



The Project Document
between
The Government of the Federal Democratic Republic of Ethiopia
The United Nations Development Programme (UNDP)
and
International Organization for Migration (IOM)

Migration for Development in Ethiopia (MIDEth)
Programme

July, 2007

Brief Description of the Programme

The objective of the Migration for Development in Ethiopia (MIDEth) programme is to contribute to strengthening the institutional capacities of the government for facilitating the return of Ethiopian professionals to address acute human resources constraints in the country. The project will institutionalize a system for mobilization and utilization of relevant human, financial and other resources of the Ethiopian diaspora and other suitably qualified Professionals. A particular focus will be placed on the health sector human resource constraints, especially medical professionals.

The programme seeks to foster stronger private-public sector partnerships in order to strengthen the confidence between the Federal Government and its constituent in the diaspora. This capacity building programme will focus on institutional capacity, knowledge and skills as well as systems development at the Federal, Regional and Woreda levels.

The project ultimately will contribute towards the implementation of the Ethiopian government's Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) and the achievement of the Millennium Development Goals (MDGs). The project will also enhance the institutional capacities of non-state actors (private sector, NGOs, grass-root communities and civil society etc) to improve the quality, efficiency and timely service delivery and enhance their ability to work with the Government of Ethiopia (GOE) in its development efforts.

SIGNATURE PAGE

UNDAF Outcome: By 2011, contribute to the achievement of Millennium Development Declaration principles through enhanced democratic empowerment and participation at the grassroots level through justice sector reform, civil service and civil society capacity building and promotion of decentralization at all levels, including upholding of human rights principles, transparency and accountability.

Expected Outcome(s): CP 4: Devolution of power promoted, resulting in more effective response to community driven needs and better and more equitable access to quality public services and utilities in particular by the vulnerable, poor and marginalized.

Expected Output(s): 4.2 Relevant in-country and external human resources including the youth and the Ethiopian diaspora, mobilized to contribute to the effective, efficient and timely service delivery at all level 4.3 Training and deployment of professional staff to Woredas supported 4.6 Governmental institutional framework improved through the implementation of the Civil Service Reform

Implementing partner: Ministry of Foreign Affairs (Directorate General of Expatriate Affairs)

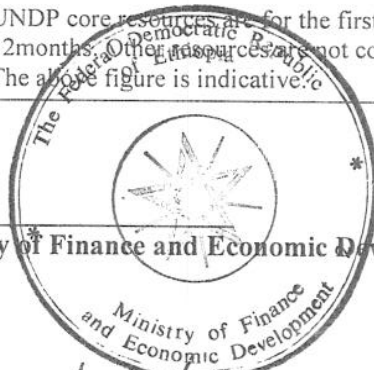
Responsible party: Ministry of Foreign Affairs (Directorate General of Expatriate Affairs)
International Organization for Migration (IOM):

Programme Period:	2007-2011
Programme Component:	Mobilizing the Ethiopian Diaspora for the development in Ethiopia
Project Title:	Migration for Development in Ethiopia (MIDeEth)
Project ID:	
Project Duration:	4 years (July 2007-June 2011)
Management Arrangement:	NEX

Total Budget :	US\$4,487,700
UNDP contribution:	US\$ 500,000 (TRAC 2)
Other Resources:	US\$3,987, 700
UNDP core resources for the first 12 months. Other resources not confirmed. The above figure is indicative.	

Signed on behalf of the Government of Ethiopia:

Signature: [Signature] Date: _____
H.E. Ato Mekonnen Manyazewal – State Minister, Ministry of Finance and Economic Development



Signed on behalf of the Implementing Partner:

Signature: [Signature] Date: 6/07/07
Ato Fesseha Tesfu – A/Director General, Ethiopian Expatriates Affairs, Ministry of Foreign Affairs



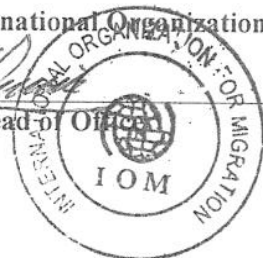
Signed on behalf of the United Nations Development Programme (UNDP):

Signature: [Signature] Date: 1/8/07
Mr. Fidele Sarassoro - UN Resident Coordinator



Signed on behalf of the International Organization for Migration (IOM):

Signature: [Signature] Date: 09/07/2007
Mr. Charles A. Kwenin – Head of Office



Part I a. Situation Analysis

The past decade has seen significant developments in Ethiopia's economic and political reforms, including stabilisation of its economy and the introduction of a new constitution. Steps have been taken towards a multi-party democracy and greatly increased decentralisation. Ethiopia has earned praise for its policy reforms and its determined effort to bring democratic governance to a country that has known only feudal, imperial rule or, most recently, a dictatorship throughout its history. A new national constitution, adopted in 1994, sets out a framework for democratic governance. Its foundation is a federal structure, the objective of which is to ensure a high level of representation and decentralisation to the national regional states and the woreda (district) level. This process is supported by a system of checks and balances through the division of power among the three branches of government (legislative, judiciary and executive).

