

Furthermore, the regional government will attend to construction of 528 veterinary clinics (48 'C' type and 480 'D' types) over the plan period.

A massive effort is already underway to maximize the number of improved livestock breeds, through existing livestock multiplication and breeding centers and new ones envisaged for construction during the plan period. Accordingly, in 2004/05, the centers produced and distributed 368 heifers, 13 highbred bulls and 69 local breed bulls to farmers, while artificial Insemination (AI) services was offered to 14, 245 cows/heifers. In 2002, it is anticipated to produce and distribute 850 heifers, 40 highbred and 140 local breed bulls and 90,000 AI services. Furthermore, in order to address the shortage of animal feed widely prevalent in the region, it is planned to supply 250 tons of forage seeds to further multiply and distribute to the farmers.

In 2004/05, 19,838 cows, 150,000 sheep, and 151,275 goats were exported alive, while livestock products like skin and hides delivered to the central market, amounting to 323,111 hides, 1,030,000 sheep and 1,045,791 goats' skins. At the end of the plan period, it is envisaged to boost the number of exportable live animal to 626,500 cows, 473,000 sheep and 532,000 goats. Similarly, the delivery of livestock products like hides and skins will increase to 457,500, 2,635,938 and 1,492,618 for hides, sheep and goatskins respectively over the plan period. The 2.53 thousand tons fish delivered to the central market in 2004/05 will also boost to 7.0 thousand tons in 2009/10.

Regarding forest resource development of the region, it is envisaged to multiply and distribute to all stakeholders 2,303 million forest, 196 million tree, 967 million animal forage and 564 million fruits and vegetables seedlings, in all 4,030 million seedlings in the next five years. With regard to soil and water conservation, 675,053 km terrace, 10,000 km cut-off-drains and 35,000 km waterways will be undertaken during the same period. Among others, the construction of 275 million micro basins is also one major activity planned for implementation. Besides, in order to promote and enhance conservation based environment friendly land use practices, 1,000,000 farmers will be provided with 2nd level 'user right certificate' for land holdings currently under their disposal.

6.2. Irrigation Development

In this sub-sector, emphasis is given to under take 473 reconnaissance and 634 feasibility study of irrigation projects, construction of 201 small-scale, 2 medium and large scale irrigation schemes, construction of 280 river diversions, 10 soil bands and 20 underground water sources. The harnessed water sources are expected to irrigate 10.73% of all potentially irrigable land. On the other, water harvesting and utilization practices will be adhered through construction of 200,000 hand-dug wells with a capacity of irrigating roughly 12,000 hectares of land.

Through expansion of traditional irrigation practices, on the other hand, 547,454 hectares of land is to be irrigated and is envisaged to bring about 53% the total irrigable land of the region under irrigation agriculture during the plan period.

6.3. Agricultural Research

In the five years a head, the research centers in the region will undertake 1,113 crops, 699 livestock 258 natural resources conservation, 283 agricultural economics and extension researches, overall 2,353 research works. Besides, 140 bees, 50 fisheries, 189 rural appropriate technology and 100-soil laboratory researches are going to be undertaken during the plan period. Apart from this, farm management research will be carried out on 496.8 hectares of land; three new agricultural research centers will be opened up and rehabilitation of existing research centers will be undertaken to improve their performance capacity.

6.3. Cooperatives

In the coming five years, it is envisaged to increase:

- Primary Cooperatives of different type from 2,727 to 8,278; 2nd level cooperatives from 40 to 140;
- Out of 2,727 cooperatives so far established, and others that come up through time, 873 will be managed by salaried managers;

- Identified resource accounting shortfall in 963 cooperatives by 12,517 cooperative members will be handed over to the cooperatives;
- It is envisaged that, at the end of the plan period;
- 1,415,808 cooperative members will be trained on cooperatives, their level of participation will be enhanced and sensitization will be given to 4,796,948 non-cooperative members of the community;
- 11 of the 40 2nd level cooperatives will be transformed from agriculture related ventures to non-agriculture, especially industrial oriented economic activities;
- Imported fertilizers like DAP and UREA delivery by cooperatives will increase from 250,000 quintals each to 2.25 million quintals and 1.25 million quintals respectively for both inputs;
- All cooperatives will sufficiently be promoted and strengthened to become member of and buy substantial share from Oromiya Cooperative Bank.

6.5. Water supply

People in poverty-afflicted rural areas frequently suffer from water born diseases due to lack of access to potable water. In the next five years, provision of adequate clean water to substantial number of people with limited access to water is one major area the region envisaged to address. To achieve the targeted goals, construction of 1,323 deep wells, 1,052 shallow wells, 1,328-spring development with distribution, and 224 on-spot spring development will take place in rural areas, while construction of water sources in 57 towns and expansion and rehabilitation will be carried out in 58 urban centers during the same period. At completion of the various water sources, water supply coverage will increase from current coverage of 36.2% to 66.5% in rural areas, from 83.9% to 90% in urban centers, and overall coverage will rise from current 42.8% to 70.0%.

