

# Denmark-Ethiopia Strategic Framework 2025-2029

## Table of contents

1.	Introduction .....	2
2.	Context, challenges and risks.....	3
	Scenarios for the future .....	8
3.	Danish political priorities, past achievements and strengths.....	10
4.	Strategic choices for the future engagement.....	13
5.	Vision and strategic objectives .....	14
	1. <i>Promote human rights, social cohesion, peace and stability</i> .....	14
	2. <i>Strengthen resilience and future opportunities.</i> .....	16
	3. <i>Support conflict sensitive and inclusive green growth</i> .....	17
6.	Adaptability and Monitoring of the strategic framework .....	18
	Figure: Overall Strategic Framework .....	20
7.	Outline of the Bilateral Development Programme .....	21
8.	Overall budget .....	23
	Annex 1: Map of Ethiopia.....	24
	Annex 2: Denmark's engagements .....	25

## **1. Introduction**

Ethiopia has global political weight, hosts the African Union and is a key regional and continental political actor. 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 to contribute to curbing irregular migration, including towards Europe, as well as for the overall stability of the Horn of Africa 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 economic opportunities and resilience, thereby also addressing root causes of migration, peace and security in the country and the Horn of Africa region, and Denmark and Ethiopia have highly aligned agendas around climate change mitigation, adaptation and green energy.

The framework supports Ethiopian national plans and builds on strong experience from comprehensive engagement through a variety of instruments, having created solid partnerships and platform for a strengthened engagement. The framework also responds directly to evolvement 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 positive 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.

Reflecting Ethiopia's challenging and fragile current situation, the engagement is designed in a conflict-sensitive, adaptive manner to allow for adjustments to respond to potentially changing framework conditions. Climate is a focal area where Ethiopia's great ambitions are supported through Danish areas of strength on water, energy and agriculture. At the same time, Denmark will continue to insist on an open and critical political dialogue including with a focus on the promotion of human rights and democracy. The engagement covers a broad range of instruments and involves a range of partners including government/regional authorities, multilateral organisations, civil society, and private sector. Across engagement areas, Denmark's bilateral engagement is complemented by engagement through the EU.

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.*

Danish engagement in Ethiopia will include political dialogue, development cooperation, strategic sector cooperation on water and green energy transition, support for civil society, humanitarian assistance, refugee and migration efforts, and trade promotion. Alongside the bilateral engagement, Denmark works decisively through the EU and maintains close partnerships with the UN and the World Bank to support the country's social and economic development. Ethiopia is also part of Denmark's efforts to promote stability in the region through the Peace and Stabilisation Programme for the Horn of Africa. In addition, the country indirectly provides the framework for Denmark's the long-standing cooperation with the African Union Commission on, among other things, peace and security under the Danish Africa Programme for Peace (2004-2023) and the new Africa Programme for Peace and Sustainability expected to be launched in 2024.

## **2. Context, challenges and risks**

Ethiopia has a rich history and culture of inter-religious coexistence. 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 pandemic, violent conflicts, instability, stagnant economic growth, climate-related disasters, and democratic setbacks. Deep-rooted fragmentation has become more apparent and manifests itself across the political, economic, social, environmental, and security spectrum. This has led to widespread uncertainty about the country's future. Cooperation with international partners such as Denmark and the EU is strained 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 thanks to its population, which, with around 120 million people, is Africa's second-largest, 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.

### Geopolitical and Regional

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 – although 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 instead contributed to growing instability in the region. 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 Addis 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 host nation for the African Union headquarters. This underscores Ethiopia's strategically important position in EU and Denmark's area of interest.

