The Regional Government of Oromiya

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

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PART ONE

EXECUTIVE SUMMARY

1. INTRODUCTION

Since its foundation, the regional government of Oromiya has been undertaking various development activities at all levels to enhance the development of the region. Remarkable achievements have been recorded in economic, social and political undertakings. The regional government has also prepared and implemented two consecutive five years development plans that lasted from 1995/6-1999/00 and 2000/01-2004/05. The medium-term plans were prepared focusing on rural development with major objectives of addressing rapid development in order to improve the increasing social and economic needs of the population.

The various development activities carried out during the last five years, (including the SPM produced for the years 2003/04-2005/06) had similar objectives as the first one. The overall target was increasing production and productivity, there-by improving the living standard of the population through rural-focused development strategy. To realize these objectives, the regional government paid due attention to provision of extension services to the farmers, agricultural productivity enhancement through conservation-based and environment friendly utilization of natural resources, expansion of infrastructure facilities, narrowing development gaps between zones and districts of the region by enhancing balanced development pattern and inter-sectoral linkages between different sectors of the economy. In order to realize the targets set in the development plans, the government launched massive capacity building programs in human resources development at various levels of administrative structure, particularly, at district level.

Although remarkable achievements were recorded during the last ten years in production of food crops, it was not sufficient to guarantee food security and better standard of living condition to all peoples of the region. Provision of basic infrastructural facilities necessary

for improved living conditions is far from being adequate. From the total population of the region, only about 42 percent had access to potable water, while only 62 percent had access to health facilities.

Roughly, about 70 percent of the regional population is illiterate. It is the evaluation result of the last Five-Year Development Plans that paved the way for the preparation of the next Medium-term Development Plan (2005/06-2009/10), the focus of which is alleviating the massive poverty currently evident in the region.

Alleviating the multifaceted socio-economic problems of the region is beyond the regional governments' resource capacity. Therefore, in addition to the public sectors' resources, significant development input is expected to materialize through community participation, private investment, non-governmental organizations (NGO) and other civil society groups.

In order to make efficient and wise use of scarce resources, implementing government agencies at all levels are expected to act in an integrated and coordinated manner to maximize development impact.

As this medium-term development plan of the region is prepared in tune with the national economic policy, it will definitely enforce and add upon to the development of the national economy. Besides, effort is made to synchronize the Plan with the National Five Year Development Plan (PASDEP). In order to bring about the anticipated rapid and sustainable economic growth, reduce poverty and lay the foundation for prosperity, the Five-Year Development Plan of the Region gives due emphasis to growth and transformation of the agricultural sector from existing subsistence to commercial agriculture; with objectives of securing food self-sufficiency in production of domestic food crops, exportable high value crops, raw materials for local industries and expansion of rural agro-industries. The participation of both local and foreign investors, emphasizing on production of high value crops, creation and expansion of job opportunities for jobless citizens and infrastructure development is expected to accelerate the already launched development of the region. The

implementation of this plan will assist the region in particular, and the country at large to go with Millennium Development Goals (MDGs) set for 2015.

The information and data required for the preparation of the Five Year Development Plan was generated from the grassroots, through public participation at all levels. It is further developed and compiled by experts in Bureau of Finance and Economic Development (BoFED) in collaboration with other sector bureaus. It was further enriched by inputs gained from forums held at different levels in the region.

The document has two parts. In this document, major planned activities are briefly presented, while in the other document detailed activity plans are given.

1.1. Socio - Economic Conditions of Oromiya

The regional state of Oromiya shares boundary with all other regional states of the country except Tigray. It is the single largest state that accounts for over a third of the total population of the country. It stretches over large expanse of land, with estimated total land area of 363,136 km^2, 26.2 million populations, 14 zones, over 200 districts and 36 urban administrations in the year 2005/06.

According to study findings conducted in 1999, of the total regional Gross Domestic Product (GDP), agriculture and allied activities accounted for 65.3%, while industry and service sectors accounted for only 13% and 21.7% respectively. Roughly, about 89 % the regional population is engaged in agriculture. This sector, besides producing various types of staple food crops, it supplies raw materials for local industries and exportable crops for earning hard currency for the nation.

Because of the extra ordinary attention the regional government offered the agricultural sector in the last two Five Year Development Plans, the area of land covered by major crops has increased from 4.98 million hectares in1999 /00 to 7.1 million hectares in 2004/05 with an approximate 7.3 % annual growth rate. Agricultural production on the other hand, has increased from 59.25 million quintals in 1999/00 to 100.6 million quintals in 2004/05 with an average annual growth rate of 11.2%. The achievements recorded in the sector were realized not only from physical expansion of cultivated land, but also from improvements in efficient and effective use of agricultural technologies, effective extension services and all rounded conducive weather condition that prevailed throughout the plan period.

Similarly, the delivery of agricultural inputs such as fertilizers and improved seeds increased from 1.2 million and 50.43 thousand quintals in 1999/00 to 1.51 million and 97.8 thousand quintals in 2004/05 for both inputs respectively. Over the plan period, the delivery of both inputs increased by 4.7% for fertilizers and 14.2% for improved seeds. In this regard, the role played by extension agents is tremendous. Overall, the number of extension workers increased from 4590 in 1999/00 to 8001 in 2004/05 and the number of farmers that

participated in extension activities increased from 274 thousand in 1999/00 to 365 thousand in 2004/05. Although the number of extension worker/farmer ratio decreased from 1:875 to 1: 563 over the plan period, there is still a long way ahead to reduce development agent to farmer ratio to a reasonable standard.

The remarkable productivity increment registered over the years has also resulted in net increment of agricultural products per head. Preliminary figures indicate that the volume of agricultural production per head weighed in wheat equivalent increased from 2.21 quintals in 1999/00 to 3.2 quintals in 2004/05 showing a growth of 8% per annum. This is a concrete indication of the regions' determined thrust to secure self-sufficiency in food crops production.

A Concerted effort was made to reduce reliance of the sector on rain-fed agriculture through expansion of irrigation practices. In 2004/05-production year, from 169,774 hectares of land cultivated using irrigation technologies, 13.5 million quintals of grain was collected benefiting 679,584 farming households.

In an all rounded efforts made to increase potable water provision both to urban and rural residents of the region, the coverage has increased from 30.1% in 1999/00 to 42.8 % in 2004/05, growing by 7.3% per annum. Disaggregated by place of residence, the coverage increased from 23.9% to 36.2% in rural areas and from 76.3% to 83.9% in urban settlements showing an annual growth rate of 8.7% and 1.9% respectively.

Availability of rural roads is essential for marketing surplus agricultural products and increasing farmer's access to agricultural inputs at fare price and other social services. In the last five years, 952 kms of all-weather roads were constructed, making a total stretch available in the region 11,172 kms. This makes a road density of 30.3km/1000km^2, which was 28.9 km in 2004/05, with approximately one per cent annual growth rate over the plan period. On the other hand, however road density per 1000 population has declined from 0.46 km in 1999/00 to 0.43 km in 2004/05 as a result of high population growth rate relative to road construction efforts underway.