6.6. Mining

Mining is another rich resource of which is extremely under utilized. During the next five years, it is planned to issue 2,817 new licenses for production of construction materials, gold, salt and clay soil (exploration, study and production), renew 3,932 mineral extraction licenses and collect a total of 49.0 million Birr revenue. Besides, it is planned to carryout five different mineral resources development promotion activities and produce enabling technical documents, which are of paramount importance for attracting investment. Furthermore, it is planned to make 3,041 geological mapping for possible mineral rich areas already requested by investors and create enabling environment, including regulation and its enforcement.

6.7. Rural Roads Construction

The primary objective of the road construction program of the next Five Year Development Plan is to provide essential road infrastructure on sustainable basis to the rural population. In this regard, envisaged physical activities include:

- Construction of 2, 309.4 km new road (743.23 km own force machineries, 375.2 km own force labor-intensive), 160 km own mixed technology (labor plus machinery), 1030.98 km by contractors (870.98 km with mechinary, 160 km labor-intensive) as well as 465 km road by the Ethiopian Road Construction Authority. Including the federal government, Regional Road Construction schedule for Oromiya, the total length of road in the region will increase from the current 11,172 km in 2004/05 to 13,946 km in 2009/10. This is expected to increase the regional road density from current 30.3-km/1000 km² to 37.9km/1000 km² and road/population density from 0.43 km/1000 populations to 0.50-km/1000 populations in 2009/10.
- Expand length of rural road through construction of 25,500 km community road;
- Undertake rehabilitation of 6,146 km road to end of the plan period from current average of 4,117 km and
- Conduct studies and design works for 3,557 km road.

6.8. Urban Development

- Conduct study on and issue legal entity to 120 urban centers;
- Undertake topographic map study for 130 towns;
- Prepare master plan for 130 towns;
- Undertake studies in 24 municipal towns to improve municipal revenue base and tax collection capacity;
- Prepare and renew master plan for 24 urban centers;
- Arrange and deliver short, medium and long term training programs for 3,932 urban administrations, zonal and regional level employees;
- Undertake and implement study on job creation opportunities in 20 towns;
- Promote and enhance community participation in development activities by 15%;
- Preparation of neighborhood plan for 5000 PAs growth centers;
- Construction of 150,248 residential houses in selected urban centers of the region (66,748 by the regional government, 83,500 by private investors, housing cooperatives and NGOs). This can create employment opportunities for 36,044 jobless youth in urban centers;
- Construct 10% (6,068) of the residential houses in such a way that they suit for trade and business activities;
- Privatize 50% (41,500) of residential houses currently under public ownership;
- Renew 1,720, up-grade 174 and issue 124 new construction licenses;
- Provide 26 new, renew 40 already existing ones and up-grade another 16 consultancy service licenses to further higher level.

6.9. Trade, Industry and Transport

a) Trade

One of the challenges of the sector is lack of the incalculability of trained/educated traders. To alleviate these problems, it is planned to provide: advisory and promotion service to 4,150 traders, training on business management for 2,250 traders; 170 cooperatives of different

background will be organized and licensed, establish 40 sector chambers, establish 26 chamber of commerce and sectoral cooperatives, prepare a trade promotion manual and arrange 5 trade buzzers and symposiums over the plan period.

It is also envisaged to renew 244.1 thousand trade licenses and undertake door to door inspection on 300 thousand trade firms during the plan period.

b) Industry

During the next five years, it is planned to:

- Form and provide necessary support to 70,000 new enterprises with a total membership of 700,000;
- Conduct assessment studies on MSEs challenges; strengthen and provide technical advisory support to already operating 58,900 MSEs having total membership of 589,000;
- Provision of relevant training to 576,770 MSE member practitioners to resolve shortage of trained technicians and business managers;
- Allocate 1,906.85 hectare (19,068,500 m²) of land for MSE promotion as centers for production and sales of output;
- Conduct marketing research for possible market opportunities for 750,000 MSE (Including already operational and new ones) outputs in government and NGOs offices;
- Construct 5,534 sheds and 75 multi-story buildings for production and sales of MSE outputs.

c) Transport

- On the average, undertake 647.8 thousand km road transport and 185.9 thousand vehicles inspection;
- Register and inspect 24.9 thousand vehicles annually;
- Issue and up-grade 23.7 thousand and renew 43.0 thousand driving licenses;

- Improve transport service delivery through provision of technical training to, on the average, 45.9 thousand drivers in all zones and branch centers.

6.10. Health

At the end of 2009/10, health coverage of the region will reach 100% from current coverage of 62%. To achieve this target, the following activities are to be undertaken.

a/ Construction of health facilities:

- Upgrade 701 government operated clinics to health centers,
- Construct 5,525 health posts, 24 health centers, 5 hospitals, 2 referral hospitals and 2 health science colleges;
- Up-grade 30 health centers found in district towns to district hospital.