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, which became evident in Russia's efforts to keep Ethiopia off the United Nations Security Council agenda during the conflict in northern Ethiopia as well as in Ethiopia's "balanced" voting pattern on Ukraine in the UN General Assembly. 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 (CoHA) 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. Overall, the CoHA was poorly received by groups in the Amhara region who felt left out and poorly represented in the agreement. The situation escalated into armed conflict, 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 already 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 11<sup>th</sup> most fragile country in the world according to Fragility States Index 2023; a testament to the

deeply rooted security challenges facing the country. 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 Human Development Index (HDI) (175 out of 191 countries). The economy has since 2018 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 attractiveness of foreign investment, while also significantly hampering the government's ability to finance imports as well as meet 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 of Tigray, Amhara and Afar. 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 employment opportunities, not least for the large youth population, is a major challenge. The government has launched large economic reform process, with the *Home Grown Economy* reform 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 currency devaluation, which in the short term would aggravate 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, the United States, Germany, the Netherlands, and Saudi Arabia, while the top five exporters to Ethiopia include China, India, the 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. Furthermore, Ethiopia has a strong 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. 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. Widespread frustration and poverty is a potential driver for recruitment by and support to armed groups in a number of local conflicts throughout the country.

### Democracy and human rights

Ethiopia is a federal democracy with ethnically based regional states. Prime Minister Abiy Ahmed was first elected in 2018 and reelected in 2021. Abiy launched an ambitious democratic reform agenda in 2018. However, recent years have been marked by clear 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 they been restricted to service delivery. Despite this notable opening of the 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. 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 risen to 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 COHA agreement in November 2022, especially with the structured dialogue between the EU and Ethiopia taking place in December 2023. A central element in the EU and Denmark’s engagement is to advocate for justice and accountability for human rights violations during the conflict in northern Ethiopia. The government’s launch of a Transitional Justice initiative in 2023 is an important step in the right direction. The process, however, is still in its initial 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’s government has taken important steps to improve the legal

framework addressing gender based violence (GBV), but significant gaps remain in implementation. Likewise, progress has been slow in meeting 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 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.

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 droughts combined with seasonal floods. Ethiopia's climate vulnerability is exacerbated by its high levels of poverty and its dependence on rain-fed agriculture and 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. Women and girls are generally disproportionately affected by the consequences of climate-induced disasters such as interrupted access to health services, water, education, accommodation and sustenance. Environmental and climate condition contribute to intra-communal conflict over land and natural resources and have led to considerable displacement. 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.

Factors that increase Ethiopia's vulnerability to climate change include the under-development of water infrastructure. Only about 50% of the population has direct access to water. Limited access to clean water and insufficient sanitation facilities increase risk of communicable diseases and complicate access to basic healthcare. Water supply in Ethiopia is highly dependent on groundwater, which accounts for 90% of domestic and industrial supply.

Access to reliable and affordable energy is fundamental for enabling the structural transformation of the Ethiopian economy and society. Electricity generation in Ethiopia is already 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 at least to reduce the heavy burden of oil on the trade balance. Further, Ethiopia also has potential to export green electricity and thereby reduce fossil fuel use in neighbouring countries. Ethiopia's ambitious goal of increasing electrification of households has so far failed. Today only 20% of households have a legal connection to the national grid and around 20 % has an informal connection, which typical is weak and unstable. With the current speed of connecting new households, only 26% will be legally connected in 2030. Ethiopia's commitment to the green transition has been reconfirmed in 2023 by the participation in the Africa-led initiative "Accelerating Access to Renewables in Africa" which was found by support by IRENA, Denmark and Germany. 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 easier 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 annual rate of deforestation in Ethiopia is estimated to be approximately 1%, 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 of forest degradation.

#### 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. Levels of food insecurity and malnutrition are alarming with very high levels found especially found among internally displaced. Access to basic services such as health and education as well as protection, reintegration and livelihoods especially for the country's many displaced groups are other key challenges. 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 being 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. 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.

### 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.

With outset in past Danish achievements and strength and the current Ethiopian context, Denmark's key priorities in Ethiopia are to contribute to stability and security, resilience and economic opportunities, support climate change mitigation and adaptation and curb irregular migration. Human rights is a crosscutting element, being a goal in itself and a means to creating a more safe, resilient and sustainable Ethiopia.