The government has been paying due emphasis to promotion of social development and achievements made in this regard is also encouraging. Progresses made in education and health services coverage is particularly encouraging, and this needs to be promoted further. In efforts made to promote the sectors primary education participation increased from 52% in 1999/00 to 85.4% in 2004/05; while secondary education participation was only 28.1% in 2004/05. Girl's education at the primary school level dramatically increased from 36% to 73% and although the rate for secondary education was only at 17.9%, the trend was promising. Capital investment the Regional Government allotted for construction of schools has immensely contributed to this enhanced participation rate. A total of 2132 primary and 112 secondary schools were constructed and made operational over the years under review.

Despite terrain irregularity challenge to provide basic services to all zones and districts of the region on equitable bases, the regional government has been striving to reach every corner of the region. Accordingly, efforts were underway to fulfill health service requirements of the people, with particular emphasis on preventive-based health policy the country is pursuing. To make this a reality, 66 health centers, 880 health posts and one hospital were constructed and made operational during the last five years development periods. These have increased regional health coverage from 46 % in1999/00 to 62% in 2004/05.

Investment is, without doubt, one of the primary engines of growth. In order to exploit the gains from this sector, the regional government has been urging investors to come to the region. Because of enabling policy environments created, overall at national level and location advantages of the region, in the past years investment license was offered to 1450 projects with 17.6 billion capital outlays. It was indicated that, these investment projects would open employment opportunity to roughly 90,000 job seekers.

1.1.1. Major Challenges Encountered During the Last Five Years

Although commendable achievements were made during the last five years, there were challenges encountered to realize the anticipated targets. Major challenges encountered are enumerated as under:

i. As indicated, the livelihood of our people is based on agriculture. However, production and productivity of the sector is still among the least. This is mainly attributed to lack of agricultural inputs as desired, sufficient and efficient extension service, weak research- extension linkage, dependence on rain-fed agriculture and poor orientation towards production of marketable and high value crops;

ii. Unwise and unscientific use of natural resources has exposed the region to excessive deforestation, soil erosion, migration of wild life, pollution ...etc; as a result of poor implementation of the policy framework;

iii. Lack of adequate capital, timely and up-to-date information, capacity limitations and poor infrastructure facilities to provide basic socio- economic facilities to all citizens of the region on equitable bases;

iv. Poor integration of implementing institutions at all levels, particularly among those engaged in sectors that reinforce one another;

v. Weak community participation in development activities as desired due to limited managerial experience in participatory disciplines and poor general public awareness;

vi. Poor performance of the private sector, mainly due to capacity limitations, resource constraints and bureaucratic procedures pursued in government institutions responsible for efficient operation of the sector, as well as late completion of construction activities contracted out to the sector;

vii. Prevalence of weak organizational structure and capacity limitation at various levels has resulted in poor project/program formulation, uncoordinated monitoring and evaluation strategies, weak financial resource base and personnel administration which had an adverse effect upon realization of the intended goals;

viii. One of the foremost challenges confronted during the last five years was lack of implementation capacity at almost all levels of government structure. This limitation, though varied from one administrative structure to the other, it is mainly manifested through lack of competent staff at all levels, the problem is further aggravated by staff

turn over for better salaries and other incentive packages. Besides, lack of adequate trained manpower in government structures, the on going civil service reform, though shown a glimpse of hope for the future, at current status could not guarantee efficient service delivery.

ix. Lack of database and networking system to timely tackle challenges confronting implementation of planned activities. Moreover, the existence of weak monitoring and evaluation system had also greatly constrained the attainment of the anticipated goals;

x. Lack of adequate financial resources to expedite planned activities as per their physical plan; due to lack of budget in some circumstances, as in health and education for instance, it was not possible to allocate adequate running cost to keep the services they provide to the standard.

1.2. Major Priorities and Targets of the Five-Year Development Plan

1.2.1. Priorities of the Five-Year Development Plan

The major priority of the Five-year Development Plan (FYDP) is realizing the vision and mission of the regional Government of Oromiya, which is entrusted upon it by the general public of the nation. The plan, therefore, endeavors to translate the vision of the Regional Government, which **aspires to see socially and economically prosperous democratic Oromiya that has good governance with supremacy of the rule of law.** In this visionary aspiration, the Regional Government has the following missions to address:

1. Ascertaining democratic system based on good governance, peace and stability;
2. Strengthen performance capacities, produce capable trained manpower and put in place responsive working environment for efficient service delivery;
3. Facilitate enabling environments for enhanced and sustainable socio-economic development:
   a) Transformation of the agricultural sector from the current subsistence farming to market oriented commercial agriculture;
   b) Maximize crop and livestock production and productivity to secure food self-sufficiency;
   c) Enhance and strengthen infrastructural facilities that are decisive for socio economic development of the region;
   d) Facilitation of enabling environments and provision of necessary support to promote growth of the private sector
   e) Reduce the ever-increasing unemployment challenge and mass poverty through creating better employment opportunities;
   f) Develop, manage and protect the natural resources of the region;
   g) Promote and enhance culture, language and tourist resources of the region.

Accordingly, the Five-Year Development Plan (FYDP) focuses on realizing rapid and Sustainable Socio-Economic Development that encompasses the brood mass, and target a profound goal of achieving improved standard of living for all peoples of the region by laying necessary conditions that hasten rapid and sustainable growth to end poverty; which is part and parcel of the overall national development strategy. Following are discussed major strategies identified for realization of the objectives and targets discussed above.

1.2.1.1. Launching Rapid Economic Growth

As is evident from the achievements registered from the various development endeavors underway in the region, poverty reduction is feasible only through rapid and sustainable economic growth. The realization of such economic growth rests on encompassing the broad mass, particularly the rural poor, through agricultural and rural development strategy. Therefore, paying due attention to commercial agriculture is the foremost strategy adopted in the Five Year Development Plan, while focusing on non-agriculture oriented private sector development is the other basic strategy pursued.

a) Agriculture and Rural Development

The agricultural development strategy emphasized maximization of production and productivity to bring about rapid economic growth. The productivity enhancement focuses not only on production of staple food crops, but also on production of raw materials for industrial sector development. The realization of such a far-reaching objective emphasizes cultivation of market oriented high value and exportable crops, concentrating on surplus producing areas, synchronization of supply and demand, and expansion of commercial farms. In this regard, a great deal is expected both from the private investors and from millions of smallholder farmers. In order to guide and direct the smallholder private producers along the intended development strategy, it is mandatory that the regional government build its capacity of providing the necessary services and productivity enhancing inputs at all levels. Intervention strategies designed in this regard include:

i. Constructing and up-grading road networks that link production centers with consumption/market centers;
ii. Creating agricultural marketing and credit system;
iii. Expanding and applying extension services of specific agricultural activities;
iv. Giving priority for production of export oriented crops, such as spices, flowers, vegetables and fruits;
v. Expansion of irrigated agriculture;
vi. Provision of land user right certificate to farmers, encouraging conservation-based productivity of land;
vii. Creating conducive environment for better delivery of agricultural inputs;
viii. Strengthen research-extension-farmer linkages;
ix. Giving due attention for the development of agro-processing industries.

b) Private Sector Development

The regional government believes that, in growth and development of the regional economy, the contribution of the private sector is immense. In order to exploit the potentials of this sector; the regional government will create conducive environment for its growth and development through provision of friendly policy environments and necessary technical expertise.