With new health facilities planned for construction, at the end of the plan period, the number of health institutions will count to: 6,535 health posts, 202 health centers, 56 hospitals and 2 referral hospitals, including the already functional health facilities.

b/ Health Sector Human Resources Development

Profession	Current status (No) (2004/05)	Target (No) (2009/10)
Medical doctors	143	315
Health Officers	149	1,088
Nurses	1,981	9,096
Laboratory Technicians	344	1,415
Environmental health professionals	368	863
Health extension workers	2,038	13,000

c/ Health Service Provision in percentage (%)

Service	Current status (%)	Target (%)
	(2004/05)	(2009/10)
Anti Natal Care (ANC)	33	90
Deliveries attended by trained attendants	8	45
Family planning service	21	60
DPT ₃ Vaccination	66	99
Toilet facility	15	80
Control and prevention of malaria	10	5
Number of health facilities rendering VCT service	156	390
Increase Number of people with access to VCT service	61,195	1,250,000

6.11. Education

In education sector, the main thrust of the next five year development program is to improve educational quality, relevance, efficiency, equity and expand access to education, with special emphasis on primary education in rural and underserved zones and districts as well as the promotion of girl's education. For realization of these objectives, the regional Government emphasized construction of new schools, rehabilitation/renovation and up grading of same already existing schools. Accordingly, it is planned to:

- Construct 2,522 (1-4) primary schools (22 of which are rolled over), one (1-8) 2nd cycle primary school which is rolled over, and up-grade 5 (1-6) primary schools to (1-8) primary level (all are rolled over ones);
- Rehabilitate and expand 2,000 (1-4) and 697 (1-8) primary schools (27 of which are rolled over ones);
- Construct 37 secondary schools (15 are rolled over where 5 are up-graded of primary schools);
- Expansion and rehabilitation of 80 secondary schools;

- Construction and rehabilitation of 10 technical and vocational education training, expand 2 technical and vocational colleges, construct 3 new technical and vocational colleges, construct 1 TTI, 2 hostels and 2 educational program relay and broadcasting studio will be implemented.

Regarding school participation, Gross Enrollment Ratio (GER) for primary education would increase from 2004/05 base data of 85.4% to 113.5% in 2009/10. Similarly, Secondary education participation would reach 47.1 % from current status of 28.1%. The following table illustrates current base data and planned targets for 2009/10.

Education Sector: Current Status and Target for 2009/10, some of the indicators

School Participation	2004/05 Status			Target for 2009/10		
	Boys	Girls	Total	Boys	Girls	Total
Gross Enrollment Ratio (GER) for:						
▪ Primary education (%)	97.9	72.6	85.4	115.5	110.8	113.5
▪ Secondary education (%)	38.1	17.9	28.1	56.7	37.4	47.1
Preparatory education students (in number)	21,635	6,552	28,187	45,273	33,968	79,241
Preparatory Gross Enrollment Ratio (GER) (%)	3.9	1.2	2.6	7.7	5.9	6.8
Adult literacy rate (%)	28			40		
TVET trainees (in number)	5,738	6,513	12,251	15,678	17,610	33288
Textbook student ratio in primary education	1:2			1:1		

6.12. Public Mobilization, Labor and Social Affairs

- Based on the revised guideline, training will be delivered to 300,000 heads of development clusters, sub-clusters and to farmers. Similar short term training program designed to improve performance capacity will also be delivered to 330,000 government employees at all levels;
- Scale-up community participation activities in development activities in the form of labor, material resources and cash to a sum 2.4 billion Birr by the year 2009/10;

- Engage 1.78 million jobless youth in various activities through budget allotted by the government and 0.11 million in private enterprises and reduce the number of jobless youth to 0.20 million in 2009/10.

6.13. Culture and Tourism

In this regard, the regional government has planned to embark upon implementation of quite important historic tasks, including:

- The construction and opening up of one (1) Oromo language academy;
- Establish one Oromo Theatrical and Art Gallery Centre to enhance and make known the culture and language of the Oromo people;
- Collect and organize 70 % of historic heritages registered up to the end of 2006/07 in Finfinne Cultural Centre of the region;
- Enumerate and register 75 % of the region's historical heritages by type;
- Construction of Museums, preparation and publication of books pertinent to Geda system and Oromo council (Caffee) at different parts of the region will be undertaken;
- As per the national policy framework, the region will prepare and implement 4 tourist development directives and regulation as well as a policy document;
- Aided by in-depth study, identify various types of eco-tourism potential of the region and prepare 14 investment profiles, and development of 'Madda Walabu' Idol are among the major development plans of the sector in the next five years.

6.14. Environmental Protection

In order to reduce the environmental impact of development activities, the organization in charge of environmental protection planned to monitor and inspect once a year:

- 57 rural roads projects;
- 56 irrigation projects;
- 132 mining projects;
- 6 eco-tourism sites;
- 7 Lakes;
- 24 Regional forest Priority areas;

- 12 already operating tannery industries, and 6 that will be formed (founded) over the plan period; Moreover, it is planned to:
- Monitor and supervise waste management and disposal system in 15 urban centers;
- Conduct assessment study on liquid waste disposal to river bodies that cross 5 urban centers;
- Study and enact directives on supervision of tannery wastes, coffee washing firms, urban sanitation and prepare monitoring and environmental waste management regulation;
- Prepare management Plan for Abijata – Ziway lakes; lakes in the vicinity of Bushoftu and Dilfeqir park, prepare Regional Plan of Action (RPA);
- Increase awareness of settlers on 30 settlement sites through provision of training programs on conservation and protection of the environment.