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 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 peace and stability in the Horn of Africa region. Peace and stability in Ethiopia is furthermore key to curb irregular migration. Denmark's engagement towards **peace and stability** takes outset in a continental and regional approach. Peace and stability is supported at continental level through Denmark's partnerships with the African Union, being an important actor for stability and security on the continent. This can be exemplified with the African Union's role in negotiating the Cessation of Hostilities Agreement that effectively ended the conflict in northern Ethiopia in 2022. The partnership with the African Union will be further intensified in the next phase of the Africa Partnership for Peace and Sustainability (2024-2028) that significantly increases the engagement in the nexus of climate, peace and security as well of sustainable free trade. Denmark also supports the regional economic organization IGAD including its Conflict Early Warning System and Response Mechanism, to monitor indicators of emerging or evolving conflicts in the Horn of Africa.

Denmark has a particular strength in addressing peace and security from a regional Horn of Africa approach. 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 for 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 and stability in the Horn of Africa, and help to mitigate the consequences in Somalia, Ethiopia and Kenya and their destabilizing effect on each other. The

engagements in Ethiopia are planned to contribute to mediating and containing inter-regional conflicts, for instance through mediation of local clan disputes in border-regions of Ethiopia, Somalia and Kenya.

Through bilateral instruments, Denmark can especially promote this priority through its strong profile on human rights, democracy, and social cohesion, providing the foundation for sustainable stability and security in Ethiopia.

### **Human rights**

Denmark will continue to engage in the fight for 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. Denmark has engaged extensively within 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. Furthermore, Denmark has placed itself as an important partner supporting the National Dialogue and Transitional Justice processes which hold key potential for strengthening social cohesion in the country. Through UNDP Denmark already support the National Dialogue Commission responsible for implementing the National Dialogue Initiative. At the same time, Denmark together with the EU and other likeminded stakeholders work actively to encourage the Ethiopian government to adopt a victim-centred Transitional Justice policy 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 in northern Ethiopia.

### **Resilience and economic opportunities**

Sustainable economic development is a key priority. In Ethiopia, Denmark aims to contribute to resilience and economic opportunities with a focus on vulnerable communities. This is in line with priorities for Danish development cooperation that 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 (UPSNIJP), which expanded the national safety net from rural to urban areas. 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 refugees and host communities, promoting a humanitarian-development-peace nexus approach through engagements under the bilateral development programme as well as activities led by NGOs under the Strategic Partnerships.

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, implementing activities across the humanitarian-development nexus, strengthening protection and resilience 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. Progress in greening the agricultural sector has been limited and will be a key focus in Danish engagements going forward. The Danish support to the forestry sector has resulted in the conservation and protection 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.

Denmark has supported significant results in the green transition in Ethiopia. Through the strategic sector cooperation in water and energy sectors Denmark has supported high-quality wind speed measurement in 17 locations (in cooperation with World Bank), the development of the Ethiopian Energy Outlook, landscape analysis of groundwater drilling in Ethiopia, and GIS training of relevant authorities in Hawassa and Dire Dawa. 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 operationalises the ambitions in the "Africa Plan", emphasising targeted, equal, and credible partnerships based on honest equal dialogue as well as shared interests and strengthening the cooperation with Ethiopia. Shared interests 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 a pragmatic idealism approach, 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 nationally led programmes 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 partners 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 differentiated approach is called for to capture 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, regional Horn of Africa peace and stability programmes (APPS), 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.

### Expanding partnerships for human rights

Denmark's overall engagement and development interventions rest 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, accountability and security, while recognising that this dialogue has been challenged and that the ongoing conflicts and the government's need to maintain control remains a critical barrier to real progress on the democratisation and rights agenda. Denmark's political dialogue will be balanced with broad and expanded support to human rights actors in the country, including the Ethiopian Human

Rights Commission and civil society actors that are increasingly vocal human rights defenders, having managed to utilise recent years relative widening of civil society space. 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.

Special attention will also 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.