1.2.1.2. A Geographically Differentiated Development Strategy

The regional government of Oromiya is pursuing a strategy focused on rural development. This is so because the over whelming majority of the population derive their livelihood from agriculture. This implies that, rural and rural economic activities are the backbone of the regional economy. In fact, it is this section of the society that is badly affected by poverty. In the forth-coming Five Year Development Plan, the regional government is committed to address the development needs of various groups of society depending upon the potentialities and physiographic peculiarities.

a/ Formation of Development Corridors

Oromiya consists of at least three distinct agro-ecological zones: the traditionally settled highly populated highland areas, Rift Valley areas with better rainfall and the mid-altitude areas each of which require different responses to maximize their potential. Besides, some sparsely populated rural settlements with relatively low agricultural production and areas currently unoccupied, can also be made productive if due attention is given. Therefore, in the coming five years the regional government will work on factors that contribute to attaining the set objectives, including construction of rural roads, irrigation works and delivery of agricultural inputs, as well as eradication of tsetse flies, malaria and carrying out resettlement programs in unoccupied areas of the region.

The implementation of these objectives will be supported by an in depth study of development corridors and development programs suitable for various agro-ecological zones, so that productivity of land and agricultural output increases beyond self-sufficiency both for domestic market and export. In this regard, efforts will be made to strengthen and translate into deeds the already underway development corridors study of South Eastern Oromiya, the Great Rift Valley area, Borena lowlands and parts of North Showa zone. The development of other development corridors, such as Western Oromiya development corridor will also be incorporated soon.

b/ Strengthen Urban Development and Urban-Rural Linkages

Since recent decades, urban centers have been growing at an unprecedented rate, owing to rapid population growth, rural-urban migration and the forces of globalization. In this process of urbanization, urban centers are serving as centers of service delivery and market for surplus agricultural products, while the rural sector serves as the basic supplier of agricultural products to urban centers. This indicates that globally, the overwhelming majority of economic activities take place in urban centers. Therefore, in addition to strengthening the rural focused development strategy of the region, facilitating conditions for growth and development of urban centers as growth poles, and equipping them with necessary infrastructure facilities is identified as equally important strategy. For realization of these objectives, intervention mechanisms identified include:

i. Strengthening urban administration and management;
ii. Provision of basic infrastructure facilities such as road, electric power supply, water...etc;
iii. Implementation of financial management techniques appropriate for urban service delivery;
iv. Allocation of land and facilitation of conducive environments for industrial development;
v. Undertaking business development infrastructure like provision of sheds and construction of multi-story buildings;
vi. Construction vis-à-vis facilitation for construction of low cost residential houses and others are major activities planned for implementation in the next Five Year Development Plan.

On the other hand, in order to bring about rapid economic growth and effectively reduce mass poverty, urban-rural linkage plays a determinant role. Therefore, complementarity of urban and rural based economic activities is one basic strategy the regional government has planned for implementation in the next five years. In this regard, major interventions identified include:

i. Organize rural towns and provide basic infrastructure facilities such as road, schools, health facilities, vocational training centers, credit facilities and the like;
ii. Strengthening rural-urban market linkages;
iii. Promoting rural-urban population interaction and mobility;
iv. Introduction and expansion of agro-industries in rural areas.

c/ Provide Special Attention to Pastoral Areas

Owing to the scattered settlement pattern and seasonal mobility of pastoralists as well as weak pastoral focused development strategies pursued during the past years, provision of services and infrastructural facilities has not developed as desired. In the Five Year Development Plan, due emphases will be offered to development of the pastoral sector by taking into consideration their socio-cultural heritages and tangible living style. In this regard, efforts will

be made to strengthen and enforce the already on-going schooling system to tangible needs of the society, expand non-formal education, improve provision of health services, introduce improved livestock breeds and better extension services. Furthermore, through provision of potable water supply, access roads, small-scale irrigation schemes and market infrastructure development, efforts will be made to improve the living condition of pastoralists. In the forth-coming five years, pastoral areas will be taken as one of the major development corridors in the region.

1.2.1.3. Regulating Population Growth

In order to regulate and control the rapidly growing population, decentralization of health facilities to lower administrative structures (to the rural community) to work on family planning activities is one major strategy the five-year development plan planned to address. In most cases, women will take part in implementation of the strategy. Besides family planning works, due emphases will be given to provision of health services to women, children and the elders.

1.2.1.4. Unleashing the Potential of Women

A massive scale-up effort will be made to release the untapped potential of women to bring about the anticipated rapid economic development. Major interventions planned in this regard include getting more girls into and retaining them in school to completion, improve women's health through extensive family planning education program, expanding potable water supply coverage, facilitate the supply of credit services to increase small business opportunities for women, boost productivity of women through promotion of extension services and the like.

1.2.1.5. Strengthen and Expand Infrastructure Facilities

This involves expansion of the road network mainly through construction of new roads and maintaining the already existing ones. Besides, emphasis is given to expansion of irrigation schemes to boost agricultural productivity, and increase potable water supply coverage

through construction of varieties of water supply schemes. During the next five years, particular emphasis is given to construction of rural roads to ensure farmers easy access to agricultural inputs, social services like health and education and marketing for agricultural outputs. Improvement in structural facilities will also assist in attracting private entrepreneurs that will take part in the development of the regional economy.

1.2.1.6. Managing Risk and Vulnerability

To mitigate vulnerability to disaster situations, due emphasis is given to reduction of crop loss or productivity decline and major epidemics both at an individual and household levels. Intervention mechanisms designed include increasing their income through:

a. Diversification of produces:
   Diversifying crops cultivated and expanding sources of income from non-agriculture sources at household level;
b. Expanding irrigated agriculture:
   This strategy is adopted to increase the number of cropping seasons per annum through maximum use of water sources.

1.2.1.7. Creating Job Opportunities

Among the various challenges that confront the country in general and Oromiya in particular unemployment, especially in urban areas, is the foremost. Productive working age population of the region is estimated at over 50 %, requiring a proportionate demand for job opportunities. Therefore, the regional government is confronted with increasing job opportunities through expansion of labor-intensive productive works in the short term, and design mechanisms for managing the dynamics of population growth on the long term. Thus, in the forth-coming five years plan, strategic emphasis will be given to the development and expansion of Micro and Small Enterprises (MSE) and organize jobless citizens in cooperatives to engage themselves in creation of new job opportunities. In line with this strategic approach, for effective job creation, due emphasis will be given to the development of basic infrastructure facilities, like construction of sheds and multi-story buildings,

necessary for expansion of micro and small enterprises. Concomitant to expanding job opportunities and increase individual and household income, all rounded community participation is expected to alleviate the ever-increasing poverty level in the region.