7. CROSS-CUTTING SECTORS

7.1. GENDER (EQUALITY OF SEX)

In the last two five years plan, the regional government has carried out numerous gender related reforms that targeted mainly on multifaceted poverty burden of women. Unleashing the potentials of the regions' women is central to the next five years plan of the region, increasing their participation in productive, social and political processes of the region. Interventions designed to achieve these goals include maximizing girls' and women's education, improving access to water supply and sanitation, focusing on health services to mothers and related services and adapting agricultural programs and technical and vocational trainings to the needs of women by incorporating them into sectoral elements of the strategy described in the previous sections.

Furthermore, the strategy focuses on securing women's right to land, credit and other productive resources, as well as protecting women from multiple forms of other deprivations like longer working days, violence and discrimination against women, the prevalence of which is still significant in the region. The regional government will strive to implement laws adopted to protect the rights of women over the coming plan period

7.1.1. Objectives and strategies

The goal of this five-year regional development plan for gender equality is to contribute towards the attainment of equality between men and women in social, political and economic development. The overall association with the five-year plan objectives and strategies are:

- a) Strengthening structural organization and offices for women and mainstreaming gender issues in sectoral programs;
- b) Strengthen democracy and good governance:
 - i. Reduce violence against women and girls, improve their human rights and urge implementation of existing gender related laws;

- ii. Increase women's access to all levels of decision making, especially in political and public affairs;
- c) Improve public institutional performance:
 - i. Implement gender based analysis in all government offices and provide necessary institutional support to effect gender mainstreaming;
- d) Enhance women's and Girls Economic Empowerment:
 - i. Promote women's and girls say in formulating and implementing economic development policies;
 - ii. Enhance rural women's equal access to and control over productive resources and services like land, oxen, extension service, credit in order to make them food secure and get out of vicious circle of poverty;
 - iii. Strengthen women's participation and decision making power at all levels;
 - iv. Enhance urban woman's access to and control over economic resources and services like land, credit, employment opportunities and training;
- e) Promote equal access and success in education and training for women and girls:
 - i. Build structural capacity to promote girls education;
 - ii. Promote girls' access to education and technical and vocational training programs;
 - iii. Promote the number of female school administrators;
 - iv. Forge partnership and collaboration with relevant sectors to address the problems girls/women encounter in accessing and succeeding in education;
- f) Improve women and girls' reproductive rights and incidence of HIV/AIDS:
 - i. Protect women's reproductive rights;
 - ii. Fight traditional harmful practices to women's health;
 - iii. Improve the health status of mothers and girls;
 - iv. Implement gender sensitive HIV/AIDS prevention;
 - v. Promote male participation in reproductive rights and health related issues;
- g) Promote constitutional guarantees of equality by removing the impediments of social beliefs and traditional harmful practices;
- h) Promote women's decision making power in political and socio-economic development at all levels;

- i) Integrate gender perspectives in all legislation, policies, strategies, programs and projects;
- j) Establish and strengthen partnership collaboration and networking between all stakeholders working on gender issues.

7.2. ADDRESSING THE POPULATION CHALLENGE

Population growth can act both as a push and as a deterrent factor in economic development of nations. Educated and skilled labor force is not only a resource but also a resource that has a multiplier effect on production and productivity of objects of production. Thus, the objectives of socio-economic development plan of countries/regions on the focuses on improving the welfare and standard of living of its citizens. To secure balanced and sustainable economic development population and economic growth has to positively correspond to one another.

The regional population is characterized by high demographic change and slow economic growth excreting un-proportionate pressure on exploitation of natural resources like forests, which exposed the savagely deforested land to extensive soil erosion, encroachment of desertification, acute food insecurity, infant mortality, under provision of health and education services. According to population estimation made in 2004/05, the regional population is estimated at 26.2 million where the rural population constituted about 87%. It is further estimated that the regional population grows at 2.9% per annum, and if this growth rate is maintained, by the year 2024 the regional population is expected to reach 50 million. Although the urban population accounts for only 13% of the total population, due to the ever-increasing rural-urban migration, natural population increase within the urban centers and declining mortality, urban population is growing at 4.7% annum. This puts tremendous strains on the regions' resource base, the economy and the ability to deliver services. It is much more difficult to make progress in reducing poverty, creating sufficient employment opportunity and produce agricultural output enough to keep up with the demand for food as well as on supply of housing, water and health services.

Generally, it is accepted that, in overall campaign being waged to reduce poverty, rapid population growth is taken as an obstacle to success. Population issue is, therefore, one major component of the Five Year Development Plan has accorded due focus to avoid unnecessary strain on natural resources and the environment, its adverse effect on saving and access to basic social services.

As indicated, the underlying causes of high population growth in the region are two fold: high fertility rate and declining mortality and morbidity because of relatively improved reproductive health service. Available sources indicate that a woman in Oromiya on the average gives birth to 6.4 children over her lifetime. This is by far greater than the national average (5.9 births per woman) and current African and world standard, which is by far lower than the regional average.