### **Supporting nationally-led processes towards social cohesion and reduced conflict potential**

Together with the EU, Denmark will continue to push for and support Ethiopian-led processes around Transitional Justice to ensure accountability for human rights violations in line with regional and international human rights standards. The National Dialogue initiative is seen as an important potential for strengthening social cohesion and achieving sustainable peace and reconciliation in Ethiopia.

Together with the EU, Denmark will continue to push for and support Ethiopian-led processes around Transitional Justice and National Dialogue to ensure accountability for human rights violations and to promote nationwide, sustainable peace and reconciliation. The Ethiopian Government is expected to adopt a Transitional Justice Policy in the first half of 2024, which will mark the beginning of the implementation of Transitional Justice in Ethiopia and will be key for Denmark and other donors to determine how to support. The National Dialogue initiative is further key when it comes to strengthening social cohesion and achieving lasting peace and reconciliation. Denmark will explore how support actors engaged in the national dialogue including civil society organisations promoting the participation and interests of especially women and youth. Further Denmark will look into how to support synergies between the National Dialogue Initiative and efforts to Disarm, Demobilise and Reintegrate (DDR) ex-combatants in Tigray and other regions of Ethiopia affected by armed conflict.

### **Geographically targeted peace and stabilisation efforts**

Addressing specific security challenges in Ethiopia's border areas, Denmark's engagement will also encompass geographically targeted peace and stabilisation interventions. Specifically, Denmark's Peace and Stabilisation Programme for Horn of Africa will contribute to monitor and address emerging or evolving clan disputes in border areas with Kenya and Somalia where disputes and conflicts over resources or access to land risk deteriorating the social cohesion and stability. In addition, Denmark will continue to support IGAD having a role in mediating and containing conflicts in the Horn of Africa region.

## *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 in supporting this strategic objective with engagements specifically within the humanitarian-development-peace nexus and addressing resilience through international and local civil society, paying attention to Denmark's commitments to localisation. The objective is also supported through the EU MIP 2024-2027 human development pillar, focusing on health, education, and forced displacement.

### **Supporting national social safety nets and decent employment opportunities**

Ethiopia's government led social safety nets programme constitute a central element in strengthening resilience of vulnerable populations by addressing poverty and food insecurity of the poorest. 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.

### **Addressing displacement**

Migrants, refugees and internally displaced persons are among the most vulnerable in the country and dedicated efforts will be prioritised to provide livelihood opportunities as well as increasing protection, peaceful coexistence and reintegration. Particular attention will be given to women and children who are often especially impacted by crisis. Denmark will use its strength in protection and promoting interventions in the humanitarian-development-peace nexus to create more sustainable solutions. Geographically targeted interventions will be particularly relevant in this context.

Access to education is a critical challenge in Ethiopia, addressed by Denmark's support to inclusive learning opportunities for refugee, internally displaced- and host children in Benishangul Gumuz region. This engagement combines efforts with Danish private foundations to provide complementary interventions in education, mental health and psychosocial support, WASH and child protection.

### **Advancing health with a focus on sexual and reproductive health and rights (SRHR)**

Access to health is a key challenge in Ethiopia and central to strengthen resilience. Denmark's capacity and expertise is especially seen in relations to SRHR. Denmark is a key partner with a strong and respected



voice in the Ethiopian context, where the Ethiopian government support the area and wish to advance on commitments such as on ending child marriage.

Denmark also has a specific strength related to access to clean water and energy, being crucial to counter communicable diseases. Finally, Danish strategic NGO partners have specific capacity in relations to mental and psychosocial health which is particularly relevant in the conflict-affected Ethiopian context and can be reflected in the engagement.