Despite recent progress, Ethiopia is still one of the world's poorest countries, with some of the world's highest infant, child and maternal mortality rates and some of the world's worst malnutrition rates. More than 15% of children die before their fifth birthday; 47% of children are malnourished in some form or another¹. Some 31 million people live below a poverty line equivalent to 45 US cents per day,² and between 6 and 13 million people are at risk of starvation each year. The situation is made worse by HIV/AIDS, which has hit Ethiopia badly. The HIV/AIDS prevalence rate among adults is 4,4% (2003), ranging between 0,4%-7,3% across the country.³ Opposition parties, civil society, the private sector and the media remain weak, gender equality is still a distant goal and education levels are extremely low. The economy is heavily dependent on agriculture, where productivity is weak, foreign exchange depends on plummeting coffee prices and trade is declining. Investment is extremely low and infrastructure is seriously lacking. Lack of proper governance, environmental deterioration and lack of food security are also major barriers to development in Ethiopia. Among the key risk factors for Ethiopia are pervasive poverty and the continuing threat of drought; regional tensions and internal and external conflict; economic vulnerability; HIV/AIDS; lack of national consensus; a still-fragile democratic process; strained civil society-government relations; and weak accountability mechanisms at the regional level.

The Ethiopian government has determined that the primary development goal is to reduce poverty and that economic growth is the principal, but not the only means to achieve this. Its development strategy is to promote rapid, broad based and equitable growth by focusing on rural development, physical and human capital; and deepening the devolution process to empower the people and expand the choices and control they have over their lives. In 2005, the government initiated work on the PASDEP by building on its experiences from the first programme the Sustainable Development and Poverty Reduction Plan (SDPRP), and other frameworks, including the MDGs Needs Assessment, sectoral and synthesis report and the Ten-Year Investment Plan (2005-2015). Sectoral plans derived from the SDPRP include inter-alia Education and Health plans; two sectors with critical human resource and skill gaps.

The UN Country Team has prepared the second United Nations Development Assistance Framework (UNDAF II) plan for the period 2007-2011, which was finalized in consultation with the Government in February 2006. The UNDAF concentrates on five strategic areas: Humanitarian Response, Recovery and Food Security (HRRFS); Basic Social Services and Human Resources; HIV/AIDS; Good Governance; and Enhanced Economic Growth. The UNDAF II is aligned with the national development priorities reflected in the PASDEP, and is based on the comparative advantages of the

¹ Plan for Accelerated and Sustainable Development to End Poverty (PASDEP), The Government of the Federal Democratic Republic of Ethiopia, 2005

² Based on 2000 poverty analysis, of 44% headcount ratio, The Government of the Federal Democratic Republic of Ethiopia, 2005

³ Ministry of Health, AIDS in Ethiopia, 5th Edition, June 2004

UN. These programmes will be implemented jointly and each programme will have a joint programme document, plan and budget. Hence, they will provide the learning ground for the implementation of the UN reform at the country level. MIDEth could be one of the joint programmes to mobilize the required human resources to support the implementation of the identified priorities within the PASDEP by the UNCT and the Government of Ethiopia.

The PASDEP places governance, human rights, openness and consultation at the heart of its capacity-building and decentralization agendas and sees it as part of an enabling political, economic and social environment to generate and sustain the level of growth required to tackle the widespread poverty. The capacity building programme is to cut across many sectors, notably small-holder agriculture, the private and public sector, and the justice sector. It encompasses a range of interrelated interventions, including developing human resources, building and strengthening institutions and establishing effective working practices. In achieving its development goals, national capacity building and the promotion of an effective public sector has become the focus of the Ethiopian Government. The aim is to strengthen national capacity building to promote political, economic and social opportunities through the development of a public service capable of creating and maintaining the necessary policies and institutional environment for growth.

Human Capital

Human capital is universally recognized as the major agent for development progress and prosperity. It is through the utilization of human talents, capabilities and ingenuity that the economic factors of production are exploited and transformed into instruments capable of alleviating hunger, disease, poverty and the shackles of widespread illiteracy. The demand for qualified and skilled manpower for national development has become a global issue. It is compelling rich and poor countries across the continental divide to evolve new policies and strategies to satisfy their demands. For African/developing countries, it is a matter of how to retain and effectively utilise their qualified manpower in the arena of globalisation. For the rich countries, the issue is how to go about efficiently importing qualified labour in order to fill gaps created by an ageing labour force. This means that countries in the South, as well as those in the North have pressing migration needs that can be addressed in partnership. National capacity building must remain a priority for African countries. This must be affected through sectoral policies based on innovative mechanisms drawing on expatriate African professionals in a more systematic manner. It was along these lines that IOM, in close collaboration with African States, launched the Migration for Development in Africa (MIDA) programme at the Eightieth Session of the IOM Council on 17 November 2000. It was in the same spirit that the UN General Assembly initiated the first ever high level dialogue on Migration and Development to discuss the multi-dimensional aspects of international migration and development in order to find appropriate ways and means to maximize its development benefits and minimize its negative impacts.