Possession of small family size helps to live reasonable life on limited family resources. Remarkable fertility decline is already evidenced in urban areas, as a response to major steps taken to introduce health extension service, which opened the way for in-depth interaction with women.

Major population issues the Five Year Development Plan offered due emphasis are:

- i. Increasing girls' and women education, with an objective of achieving gender parity;
- ii. Improving and promoting health extension and family planning service delivery which are essential for delivery spacing services available to women on willingness bases, both in urban and rural areas;
- iii. Ascertaining the mainstreaming of Population and Development Strategy and Population and Gender issues in overall regional economic development endeavors;
- iv. Acceptance and expansion of advocacy as an enabling environment for the adoption and implementation of population policy and poverty reduction programs.

7.3. HIV/AIDS

There is consensus that the rate of HIV/AIDS infection in the country is lower than elsewhere in Africa. However, HIV/AIDS has now established itself as a serious threat to the overall

development of the country. The current regional adult prevalence rate is estimated at 2.9% (as opposed to 4.7% at national level) while the rate for urban and rural areas is 10.3% and 1.7% respectively. The number of orphaned children due to HIV/AIDS is estimated at 190,000 (539,000 at national level). The number of deaths due to HIV/AIDS in 2004/05 is estimated at 18,762 (90,213 at national level).

As indicated by a study conducted on prevalence of HIV/AIDS in the country, the urban epidemic appeared to have slowed down relative to past years, while the rural epidemic is gradually increasing, resulting in a slowly growing overall prevalence. Overall, the gradual progression and infiltration of the epidemic deep into rural localities is a threat to enhanced production and sustainable poverty reduction at all levels.

Some of the major factors that contribute to the spread of the disease include poverty, ignorance, stigma and discrimination, gender disparity and prevalence of commercial sex, population movement/migration and harmful traditional practices; while HIV/AIDS is in turn contributing to worsening poverty situations, creating the vicious circle of aggravating the individual and community vulnerability to HIV/AIDS infection.

Major programs planned for intervention during the next Five Years include:

- i. Mobilizing the community by using in-school and out-of-school youth, mass media and in all places deemed convenient including workplaces;
- ii. Increasing social marketing of condoms to an extent that it reaches all sexually active persons, and increase condom use coverage to 60%;
- iii. Expand and up-grade Voluntary Testing and Counseling (VTC), integration into all health centers and training of more councilors and nurses;
- iv. Expanding programs that prevent mother to child transmission of HIV/AIDS;
- v. Promote delivery of palliative care and provision of anti-retroviral treatment (ART) with a target of giving proper palliative care to those at severe stage and expand ART provision with a target of 39% coverage by 2009/10;

- vi. Improve home-based care with a target of reaching 50% of those living with HIV/AIDS and provide other support packages, including income generating activities;

The aforementioned activities will be complemented by on-going efforts to strengthen management capacity, monitoring and evaluation, improve integration and networking between coordinating bodies, donors and implementing partners. In order to make the program continuous and sustainable, there will be a push to empower the community and civil society groups to reduce dependency on external sources.

7.4. CAPACITY BUILDING, GOVERNANCE AND DECENTRALIZATION

7.4.1. Governance, Human Rights, and Transparency/Openness

As indicated in the constitution of the land, the country is committed to open, transparent and democratic governance that respects the rights of all of its citizens.

The Five Year Development Plan, therefore, targets strengthening good governance, transparent and democratic system by building the capacity of regional and district council members, political party, members of standing committees and legislators, with basic training in policy formulation and legislative drafting, action plan preparation, monitoring and evaluation ...etc on short and long terms.

Furthermore, there will be implementation of annual public audit reporting that encompass the majority of implementing sectors, on the regular council meeting. Besides, a system will be established to disclose the accounting and performance information directly to the public.

Part of the rationale behind decentralization is to bring accountability and decision-making closer to the community. As part of the next stage of district-level decentralization, effort will be made to mobilize and capture community input into the decision-making process. To strengthen community participation in decision-making, manuals will be prepared and

disseminated throughout the region so that in the coming two years, all societal members will have adequate awareness. Systems will be developed for participation and consultation with civil society groups, especially women. Local officials and stakeholders at village level will be trained in grassroots participatory process. Participatory structures for planning, monitoring and reviewing will be established at the district and village levels.

Besides, citizens' charter that will be developed in 2006/07 at the federal level will be adopted and implemented. Minimum service delivery standards will be developed and implemented at the district level, defining indicators, norms and standards. The adopted norms and standards will be made public to enhance transparency. Based on these, performance against indicators will be publicized regularly.

7.4.2. Justice Reform

In the coming five years, there is an expectation that new laws will be drafted and enacted; especially in the areas of civil and commercial code, human rights, sexual/gender harassment, children's rights and HIV/AIDS affected persons' rights. These laws will be first developed at the federal level and then promulgated at regional level based on existing situation of the region. Furthermore, Regional Justice Information Center will be established to ease access to information on the justice system.