1.2.1.8. Capacity Building in Trained Personnel

Lack of implementation capacity was one major constraining factor in the last five years. Although the devolution of power down to the district level and provision of services closer to the grassroots community is encouraging, current performance capacity of districts on implementation of planned activities is weak. In order to strengthen the implementation capacity of lower level administrative structures, resolving trained manpower limitations evident at almost all levels and improving service delivery are key issues that demand concerted effort. Intervention mechanisms considered in this regard include:

a. Facilitating Conducive Environments for Efficient Service Delivery

Lack of efficiency in service delivery is one of the basic problems encountered by almost all implementing bodies at all levels. Alleviation of this problem requires continued effort of enforcing major capacity building works already underway in the region. In this regard, the Result Oriented Planning and Management System (ROPMS) currently in use in some government offices will be rolled-out to all government structures at all levels, including the district administration by the year 2006/07.

In order to up-grade the performance capacity of government top-management, program of management training will be instituted. Furthermore, numerous training workshops and in-service trainings pertinent to human resource management and performance issues will be delivered to government employees. Moreover, attention will be given to the collection and application of basic socio-economic data and information.

b. Trained Personnel Development

Although shortage of trained manpower is evident at all levels, it is an issue that demand due concern at the district level. Alleviating this crucial problem and building district performance

capacity urges for implementation of the Five Year Development Plan in such a way that it lays the foundation for long term and sustained economic development. Thus, strengthening the trained work force requirement and improving performance capacity of government structures at all levels will be a core concern to which all rounded effort will be exerted throughout the plan period.

c. Promoting Preventive Health Care Services

Possession of healthy citizen through promotion of preventive health care services is taken as a cornerstone to maximize productivity and build on performance capacity. In order to realize this broad objective, it is planned to render standard health service on equitable bases to prevent communicable diseases and reduce consequent deaths. In the forth coming Five Year Development Plan, due attention is given to prevention of communicable diseases such as HIV/AIDS and tuberculoses, improvement of environmental sanitation, malaria prevention, and the like. In this regard, provision of efficient health extension service plays a decisive role.

1.2.2. Major Targets of the Five Year Development Plan

In the Five Year Development Plan, the following major targets are identified for implementation.

As indicated, the economy of the region is largely dependent upon the agricultural sector. Growth and improvement in this sector lay the foundation for enhanced and sustained growth in all respects. As a result of concerted efforts made to revolutionize the sector, production of major crops is expected to boost to 276.3 million quintals at the end of the five years development plan, growing at an average of 22.4 % per annum from its base year production of 100.6 million quintal. On the average, it is planned to increase food crops per capita production from 3.2 Qt in 2004/05 to 7.6 Qt wheat equivalents in 2009/10. Similarly, area of land covered by major crops is expected to grow from 6.38 million hectares in 2004/05 to 8.0 million hectares in 2009/10, growing at an average rate of 4.6 % per annum. To maximize yield of agricultural production, however, emphasis is given to the use of modern agricultural inputs and intensification of extension system than expanding land under cultivation.

In a similar manner, to boost production and productivity, the supply of agricultural inputs such as fertilizers and improved seeds will increase from 1.51 million quintals and 97.8 thousand quintals in 2004/05 to 4.00 million quintals and 700 thousand quintals in 2009/10, growing at an annual average growth rate of 21.5 % and 48.2 % respectively for both inputs. High priority is given to improve the provision of extension service from 563 in 2004/05 to 212 extension agent per farmer in 2009/10.

Regarding improvements in the livestock resource of the region, the plan will consider improved management systems both in mixed farming and in pastoralist's context. It is envisaged to improve and strengthen animal health and management system, improve animal breeds, animal feed and fodders, and facilitation of access to livestock markets that can have a positive impact on production and productivity of the sector.

The protection and conservation of natural resources is also given due emphasis, with major focus on soil and water conservation and forest development, both through better government support and community participation.

In order to raise the coverage of potable water supply, significant emphasis is given to the sector in the five-year development plan. The target during the years under consideration is to raise coverage from 36.2 % to 66.5 % in rural areas and from 83.9 % to over 90 % in urban areas. To achieve this target, construction of 1,323 deep wells, 1,052 shallow wells and development of 1,552 springs will be carried out in rural areas, while construction of water works in 57 towns and rehabilitation and expansion of water delivery systems in 58 urban centers will be carried out over the five years period. It is generally anticipated to raise water supply coverage from its current 42.8 % to 70 % in 2009/10.

With a vision of improving the road networks, it is envisaged to construct 2,774 km new road, raise the current 30.3 km road per 1000km^2 to 37.9 and improve length of road per 1000 population from 0.43 km to about 0.50 km by the end of the plan period.

Regarding health services provision, it is planned to construct 37 hospitals (including the construction of 7 new ones and up-grading of 30 health centers), 725 health centers (24 new and 701 clinics to be up-graded) and 5,525 health posts, there-by increasing primary health service coverage from 62% in 2004/05 to 100% in 2009/10.

In education sector, it is envisaged to construct 2,522 primary and 37 secondary schools, in addition to expanding and maintaining the already existing ones. It is anticipated that primary education enrollment increases from its current level of 85.4% to 113.5%, and for secondary education from 28.1% to 47.1% by the year 2009/10. Disaggregated on gender basis, while enrollment rate for boys increases from current 97.9% to 115.5% and from 72.6% to 110.8% for girls at primary education, at secondary education, participation of boys increases from 38.1% to 56.7% and for girls from 17.9% to 37.4 in 2004/05 to 2009/10 respectively.

In the proceeding section, an effort is made to assess the overall socio-economic profile of Oromiya, including identification of major challenges encountered and major priority areas that deserve due attention and major targets in the five year development plan that extends over a period of 2005/06-2009/10. In the following section, close analysis of the various sector activities, major objectives, strategies for implementing the set objectives and targets of the Five-year Development Plan are presented by sector.

PART TWO

SECTORAL DIMENSION OF THE FIVE-YEAR DEVELOPMENT PLAN

2. AN OVERVIEW

2.1. Agriculture and Rural Development

The agricultural sector besides providing employment and contributing to enhanced regional revenue, it plays decisive roles in the supply of raw materials to the industrial sector. As a main stay of the regional economy, agriculture accounted for 65.3% of the Regional Gross Domestic Product and provided employment opportunity to about 89 % of the population in 1998/99.

The region has large expanse of land resources, endowed with diverse soil and climatic condition highly favorable for cultivation of various types of crops and livestock rearing. Despite availability of abundant resources and relentless efforts made to maximize productivity of the agricultural sector, returns from the sector remained below expectation. The regional government has been pursuing various strategies to make the people self-sufficient in food crops production. In the Five-Year Development Plan, therefore, priority is given to production of high value crops, enhancement of production and productivity to free the region from reliance on food aid and improvement in the overall livelihood of the rural population. To achieve these goals, major strategies identified include; increasing crop production, livestock and fisheries development, environmental protection and development. Following are discussed major achievements recorded and still persistent development problems, objectives, strategies and targets of the next regional development plan that stretches over the next five years (2005/06-2009/10).