### **Private sector engagement in resilience**

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. 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***



Ethiopia has a significant political focus on climate action with ambitious climate goals to promote a sustainable low carbon development pathway based on sustainable solutions. Furthermore, Ethiopia is committed to strengthening its adaptive capacity to respond to the effects of climate change. However, implementation of these goals are challenged by macroeconomic difficulties and thus highly dependent on external climate finance. Ethiopia has converted its climate ambitions into the *Climate-Resilient Green Economy* strategy, which focus on four pillars: agriculture, forestry, renewable energy, and advanced technologies. The National Adaptation Plan under the Climate-Resilient Green Economy strategy and the ambitious National Determined Contributions compliant with the Paris Agreement further emphasize Ethiopia's commitment to climate change mitigation and adaption. There is close alignment between the strategy's focus areas and Denmark's future engagement will support climate change adaptation and green development through multiple instruments. The engagement 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 development support and partnerships as well as research collaborations. Partnerships with the UN and Danish and local civil society and an 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.

### **Greening the agricultural sector**

Ethiopia's agricultural sector is the key contributor to the country's economy and Denmark will continue engagement in this sector building on its already strong position but will strengthen its focus on decent jobs, sustainable food systems and greening of the agricultural sector. This will furthermore contribute to supporting sustainable economic development in the country, with the agricultural sector being the life nerve of the economy.

### **Supporting water and energy sectors**

In the water sector Danish support channelled through the strategic sector corporation and green development envelopes will improve conflict sensitive water resource management and access to clean water and sanitation. Denmark will build on its positive experience with engagement at regional state level where Denmark can provide a particular value. This will furthermore contribute to strengthening resilience, improving the livelihoods and health of the population.

In the energy sector a five-year programme started in 2023 (Enhanced Danish-Ethiopian Energy Partnership, DEEP) focusing on capacity building in relation to energy planning, efficient operation of the power grid and integrating wind power in the Ethiopian power system. Denmark is also supporting the construction of the 100 MW wind farm in Assela, south of Addis Ababa aiming to increase access to reliable and green energy and improve energy planning and efficiency in the Ethiopian energy sector.

### **Expanding engagement in forestry**

Building on positive results from its current engagement including with strategic NGO partners and their local partners, Denmark furthermore plans to scale up engagement in forest conservation and reforestation activities in Ethiopia with a conflict sensitive lense. This will contribute to climate adaptation, protection of biodiversity, reduction of CO2 emission and social and economic development for local communities.

In addition, there is potential to build on and expand efforts related to research and analysis with a focus on understanding and identifying and mitigating climate related challenges as well as informing development of sustainable food systems.

## **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.

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 policy, 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.

**Figure: Overall Strategic Framework**

Impact Overall Vision		
The overall vision for Denmark's engagement with Ethiopia for the period 2025-2029 is to improve the stability, prosperity, green growth and protection of human rights in Ethiopia, contributing to reduced fragility in the Horn of Africa.		
Strategic Objectives		
1: Promote human rights, social cohesion, and peace and stability.	2: Strengthen resilience and future opportunities.	3: Support conflict sensitive and inclusive green growth.
Indicators and Means of Verification (MOV)		
1: Governance  MOV: 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: Human Rights and civil society space  MOV: Freedom in the World Index; Reporter Without Borders' Press Freedom index Universal Periodic Review	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

The bilateral development programme will be elaborated 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 bilateral development programme will consist of engagements under each strategic objective, while consideration is given to also identify engagements that are relevant across objectives.

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.

### Development engagements that would fall under the strategic objectives

#### 1. *Promote 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. 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. 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 civil society - that can today play more active roles in governance, human rights, and peacebuilding (both at local and national levels) than before 2019 - 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 however take into consideration risks facing civil society in terms of operational capacity, sector maturity, and civic space.

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. Strengthen resilience and future opportunities:*

The Bilateral Programme will support vulnerable populations' resilience through efforts to increase food security and fight poverty. This will especially be through support to the national productive safety net (PSNP); a government owned programme with partner support channelled through a World Bank Multi-Donor Trust Fund. Constituting a central social contract between the Ethiopian people and the government, the PSNP furthermore contributes to social cohesion. Denmark will also continue to work for the PSNP to focus on climate adaptation projects through the public works scheme at the core of the programme.

