

ETHIOPIA

The Government of Ethiopia and its development partners signed the International Health Partnership (IHP) Country Compact in August 2008.

The Compact is an understanding between the Ethiopian Government and Development Partners with main objective to provide a framework for increased and effective aid that would enable Ethiopia to make rapid progress towards achieving the MDGs through the Health Sector Development Program (HSDP).

A recently concluded HHA mission noted that "The IHP Compact requires significant behaviour change in the ways of doing business not only on the Government side but also on the partner side....Overall commitment to implement the compact is real. In general, both the Government and partners are serious in implementing their commitments included in the IHP Compact. Despite the short time after the signing, many activities have started to be implemented and are making significant progress".

Significant Financial Gaps Exist. Although significant amount of money has been pledged to the MDG Fund and the Multi Donor Trust Fund (MDTF), it is still far from what is needed based on the joint MDG costing. The development partners appraised the Federal Ministry of Health's (FMOH) vision and leadership in leading the HSDP and its track records for delivering results, and most are confident that additional resources to the health sector will produce additional results. However, the financial gaps will jeopardize the country's efforts to reach the MDGs. Therefore, it is important for both the partners and the Government to step up their support to the health sector.

An MDG Performance Fund has been established to facilitate resource pooling in order to finance the priorities under the HSDP III. An appraisal on the MDG Fund was conducted by a team comprising international and local consultants, which endorsed the establishment of the MDG Fund and regarded it as a critical step towards one budget.

With the significant amount pledged in the MDG Fund, it is important for the FMOH and country-level partners to demonstrate its ability to manage the MDG Fund and achieve results. This will not only scale up the effective services but also boost the confidence for donors to channel more funds to the MDG Fund. It is recommended that the country ensure effective spending and timely disbursement. In addition, an evaluation plan needs to be formulated to measure the progress.

A Joint Financing Arrangement (JFA) for the MDG Fund was drafted by the FMOH and being reviewed by the Development Partners. It is expected to be signed by February 2009. After the signing, the disbursement of the pledged fund to the MDG Fund will start. The governing body of the MDG Fund has been further clarified in the JFA