2.1.1 Agricultural Development

2.1.1.1. Crop Production

In the near past years, some improvements were recorded in crop production through expansion of cultivated land and use of modern agricultural inputs, coupled with improvements in extension services. Accordingly, production of major crops that was limited to cultivation of only 4.98 million hectares of land in 1999/00 increased at annual growth rate of 5% and raised to 6.38 million hectares in 2004/05. Total production boosted from 59.25 million quintals in 1999/00 to 100.6 million quintals in 2004/05, showing an average growth rate of 112 % per annum. In the period under consideration, while the productivity of land increased on the average from 11.89 quintals to 15.80 quintals per hectare for all crops, productivity of land for individual crops was:

a. Cereal crops rose from 12.87 quintals to 15.76 quintals per hectare, while overall production increased from 54.89 million quintals to 80.9 million quintals,
b. Field crops rose from 6.32 quintals to 11.25 quintals per hectare, while overall production increased from 3.28 million quintals to 7.47 million quintals,
c. Oil seeds grew from 5.46 quintals to 7.64 quintals per hectare, while the total volume of production increased from 1.07 million to 3.56 million quintals.

As assessments made for major food crops production in 1999/00 indicated, net food crops production amounting 49.3 million quintals of wheat equivalent was increased to 83.5 million quintals for same in 2004/05 .Net production share per person rose from 2.21 in 1999/00 to 3.2 quintals in 2004/05. The regions' food crops supply demand ratio increased from 119 % in 1999/00 to 157 % in 2004/05.

Inputs such as fertilizers, improved seeds and chemicals are believed to be the most important production boosting modern technologies. Over the years, the consumption of these inputs has been steadily increasing. The amount of fertilizers consumed in 1999/00 has increased from 1.2 million quintals to 1.507 million quintals in 2004/05. Although the volume of fertilizers

used has significantly increased over the years, extent of fertilizer application has declined from 24 kg/hectare in 1999/00 to 21 kg/ha in 2004/05 because of cultivated land expansion without proportionate increment in fertilizer supply. The use of improved seeds on the other hand, has increased from 50,429 quintals in 1999/00 to 97,849 quintals in 2004/05.

The experience of household extension package has started on the highland and mid-altitude areas of the region in 1996 participating 15,765 farmers. By 2004/05, the number of farmers with access to household extension services has increased to 97,774. Including those farmers served by the regular extension services, the total number of farmers participated in the program has reached 2,923,652 (64.9% of total farmers) by 2004/05, which was 1,256,724 in 1999/00. Similarly, the number of development agents (DA) increased from 4,590 in 1999/00 to 8,001 in 2004/05. DA to farmer ratio, however, declined from 1:274 in 1999/00 to 1:365 in 2004/05, implying a disproportionate increase in the number of farmers in need of extension services and the number of extension agents over the years. An improvement in farmers to DA ratio, however, is significant when viewed in relation to the total number of farmers found in the region. It was 875:1 in 1999/00 and improved to 563:1 in 2004/05. The improvement made in extension service coverage was partly augmented by the introduction of 1,659 Farmers' Training Centers (FTC) constructed all over the region up to the end of 2004/05 budget year, and it is anticipated that every Peasant Association (PA) in the region will have one FTC in the next five years.

Coffee is the single most important foreign currency earning agricultural output in the country. It is produced in about 98 districts of Oromiya (55 as major producers, 15 on medium scale and 28 on small scale). Area of land under coffee cultivation increased from 260,500 hectares in 1999/00 by over 100,000 hectares, reaching 362,587 hectares in 2004/05, despite discouraging global coffee market over the years. Over the same period, the amount of coffee produced increased from 119,000 tons (9,200 tons washed and 109,800 tons otherwise) to171, 233 tons; accompanied by significant changes in productivity of land from 4.57 quintals to 5.58 quintals per hectare.

In the year 1999/00, major and medium coffee producing districts of the region delivered 84,810 tons of coffee (9,220 tons washed and 75,590 tons dried) to the central market. This figure was raised to 128,425 tons (16,280 tons washed and 112,145 tons dried) of coffee in 2004/05, with remarkable delivery capacity growth rate of 51.43% over the year 1999/00.

2.1.1.2. Livestock and Fishery Development

Oromiya is known by its large livestock population and delivery of huge livestock produces to the central market. It is estimated that the region houses 20,265,224 cattle, 5,048,312 sheep, 5,074,277 goats, 2,841,724 equines, 10,032,116 poultry and 778,047 camels in 2004/05. Despite such a large stock of livestock population, its overall contribution to the regional economy did not exceed 15% of the regional GDP. This is mainly attributed to constraints associated with widespread livestock diseases, reliance on poor livestock breed, and lack of sufficient animal feed, traditional animal breeding practices and lack of efficient market infrastructure.

In an effort made to promote livestock and livestock productivity, the regional government has carried out massive institutional capacity building works. The number of veterinary clinics increased from 189 in 1999/00 to 584 in 2004/05 and were 3 animal health research laboratories during the latter time, showing that one veterinary clinic and a laboratory serves 29.4 thousand and 5.72 million Tropical Livestock Unit (TLU) animals in 2004/05 respectively. Moreover, there were 388 animal health professionals and 708 technicians, on average providing health service on a ratio of 1:44.3 thousand and 1:24.3 thousand livestock respectively, increasing overall animal health service coverage from 8,089.5 (18%) in 1999/00 to 8,927.4 (28%) in 2004/05.

In concerted effort made to improve the genetic potential of the local breeds, in the last five years, besides the production and delivery of 1,186 heifers and 930 bulls produced at different livestock breeding and multiplication centers, and purchase of 830 heifers and 83 bulls of better quality Borena breeds, 43,180 cows/heifers were inseminated through artificial methods.

Despite the efforts made and achievements recorded, given the existing wide demand for the service, the gains so far registered are insignificant.

Findings from related sources indicate that about 50% of the total districts of the region suffer from lack of sufficient animal feed, while on the other hand another 30% produce in excess of consumption. Major contributing factors for insufficiency of animal feed production include frequent drought occurrence, much more heads of cattle with the carrying capacity of the land, encroachment of cultivated land onto former grazing areas, and coverage of about 40% of grazing area by bushes and shrubs. Furthermore, the challenge is aggravated by lack of adequate water supply, especially in lowland areas. Despite integrated efforts made to improve the delivery of water through construction of water harvesting technologies within the vicinity of 5 kms, it could not bring lasting solution due to the meager nature of rainfall received in most of the lowlands where the problem is acute.

Because of challenges related to market infrastructure, low quality livestock production, lack of livestock marketing information system, coupled with meager benefits accorded to the direct beneficiaries has dwindled the gain from the sector. In the last five years, concerted efforts were made to organize and build livestock market networks, especially among pastoralists. Accordingly, livestock marketing cooperatives were organized; private investors were encouraged to penetrate the sector, livestock marketing extension works were initiated, and foundations for livestock marketing and information networks were strongly worked upon. In 2004/05, cooperatives and private livestock entrepreneurs delivered a total of 19,838 cattle, 301,275 sheep and goats 323,111 hides and 2,075,791 skins to the central market.