In the first two years of the plan period, community-policing system will be introduced and training institutions will be reformed and strengthened. Criminal code will be collected; crime prevention policies will be reviewed and improved. The penitentiary services rendered will be strengthened; its management standards improved with particular concern for gender and HIV/AIDS strategies in the penitential system.

The Regional Court Administration Reform Program has already been implemented at the regional level. Based on experience gained at the regional level, efforts will be made to replicate similar reform programs at lower levels. A study on justice system and working manual of law enforcement organs prepared at the federal level will be adopted and

implemented at the regional level. In addition, the already on-going Justice Sector Capacity Building Program will be enhanced further.

In the next five years, judges from all levels will receive professional trainings at Judicial Training Center established in the near last years. Accordingly, starting from 2006, about 25% of judges will annually be trained. Besides, legal support staff, public prosecutors and lawyers will also be provided with relevant trainings. The use of modern technologies in courts, case management and recording system will be strengthened and improved.

7.4.3. Decentralization

The Ethiopian government, structured in a federal system, is using a decentralized strategy to end/reduce poverty, improve responsiveness and flexibility in service delivery, increase community participation and democratization of decision-making. Overall, the decentralization strategy is designed to bring decision-making power closer to the grassroots to widen their participation, and ultimately magnify their decisions on matters that directly affect their everyday life.

Since the decentralization and devolution of power down to the district level, progress has been recorded on a number of important issues, including fiscal decentralization/budget administration. Identification and proper delegation of works to regional and district levels, and building performance capacity of delegated bodies is one core area on which the regional government is currently working to strengthen them further. Updating regional-local fiscal relations, including the role and management of the consolidated district block grant and municipal finance legislation is another core area due emphasis is accorded during the next five years. Furthermore, it is planned to come -up with improved and unified public financial management system to manage the risks associated with rapid fiscal decentralization.

In the fiscal decentralization strategy pursued in the last three years, districts were given the power to prepare their development plans, decide on what to carry out and schedule implementation modalities, with budget support secured from the regional government and

community participation. In doing so districts have ascertained their potential to carry out development works and manage financial resources. Development works and achievements made through community participation in education sector are particularly very encouraging. Therefore, in the on-going decentralization strategy, it is planned to augment districts through:

- i. Gap analysis of district functional assignments and suggest possible workable alternatives;
- ii. Promulgation of legislation on devolution of power to the district level;
- iii. Putting in place a clearly defined functional assignments and legal frameworks for functional division between tiers of government structures. Where this is lacking, design manuals and guidelines on accountability and transparency in local government;
- iv. Strengthen/complete assignment of trained personnel and ensure facilities are in place;
- v. Develop Human Resource Development strategies at regional level; and
- vi. Arrange training programs for district councils, executive organs and civil servants;

Apart from this, it is envisaged to redefine and strengthen budgeting and financing, the frameworks of block grants allocation, and fiscal transfer to districts. Efforts will be made to improve and enrich the newly introduced need based unit-cost approach budget allocation criterion employed in 2006.

Besides, guidelines will be developed and introduced to review and improve district budget allocation and expenditure prioritization, local level planning, and financial management and control systems.

7.4.4. Civil Service Reform and Capacity Building

The two major elements of this program are improving staffing and incentives to civil servants, and setting standards for service delivery to increase responsiveness to the public. In this regard, a medium term remuneration policy being prepared at the federal level will rollout down to regional levels after completion and implement up to 2008 at all levels. Results oriented and management system being practiced in some regional sector bureaus will

progressively roll out to all government structures for implementation by the end of 2006/07 at all levels. Job evaluation and grading, Human Resource Management Information System and a human resource management policy and supporting rules and regulations are being completed for implementation during 2007/08. Following the completion of the on-going study, gender-responsive recruitment mechanism will be instituted and measures will be taken to make the working environment more female-friendly. Training on leadership will be provided to top managers to strengthen management capacity of government institutions starting from 2006, and massive training of civil servants will be undertaken on human resource and performance evaluation, gender and HIV/AIDS related components.

In order to improve service delivery, supplementing the Business Process Re-engineering and Public Service Delivery Improvement Policy, performance and service delivery baseline will be introduced for (a) Core government functions, and (b) Key services and made public at all levels. A public servants "code of conduct" and supporting system currently under development will be adapted to regional realities for implementation during the first two years of the plan period.

The Public Service Delivery Improvement Policy, started in government offices in the last three years, targeting improvement in government service delivery efficiency, and challenges encountered will be taken as one major step forward to resolve confronted challenges for further improvement in service delivery.

As regards financial management system, automated financial management system already developed at federal level, is expected to be adapted by all budgetary institutions by the end of the plan period. Similarly, standardized internal auditing and reporting system being developed at the federal level will be made operational in all budgetary institutions by the year 2008.

8. FINANCIAL PLAN OF THE FIVE-YEAR DEVELOPMENT PLAN

For the realization of the Five Year Development Plan, effort is being made to estimate the overall financial requirement based on planned activities and targets set. Sources of finance both for the medium term and annual financial requirements are already identified. These are:

- Federal Government subsidy,
- Regional regular revenue (expected to be collected both at regional and district levels),
and
- Internal revenue to be collected from different government institutions.