The Programme will include specific partnerships seeking to improve decent employment opportunities. Specific attention will be given to urban areas and to create opportunities for youth, women and migrants/displaced persons. This can include support to the Urban Productive Social Safety Net and Jobs Programme (UPSNDP) which specifically addresses employment opportunities for youth and support for displaced in urban settings.

The programme will also include projects aimed at supporting food security and durable solutions for displaced persons, refugees, and host communities, as well as support efforts aimed to strengthen the rights of girls and women including SRHR. Multilateral institutions are well placed to address these issues, and Denmark can build on existing partnerships for with UNFPA and UNWomen. Likewise, working with international or local civil society organisations potentially through consortia structures or creating synergies with Denmark's NGO SP engagements should be explored. This can leverage strong local capacity not least in addressing displacement and engagement in the humanitarian-development-peace nexus.

Finally, projects to support recovery and reconstruction of conflict affected areas will be explored, with recovery and reconstruction of infrastructure and services being key to strengthening resilience as well as reducing the potential for renewed conflict. The Ethiopian government has launched an ambitious plan for recovery and reconstruction of conflict-affected regions and Denmark will be ready to support the plan when a relevant modality exists.

*1. Support 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 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.

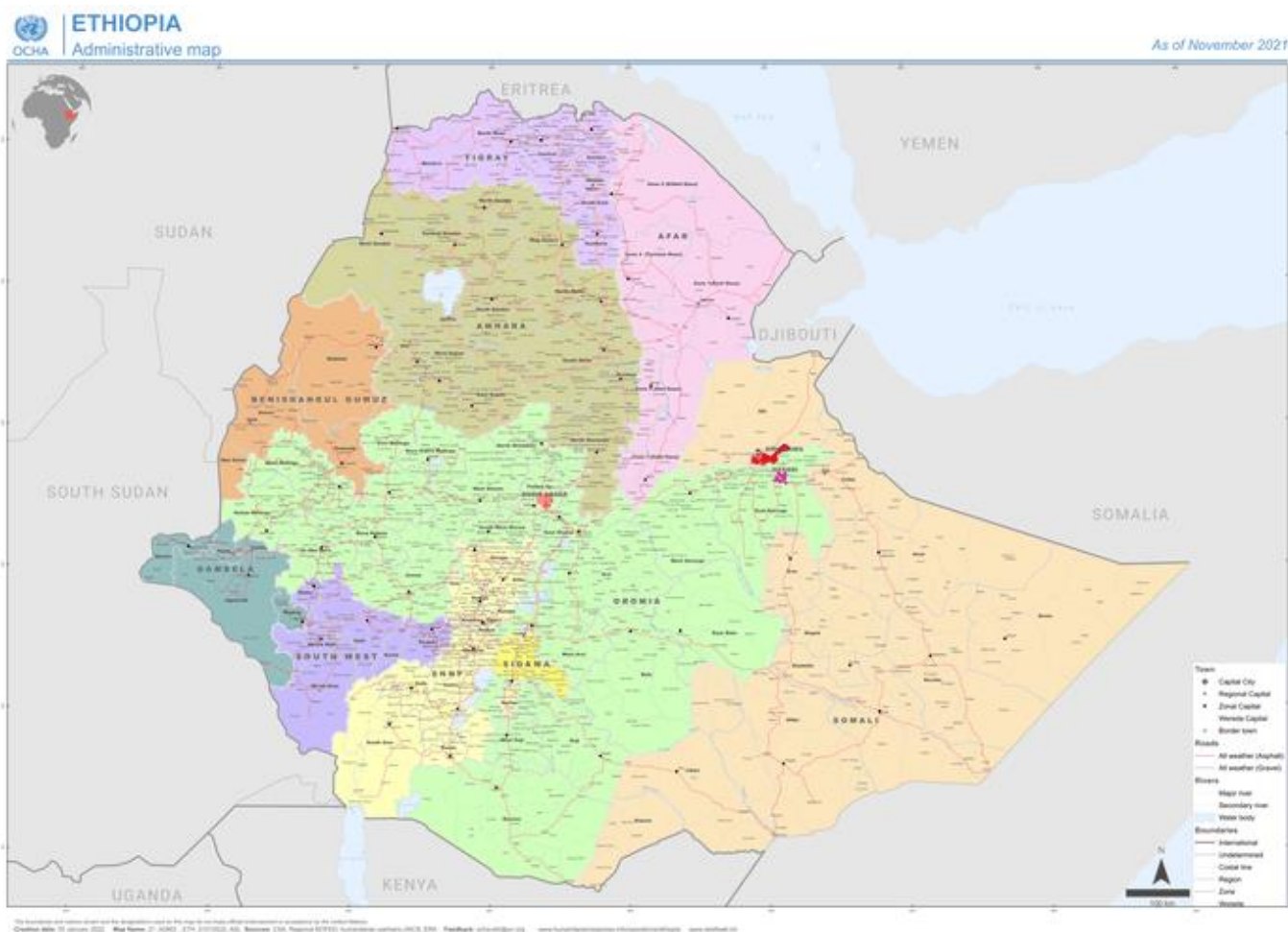
## 8. Overall budget

Below figure provides a tentative estimate of budget per year and within each strategic outcome. Final budget will be confirmed during the further development of the strategic framework and Bilateral Development Programme:

<b>Budget (Mio. DKK)</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Objective 1</b>	20	50	40	40	10
<b>Objective 2</b>	60	140	150	150	60
<b>Objective 3</b>	20	110	110	110	30
<b>Total</b>	<b>100</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>100</b>

19/02/2024

## Annex 1: Map of Ethiopia



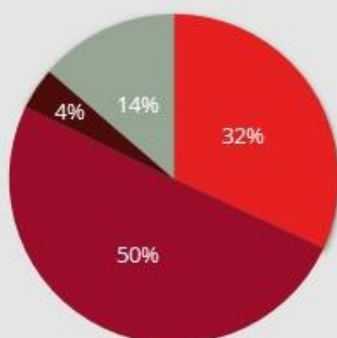


## Annex 2: Denmark's engagements

### DENMARK'S ENGAGEMENT IN ETHIOPIA 2023

#### 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.

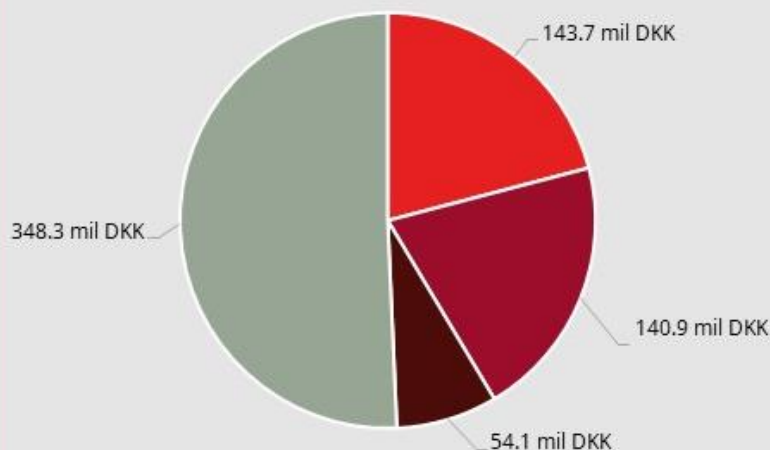
**Continental Free Trade (2020-2024):** 50 mil DKK support to the implementation of the African Continental Free Trade Agreement (AfCFTA) in collaboration with the UN Economic Commission for Africa (UNECA) and the African Union.

#### 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

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



- Development support via NGO SPA partners
- Humanitarian support via NGO SPA partners
- Humanitarian support via International Committee of the Red Cross (ICRC)
- Humanitarian support via UN partners

#### 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

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