Although the region produced about 46.13 million eggs from the total stock of 10.03 million (38% of national share) poultry, the benefit generated is by far below the standard. Among prominent reasons for low productivity are, predominance of poor breed, lack of processed feed and medication are among the foremost. In response to these shortcomings and stern move made to improve productivity, 794,047 improved poultry breeds were distributed to farmers in 2004/05.

According to CSA estimates, in 2004/05, there were 2.28 million beehives from which 8.11 thousand tons of honey was harvested. Over 99% of the produce was generated through traditional method, which consequently, made its productivity very low with only 3.55 kg honey per beehive. To improve the situation, 20,039 modern beehives and 92,000 semi modern or transitional beehives were distributed to farmers all over the region in 2004/05-budget year.

The region is endowed with numerous water bodies containing substantial fish resources. Fish production per annum, however, has never exceeded 30% of the total annual regional potential of 17,500 tons. In 2004/05, however, performance has significantly improved (9,724 tons), although there is still a long way a head to eliminate productivity limiting factors like shortage of fishery professionals, transportation facilities, low extension coverage and poor credit facilities.

2.1.1.3. Natural Resources Conservation and Development

Oromiya is endowed with rich natural resources, like forest, wild life, different kinds of birds, fertile land and both surface and ground water resources. Over 50 % of the forest resource of the region is confined to Bale and Illu Abba Bora zones. Besides, out of 58 forest sites the federal government recognized as national reserve and accorded due protection, 37 are found in different zones of the region.

Due to reasons pertinent to high population growth the demand for more farmland to feed the ever growing population, expansion of urban areas with consequential demand for fuel wood, construction materials, and forest fire the region looses 50 -100 thousand hectares of forest annually. This is further aggravated by frequent cultivation of arable land without fallow break in most highland districts of the region, exposing the land to severe erosion hazards. Extent of losses of topsoil is estimated at 120 tons per hectare every year. Because of this and other interrelated factors, production and productivity of land is decreasing continuously, and climatic change and desertification is expanding at an alarming rate. Currently, about 49.9%

of the regional land area is classified as drought prone and susceptible to slight climatic changes.

Apart from possession of huge hydropower sources, the region is endowed with numerous renewable and non-renewable energy sources like biomass, solar energy, geothermal, oil shell, coal...etc which can play decisive roles in augmenting the regional economy. Current level of exploitation and contribution of these energy reserves to the regional economy, especially in augmenting fuel requirement is very insignificant.

2.1.2. Irrigation Development

Water is one of the most critical resources for crop production in moisture deficit areas. Fortunately, Oromiya is one of the few regions of the country adequately endowed with both surface and ground water resources. Water is key input to enhance irrigation development in the fight against food insecurity.

The operation of modern irrigation agriculture is not well known among small holders before the drought of 1984/85 in the country as a whole. It was, however, widely practiced on large mechanized state farms. As indicated on Economic Study of Oromiya, conducted in 1999, the region has about 1.7 million hectares of potentially irrigable land, with potential capacity of serving about 6.8 million households. However, up to the end of 2004/05-budget year, the extent of land under irrigated agriculture is estimated at 205,977 hectares, accounting for roughly 12% of the regional potential.

From the aforementioned irrigated agricultural land, 797,955 farming households owned 172,644 hectares, while private investors and government cane sugar plantation owned the remaining 6,827 and 26,506 hectares respectively. The overwhelming majority of irrigated land owned by small holders accounting for over 87.33% (152,515ha) was developed through traditional irrigation practices.

The forgoing data are clear manifestations of the regions' over reliance on rain-fed agriculture, the effectiveness of which is declining year after year. This is manifested by low productivity and yield because of continuous decline in intensity and spatial distribution of rainfall, hindering fulfill secured food demand of the over increasing population. Thus, augmenting rain-fed agriculture with modern irrigation practices is a necessity.

Cognizant of the need for irrigated agriculture in the last five years, Oromiya Irrigation Development Authority (OIDA) conducted 288 reconnaissance and 196 feasibility studies, undertook construction of 89 irrigation schemes with the capacity to develop 3,461 hectares of land from which 13, 844 households has benefited.

2.1.3. Agricultural Research

Countries whose socio-economic development is dependent upon agriculture and rural development need to assist and augment the sector with agricultural research and modern technology to attain continuous and sustainable development. In Oromiya, because of low level of modern agricultural technology application by the majority of farmers, production and productivity of the agricultural sector could not increase to the desired level. Unless measures are taken, with current production and productivity level, it is hardly possible to attain food security and produce sufficient marketable crops in the short term.

In order to attain sustainable socio-economic development, as a region predominantly dependent upon agriculture and allied economic activities, enhancing application of modern inputs, promoting and assisting traditional practices reputed in boosting productivity and adjusting modern technologies to tangible development needs of the region is a priority concern. In this regard, the symbiotic relationship and interdependence between agriculture and research should be strengthened in such a way that they complement and enforce one another; and lead the region to the aspired desire of food self-sufficiency and marketable surplus production.

Accordingly, the sector responsible for promotion of agricultural technologies has been implementing various production boosting techniques, including harmonization of imported technologies to local needs, research and application of practically tested local research findings, promotion of environment friendly practices...etc. Besides, the institute has been carrying out numerous agricultural research and studies in 15 agricultural research centers found all over the region in a continuous manner, with sole objective of boosting production and productivity.

In 2004/05, the Institute conducted 852, 330, 130 and 112 researches on improvements of crop, livestock, natural resources and socio-economics and extension respectively. Furthermore, the institute has completed 28 research outputs pertinent to bees, 6 on fishery resources, 30 on rural appropriate technologies and 5 on soil laboratory. On the other hand, farm management research was conducted on 441.4 ha of land. The impact of these research outputs is numerous, a great deal of the outputs is currently in use by farmers and others engaged in agriculture.

Apart from efforts being made to revolutionize the application of modern technologies in agricultural practices, effort is being waged to solve intricate problems of pastoral communities and long-lived coffee diseases. Two new research stations one at Yabello, for pastoral and livestock, and another at Mechara for coffee research, are established.

2.1.4. Cooperatives

Available sources indicate that the formation, organization and implementation of basic principles of cooperatives in Ethiopia are highly biased towards political orientation of regimes. In the history of the county, the first proclamation that allowed the formation of cooperatives was issued by proclamation No.44/1968. In the same year, following the favorable ground created, the first cooperative known by the name 'Farm Workers Cooperatives' was established .At the turn of the Haile Sellassie regime in 1973/74, cooperative promotion proclamation No.241/1974, was issued. Despite intensive endeavors made to enhance and promote the formation of cooperatives in the country, no reputable

cooperative was formed ever since the inception of the idea. Scholars outline numerous reasons for failure to organize effective and sustainable cooperatives in the country among which lack of land rights, capital, trained work force; managerial skill and forceful membership are the foremost.

With the downfall of the Haile Selassie regime and the coming into power of the Dergue, the new government made every possible effort to reorganize the already existing cooperatives in line with the principles of socialism, along with massive resource mobilization to organize farmers all over into farmers' cooperatives, irrespective of farmers' individual interest. Over 96% of farmers' cooperatives formed in this manner were dismantled when the Dergue government proclaimed its policy of mixed economy a year before the downfall of the system in 1991. Further more numerous service cooperatives, which by then had huge capital resources both material and financial were also disorganized, and savagely robed.