Federal Government subsidy to the region is made in two forms. The overwhelming majority is secured from government treasury, while the remaining generates from external sources in the form of loan and assistance for implementation of programs and projects designed accordingly. During the last five years, on average Federal Government subsidy to the regional government accounted for 74.8%, while revenues generated by the regional regular revenue, internal and other revenue sources accounted for 17.8%, 2.3% and 5.1% respectively. In general, in the last five years about 90% of regional budget was generated from domestic sources, while only about 10% was received from external sources.

8.1. Revenue

In 2004/05 the Regional Government collected total revenue amounting Birr 581,924 million. This figure is expected to increase on average by 16% per annum, to raise the amount of revenue the regional Government collects to 1,005.46 million Birr by the end of the plan period in 2009/10. Accordingly, the regional government is expected to collect total revenue amounting 3,839.60 million Birr over the next five years.

From the projected revenue expected to be collected, 71% comes from direct tax sources while about 9.4% and 19.6% will be raised from indirect taxes and non-tax revenue respectively. Own revenue to be collected during the plan period will only cover 15.5% of the total outlay, 24.2% of the recurrent budget required and 17.5% the total expected revenue of

21,880.1 million Birr from all budgetary sources over the plan period. As can be seen, there is still a wide resource gap to effectively execute the planned activities. This signifies the regional governments' over reliance upon federal subsidy for execution of planned activities.

In order to reduce the dependency syndrome, the Regional Government intends to strengthen its own revenue raising capacity. Following are core areas due emphasis is accorded to improve regional revenue raising capacity.

- Study and implement various tax bases;
- Modernize tax system and tax collection methods;
- Improve revenue estimation system and extent of tax assignment;
- Strengthen the implementation of Tax Reform System (TRS);
- Timely budget preparation, efficient, lawful and economic use of allocated fund;
- Strengthen financial management capacity, provide trainings, and equip necessary office machineries and others.

8.2. Expenditure Need

It is possible to estimate expenditure need in two ways.

- i. Line Item Expenditure Budgeting (LIEB). This involves listing down targets and activities planned for delivery of improved services and poverty reduction item by item along with amount of money needed for execution of activities finally, coming-up with grand expenditure budget needed;
- ii. Planning, Programming and Budgeting System (PPBS). This involves prior estimation of maximum possible revenue that can be collected over the plan period and preparation of program activities within available budget limit.

Although it is possible to pursue both approaches, for medium and long term expenditure assignment planning, LIEB is preferred, because the second approach (PPBS) demands reliance upon tangible financial sources and precise prediction of the future, which is hardly possible in medium and long term planning. Therefore, the second approach would be employed only in preparation of Annual Plan of Actions (PPA) in close reference to available

resources at hand every fiscal year. Total projected regional expenditure outlay over the next five years is estimated at 24.713 billion Birr, of which 35.8% would be capital and the remaining 64.25 % recurrent expenditures.

In estimating inter sectoral indicative budget, due emphasis is given to sectors that play decisive roles in poverty reduction. Among others, Agriculture and Rural Development, Water, Irrigation, Road, Health and Education sectors are the most important, accounting for 9.4%, 8%, 3.6%, 7.9%, 13% and 34.4 % of the total Regional expenditure outlay respectively. The total estimated outlay for these sectors is expected to increase from 1.856 billion Birr in 2004/05/ to about 4.6 billion Birr in 2009/10, where their share from the regional total outlay is expected to increase from 64.4% in 2004/05 to 76.4% by the end of the plan period.

8.2.1. Recurrent Budget

All possible scenarios were assessed to estimate and project recurrent budget needs of the region. The need for recurrent budget has been growing at 9.8% over the last five years (1999/00-2004/05). While repeated and frequent request for additional recurrent budget and transfer budget from one title to the other are tangible realities that pushed up its growth, for the next five years, these same variables and other indicators are considered to make fair estimation of recurrent budget requirement of the region.

Furthermore, the 2005/06 recurrent budget is also taken as a base year, assuming that this budget year is more or less stable in recurrent budget, incorporated all salary related costs and happened to act as springboard for preparation of the next regional five-year plan. With these underlying assumptions, 20% recurrent budget increment will be made in 2006/07 for sectors directly engaged in rapid poverty reduction undertakings, there after, increasing by 15% over the plan period. In other sectors, similar trend of 15% and 10% growth rate will be adhered to with average overall 13.4% recurrent budget growth rate per annum over the plan period.

Total projected recurrent budget outlays for the whole plan period amounts to about 15.866 billion birr, out of which on the average 24.4% is allocated for administration and general

services, 18.6% for economic services and 57% for social sectors. Overall, despite significant increment in absolute terms, the proportion of recurrent budget allocation of the region is expected to drop from 71% in 2004/05 to 64% at the end of 2009/10.

