee and IDP settings (2023 -2026)	37.5 mil DKK
NGO Call: Skills Development and Job Creation Project (Plan / Grundfos) (2021-2023)	8 mil DKK
DMDP/DGBP Projects (2016-2024)	28.3 mil DKK
P4G (2018-2022)	33.5 mil DKK

DENMARK'S ENGAGEMENT IN ETHIOPIA 2023/2024

DEVELOPMENT COOPERATION AND HUMANITARIAN ASSISTANCE VIA STRATEGIC PARTNERS (2020-2023)



NGO-SPA partners in Ethiopia

- ADRA Danmark
- Arbejdsmarkedskonsortiet
- CARE Danmark
- Danish Refugee Council
- DanChurchAid
- MS ActionAid Denmark
- Plan International
- Oxfam IBIS
- Save the Children
- Red Cross Denmark
- Danish Family Planning
- SOS Children's Villages
- Forests of the World

UN partners

- OCHA
- UNFPA
- UNHCR
- UNICEF
- WFP

DANISH CONTRIBUTIONS TO ETHIOPIA VIA GLOBAL CORE CONTRIBUTIONS TO UN 2021

Danish share (%) of UN organizations' total core contribution to Ethiopia

Organization	Contribution (DKK)	Danish share (%)
ILO	174,699 DKK	1,38 %
IOM	67,368 DKK	4,50 %
UN Aids	288,195 DKK	3,79 %
UNDP	2,970,028 DKK	3,34 %
UNFPA	3,535,578 DKK	9,00 %
UNHCR	25,592,358 DKK	16,01 %
UNICEF	322,366 DKK	0,14 %
UN Women	3,921 DKK	0,02 %
WHO	297,357 DKK	1,59 %
WFP	6,137,545 DKK	5,16 %

*UNEP, OCHA, OHCHR, UNRWA og UNMAS: Data does not appear for these UN partners.

Denmark's support in 2022 to Ethiopia via the World Bank (IDA)

2.94 mil USD / 20.45 mil DKK

Research collaborations in Ethiopia financed via the Danida Fellowship Centre:

10 projects with a total budget of 98.8 mil DKK