Since the last decade, the Oromiya Bureau (currently called Commission) of Cooperatives Promotion, based on cooperative promotion proclamation No. 85/1994 issued by the regional government of Oromiya, is working on organizing and re-organizing cooperatives in procedural manner different from the former practices. Accordingly, at the end of 2004/05-budget year, there were 2,727 licensed cooperative societies with a total of 1,453,018 memberships and 135.8 million Birr capital. These cooperatives were engaged in 22 different kinds of activities participating in service delivery, including butchery, electric power generation, milling ...etc. They made 28.3 million net profits and paid it as a dividend to its members.

The majorities of the cooperatives (1,547) were engaged in agriculture and allied activities, while 583 cooperatives were involved in 19 different types of non-agricultural activities. Furthermore, 597 credit and saving cooperatives were operational, both in rural and urban areas of the region.

One thousand seventy four cooperatives organized under 40 unions, engaged in eight different types of activities altogether had 464,164 members, out of which about 8.5% were females. In

relation to field of specialization, out of the 40 unions, 30 were engaged in agriculture and allied activities, 3 in credit and savings, 2 in fruits and vegetables marketing while the remaining 5 unions were involved in a range of diverse activities including, dairy farm, coffee trade, cane sugar farm, animal husbandry and traditional mineral mining, particularly gold. At the end of the budget year, the unions had 30.1 million Birr net capital, and generated a total of 11.8 million Birr net profit from the multi-faceted economic activities they were engaged in. 8.2 million Birr of the net profit was divided among members as dividend. Currently 3 cooperatives are actively involved in importing agricultural inputs such as fertilizers, while the union working on coffee trade is also competing on international coffee markets.

On the other hand, in order to facilitate the availability and circulation of money in rural areas of Oromiya, Oromiya Cooperative Bank is providing financial services through its seven branches in different zones of the region. The Bank is currently providing loan to union member cooperatives for purchase of agricultural inputs, grains and coffee. Furthermore, the Bank is playing decisive roles in delivery and distribution of agricultural inputs, thereby augmenting government efforts of maximizing production and productivity of agriculture.

2.2. Water Resources Development

During the last five years, remarkable achievements were recorded in expansion of rural and urban water supply. In particular, studies and designs for 1,639 water works, drilling and distribution of water from 332 deep wells, construction of 483 hand-dug wells with hand pumps and development of 491 springs with distribution were among the foremost. Similarly, drinking water project study and design for 18 urban centers and construction and operationalization of eight urban water projects were also among major achievements of the last five-year plan.

As a result, the number of people with access to clean water overall increased from 23.9% to 36.2%, while for urban and rural areas it increased from 76.3% to 83.9% and from 30.1 % to 42.8% respectively over the years. In the last ten years, although the number of people with access to potable water increased from 4.5 million to 11.2 million in the region, given the

rapidly growing population of the region, the challenge a head is not simple to fulfill the demand for potable water supply.

2.3. Mining

Despite the existence of numerous mineral deposits in the region, the share of this sector to growth of the regional economy is very insignificant. Studies confirm that, the contribution of the sector to the regional GDP is roughly equivalent to 1% (The economy, of Oromiya, 1999), requiring a further effort to explore the sector for the benefit of the regional economy.

During the last five years, the region had carried out one project document, issued 635 new and renewed 1,357 mineral extraction licenses, and collected 29,103.5 thousand Birr revenue from a total of 1,992 investors. Relative to the past ten years, performance recorded in the sector, during the last five years is promising.

2.4. Rural Roads

Road is one of the basic inputs to bring about rapid economic development. About 87% of the regional population is rural based, essentially driving its livelihood from agriculture.

Road and transport facilities are indiscernible for the rural population to transport and market agricultural products and buy essential consumer goods and agricultural inputs. The construction of feeder rural roads to link the hinterland with regional and high ways, therefore, deserves special attention.

Available data shows that, at the end of 2004/05 there was 2,339 km asphalt surfaced, 1,979 km gravel and 6,854 km rural roods, in all amounting 11,172 kms in Oromiya. Over the last five years, the regional Rural Roads Construction Authority built 242 km new roads with its own machineries, 377.1 own with labor-intensive technology and 317.3 km by private contractors, totally 936.4km. Furthermore, a total of 171.3 km road was rehabilitated, of which 75.6 km was built on own force, 20.7 km on labor-intensive technology and another

75.0km by other bodies. In general, in the period under review a total length of 1,107.7km road was constructed in the region.

On the other hand, for effective implementation of the resettlement program, the Regional Rural Roads Construction Authority had opened up 1,160 km low-grade rural roads that can be up-graded to serve throughout the year. Besides, a total of 10,591 km community road were constructed with active participation of the community, over the last two years (4,767 km in 2003/04 and 5,824 km in 2004/05).

A preliminary study of road construction under the Ethiopian Rural Travel and Transport Sub-Program (ERTTP) is also underway in 14 districts (one from each zone) of the region for implementation by the Ethiopian Road Authority (ERA) over the plan period. Pilot project of this program is under implementation since 2004/05 in Bako Tibe district of West Shewa zone of the region, with Road Fund Secured from the Irish (DCI) and British (DFID) bilateral cooperation. Accordingly, two rural roads with DS-9 and DS-11 standard are under construction. The ERTTP is expected to better support agricultural and other commercial activities in the region, and thus, provide a sound and sustainable foundation for the on-going economic development efforts in the region.

Furthermore, a total of 76.4 km road was constructed in the region, out of which 32.4 kms road was implemented in industrial zones of 11 towns and another 44 km for promotion of investment activities and attraction of investors to these towns.

The existing road infrastructure had been undergoing persistent maintenance and rehabilitation works to ensure sustainability and continued service provision. During the last five years, a total of 14,416 km road was maintained roughly, attaining 2,883.2 kms per annum.

Consultants and Rural Roads Construction Authority have also undertaken preliminary study of road quality and its possible economic return to the economy of the region. Study of 822

km road found in various zones of the region and purchase of various machineries has been completed to strengthen road maintenance capacity of the region.

In general, in the last five years, tremendous efforts were made by the regional government to improve rural road network. However, a lot remains to penetrate many inaccessible localities of the region. In the next five years, all possible measure will be taken ranging from construction of high standard roads to low quality ones, (to be up-graded later on) will be undertaken to augment rapid economic development of the region.

2.5. Urban Development

Currently there are 680 large and newly emerging small urban centers in the country, of which 375 (55%) urban centers are found in Oromiya. On the other hand, according to the standard set by the Ministry of Works and Urban Development, in 1994 there were 395 urban centers in the country, whose population is 2000 and above qualifying township status. Out of these, 230 (58%) urban centers were found in Oromiya. The majorities of urban centers in the region (60%) had less than 5,000 populations, while those with 20,000 and above constituted only 10% (22 in numbers) of the regional total. According to urban population projection made based upon the 1994 Housing and Population Census Report, the regional urban population reached 3.37 million in 2004/05 constituting roughly 13% of the regional population.