8.2.2. Capital Budget

It is envisaged to carry out numerous socio-economic development capital projects considered fundamental for enhanced economic development and rapid poverty reduction all over the plan period. Capital budget estimates made for execution of planned project activities is expected to increase by 18% every year from 843.04 mil Birr in 2004/05 to 1.929 billion Birr at about end of the five year; and this is believed to keep the region in pace with MDG goals set for 2015.

Overall, Capital budget outlay estimated over the plan period amount 8.85 billion Birr, of which on the average 59.2 % allotment is made for economic services, 40 % for social services and 0.8 % for general development activities on yearly bases.

8.3. Estimated Revenue and Expenditure Need Gap

As indicated, utmost priority is accorded to poverty reduction oriented sectors. However, available resources may not be as sufficient as required to meet development needs of these sectors. This implies that sectors would be obliged to omit part of their planned expenditures from certain components of their programs. Since estimated expenditure is based on targets set, this would be adjusted depending upon actual requirements and resource availability during the annual budget preparation each year.

While establishing indicative spending levels for sectoral programs, attempts have been made to assess the absorptive capacity of the respective sectors, based on past trends and their budget implementation record. Even then however, it is speculated that a budget shortfall of 2.833 billion will be encountered over the plan period.

To resolve temporary budget constraints, there could be reallocation of resources within pro-poor sectors and program components to ensure targets maximum achievability. This would be amended during annual plan of action preparation in close consultation with concerned sector bureaus. However, given that resource is always scarce, there could be range of measures that can be taken to deduce costs and make proportional saving.

For instance, in the education sector, effort will be made to achieve targets set for primary education by systematically scaling-back on secondary and TVET education. Besides, in addition to scaling-down spending, it is envisaged to resolve budget constraints by maximizing community participation on construction of primary schools and other minor construction works (health posts, FTC, veterinary clinics...etc).

Furthermore, off budget donor funds to finance different programs under several sectors will minimize budget pressure on government. Besides, NGOs input will further minimize the load that would have been borne by the Regional Government. It is also hoped that the efforts the Regional Government is making would encourage all development actors to mobilize their resources towards the common goal of poverty reduction and its ultimate eradication.

9. MONITORING AND EVALUATION

Monitoring and evaluation are instruments for enforcing authority on implementation of program activities. These are integral parts of the program cycle continuously operating throughout the plan period.

While planning is the means by which government development policy is guided, monitoring and evaluation is a periodic review of program inputs, activities and judgments on the effectiveness of designed plans, acting as instrument of authority.

For proper and efficient implementation of the Five-Year Development Plan, identifying and putting in place appropriate monitoring and evaluation (M&E) system is decisive. Particularly, identification of responsible body to set modalities for Annual Plan of Action (APA) preparation, its implementation by different bodies, and ultimately monitor and evaluate performance of planned programs/projects as per their initial design is essential. Accordingly, monitoring and evaluation system adopted for the next Five Year Development Plan is explained as under.

9.1. Annual Plan Preparation

The grand Five Year Development Plan will be implemented by disaggregating it into yearly basis. Though preparation of annual plans at all levels should consider goals, objectives, strategies and targets of the grand five-year development plan, it should take place after thorough analysis of the immediate past budget year and current six-month's performance against set targets. Program activities identified and formulated by sectoral bureaus would be further analyzed by Oromia Bureau of Finance and Economic Development (BoFED) before forwarding to the Regional cabinet for further thorough analysis and prioritization. Sectoral program activities prioritized and approved by the Regional council would be synchronized with budget required for its implementation in line with the five-year budget allocated for the program. Following completion of the final Action Plan (AP) the activities pass over to implementation stage, every year following the financial calendar of the land.

9.2. Monitoring and Evaluation (M&E)

The process of monitoring and evolution takes place through exchange of report from government structures and evaluation of performance reports. Accordingly, for successful implementation of the plan:

- 9.2.1. At Regional sector levels, the section for Planning and Programming would be responsible for monitoring program activities. This section would deliver performance report to its bureau management committee on monthly basis;
- 9.2.2. Sectoral implementing bodies' management committee would evaluate performance reports, and give feedbacks along with necessary directives and guidelines. Similar procedures would be pursued at zonal and district levels;
- 9.2.3. All Regional sector bureaus management committee would deliver report to the Regional cabinet on quarterly basis. The Regional cabinet attends quarterly report evaluation with concerned sector bureaus/offices. This is expected to support the implementation of planned activities as cornerstone by providing course-corrective feedbacks and guidance for successful implementation of the remaining program activities;
- 9.2.4. Efficiency of planned activities would further be confirmed through bi-annual site supervision and evaluation of planned activities and discussion on report findings in comparison with sector bureaus' or offices' quarterly reports;
- 9.2.5. It is believed that the findings of annual evaluation report would assist strengthen strong sides and come-up with alternative coarse corrective measures in areas weaknesses are magnified;

- 9.2.6. The findings of yearly performance evaluation report would be further evaluated against development indicators set in the Five Year Development Plan to judge if improvements and impacts were seen on the living condition of people as a result of implementation of various sector programs;
- 9.2.7. Finally, Medium term (at the end of year three) and terminal evaluations will be conducted by committee members the regional government organizes.