2.6. Trade, Industry and Transport

2.6.1. Trade and Industry

To ensure that the operation of trade and its management is legal based, registration, licensing and renewal of licenses of trade operations has been provided in the last five years. Accordingly, 103.5 thousand traders with a total capital of 3.91 billion Birr and 63.9 thousand business enterprises with a total capital of 1.84 billion have received new trade licenses. During the same period, however, 13.4 thousand traders having operational capital amounting Birr 99.4 million have returned their license.

Currently 112.4 thousand traders whose registered operational capital amounted Birr 3.93 billion are legally operating in the region. Out of this, 19% are whole sellers, 58.5% retailers, 18.3% service renders, 3% industrial oriented, while the remaining 1.1% is registered under agriculture, cooperatives and related activities. It is also an open secret that, enumerable unlicensed traders are also operating in the region illegally.

At present, there are 1,762,625 unemployed youth in the region. It is further projected that, after three years this figure will reach 3 million. Since the 2003 budget year, the government has been focusing on promotion of Micro and Small Enterprises (MSE) development as employment generation opportunity for majority of unemployed youth. Hence, quite enumerable unemployed youth have organized themselves under different sectoral cooperatives. By the end of 2004/05, there were 25,459 MSE organized for engagement on various sectoral activities of which 6,062 (23.81%) industry, 3,314 (13.02%) urban agriculture, 5002 (19.65%) construction, 4,785 (18.79%) services and 6,296 (24.73%) trade and business.

Expansion of MSE program as one major Urban Development Package, will be given due emphasis in order to open up as many employment opportunities as possible, there-by contributing to rapid economic development of the region.

2.6.2 Transport

The majority of the regional population does not have access to motorized transport service. Estimates reveal that only about 10% of the country's population has access to motorized transport services. The overwhelming majority uses horseback, carts, bicycles...etc for transportation. Despite the availability of bus stations in 14 zonal towns of the region, the service they render is far from being satisfactory.

In Oromiya, traffic accident is increasing from time to time. As data from relevant sources indicate, in the last five years on average, incidence of traffic accident reached 1,961 per

annum, taking lives of 2,797 and exposing another 8,597 to serious and minor injuries with estimated destruction of wealth worth of 40.98 million Birr.

Furthermore, available sources confirm that the region is the second largest in traffic accident occurrence, next to Finfinne, and the first in severity of accidents nation wide.

In the just completed five years, vehicle physical, technical fitness inspection and compatibility to accepted standards for 1,145 vehicles, on average inspecting 23.46 thousand vehicles per annum. Similarly, annual inspection service was issued to private, government owned and other NGO owned vehicles. Furthermore, every year on average 7.44 thousand new driving license seekers attended technical skill training. Over the plan period while 472.85 thousand license seekers sat for written and practical examination, only 121.31 thousand (26%) managed to pass the examination and thus, secured driving license. Overall, 15.2 thousand new clients received driving license over the plan period, and the responsible bureau has been renewing deriving licenses every year.

To guarantee safe and secured mobility of long, medium and short distance travel vehicles, necessary inspections were made on 433.2 thousand km long roads per annum. The bureau has implemented the construction of 12 bus stations and 2 zonal offices to promote better provision of transport services. With a motto of improving further the delivery of transport services; the bureau in charge organized 32 public transport, 7 freight and 5 taxi cooperatives. These cooperatives currently administer 4,250 public transport buses, 234 heavy load trucks and 945 taxes.

2.7. Health

According to the World Health Organization (WHO) health and healthiness meant not only freedom from illness and physical fitness, but also having physical, mental and social security. These have direct relation with enhanced growth and improved living condition of the population. Besides, availability of environmental sanitation and personal hygiene, balanced

dietary food intake, availability of recreation/refreshment places and improvements in social security further promote continued human healthful existence.

At the end of 2004/5, there were 2,017 health institutions owned and ran both by government and non-governmental organizations (NGOs) operating in the region. Out of these, government health institutions constituted 21 hospitals, 178 health centers, 701cilinics and 1010-health posts, while the remaining belonged to NGOs. Total trained health personnel in government operated health institutions were 7,137 and number of beds in 29 hospitals was 2,547. There was 6-health science colleges in different urban centers (Assela, Nekemte, Shashamene, Mettu, Goba, Negele) designed to produce health professionals in different disciplines. These health science colleges have intake capacity of 250 trainees per annum.

Health Institutions and Health Personnel

No	Health Institution/ Facilities	No	Ratio (Regional level)	WHO Standard
1	Zonal hospital	17	1:1,541,467	1:1,000,000
2	District hospital	12	1:2,183,745	1:250,000
3	Health center	181	1:144,778	1:25,000
4	Clinics	781	1:33,553	1:10,000
5	Health post	1,010	1:25,945	1:5,000
6	Beds	2,547	1:10,288	1:3,000
	Health Personnel			
1	Physician	143	1:183,251	1:10,000
2	Nurses/all types	1,981	1:13,228	1:5,000
3	Assistant health workers	1,169	1:22,416	-
4	Health Officer	368	1:71,209	-
5	Health extension workers	2,038	1:12,858	-

As standards set by WHO indicates, overall health service provision in the region is far from being adequate. Even if one compares regional health coverage with reference to health centers and health posts, regional population with access to health facilities constitutes only 62% in 2004/05. This implies that still 38% of the regional population gets no access to health facilities of any type. Therefore, in the next five years, there is a need to boost-up the supply of both health facilities and qualified health personnel to improve regional health coverage and there-by increase productivity of citizens.

Available health personnel data indicate that the national health personnel stock is not in proportion to the number required. The situation in Oromiya is quantitatively and qualitatively is much worse; demanding concerted and focused approach to reach the needy population with basic health care services.

Only 15% of the regional population had access to toilet facilities at the end of 2004/05. Non-existence of policy provisions to enhance implementation strategy and weak community participation in environmental sanitation and health services provision is further aggravating the situation.

Regarding prevalence of communicable disease, HIV/AIDS, Malaria, Tuberculosis, Respiratory Infection Diseases, Vector Borne Diseases and sexually transmitted diseases (STD) are among the foremost. At the end of 2004/05, HIV/AIDS spread (adult prevalence rate) in the region is estimated at 3.1%.

Mothers and children make up the majority of the population. This section of the population is facing increased biological, socio-cultural and economic vulnerability. Hence, they get more than their share of disease burden and health problems. Based on Housing and Population Census Report of 1994, it is estimated that, out of 100,000 pregnant women, 871 die on delivery, 98 per 1000 children die before reaching their first birthday, and around 142 die before reaching their fifth birthday at regional level, while at the national level, the rate was 96 and 140 per 1000 children respectively.

In the period under review, the number of pregnant women with access to prenatal supervision was 33%, while only 8% had professional assistance and regular supervision during and after delivery. Coverage of services like that of family planning and DPT vaccination is estimated at 21 % and 62 % respectively.

Source of drug delivery in the region is government recurrent budget and donation from different multi-lateral and bi-lateral organizations. Government input for delivery of drugs is