The Ethiopian Diaspora: Many among the Ethiopian diaspora have accumulated wealth of knowledge, skills, experience, exposure and financial resources in host countries, which can provide opportunities for skills transfer, as well as investments for job creation in various sectors of the economy within Ethiopia. They represent an enormous source of capacity, which, though acknowledged, has not yet been properly and effectively mobilized and utilized. The diaspora includes several thousand highly qualified Ethiopian professionals, spread all across the world with significant concentrations in the USA, Germany, Canada and the U.K. Their comparative advantage in cultural and linguistic affinities facilitates the transfer of skills, knowledge and technology and paves the way for more permanent and mutually enriching relationships with their home country. In essence, the Ethiopian diaspora's social, financial, intellectual and political capital is a strategic asset that can be tapped to enhance Ethiopia's capacity for socio-economic development. The proactive engagement of Ethiopian diaspora through the MIDEth programme will therefore contribute to and also support the democratisation and decentralization process through improved capacity of government and private sector institutions. The involvement and participation of the Ethiopian diaspora in the development process and the transfer of

skills and knowledge to other colleagues will undoubtedly enhance community empowerment for effective programme implementation. It will also improve the utilization of available human resources and institutional capacities for the efficient, effective, and timely quality service delivery at all levels.

The vast majority of these Ethiopians maintain family, social and economic ties with their country of origin. They have made a place for themselves in their adopted country and have acquired knowledge and know-how that are often acutely lacking in their country of origin. They practice a skilled profession and have garnered meaningful experience that could be beneficial to their country of origin. Most of them make monthly financial remittances to help their family, village or community to meet their day-to-day needs in Ethiopia. Millions of dollars are thus sent each year for social investment and the development to the regions from which they originate.

The Ethiopian Health Sector: Healthcare in Ethiopia is totally inadequate and lacks capacity to serve the population. A mere half of the population has access to medical care and in rural areas the situation is even worse. Health care is one of the crucial components of basic social services that has a direct linkage to the growth and development of the country as well as the society. The health problems largely attributed to preventable infectious and communicable diseases account for about 60-80%; as there is very high unmet health care need especially in the rural Ethiopia that needs to be addressed through rapid expansion of Primary Health Care (PHC) services. The Health Service Expansion Programme (HSEP) is a new initiative included in the Health Sector Development Programme; hence the HSEP could be considered to be the most important institutional framework for achieving the MDGs as it serves as an effective mechanism for shifting health care resources from being predominantly urban to the rural areas where the majority of the population reside.

According to the 2005 Health and Health Related Indicators by the Ministry of Health, Ethiopia has 131 hospitals, 600 Health Centres and 276 Pharmacies for an estimated total population of 73 million. Regarding human resources, it estimates that there are 2,453 Physicians, 183 Graduate Specialists, 309 Graduate General Practitioners, 333 Graduate Health Officers and 4536 Graduate Nurses for an estimated total population of 73 million.⁴ In practice the shortage of trained medical staff and deficient medical care mean, for example, that less than ten percent of babies are delivered in clinics or with a trained doctor or midwife in attendance. Many mothers die in childbirth and the maternal mortality rate per 1000.000 is 871.0.5 Infant mortality is also high with a rate of 112.9 per 10006.

Statement of the Problem

Brain drain is one of the most serious migration issues of concern to African countries as it has development implications. High population growth, together with difficult political, economic and social conditions, is serving to increase the emigration of many citizens from Africa. In addition, human resources are depleted by the spread of the HIV/AIDS epidemic. From this follows a brain drain from Africa to more developed countries, which results in loss of critically needed human resources and lower productivity and an increasing dependency on more developed countries. According to the World Bank's World Development Report, "cross-border migration, combined with brain drain from developing to industrial countries will be one of the major forces shaping the landscape shaping the twenty-first century."⁷

Even though the Ethiopian government has actively encouraged its nationals to seek higher education and training abroad to enable them to contribute to its socio-economic development upon their return, this has not always brought the expected results, as often, once having completed the training, qualified Ethiopian nationals either decide to pursue additional specialization or a professional experience and take up jobs abroad. Many of them permanently settle in their host countries thus creating a shortage in

⁴ World Health Organization. World Health Statistics 2005.

⁵ Ministry of Health, Health and Health Related Indicators, Oct 2001/02

⁶ Ministry of Health, Health and Health Related Indicators, Oct 2001/02

⁷ World Bank and International Bank for Reconstruction and Development, 2000.

human resources so essential for Ethiopia's socio-economic development. In addition, many locally trained professionals leave Ethiopia annually in order to seek greener pastures and thereby create skills shortages in the labour market, which is needed for economic growth of the country. The Ethiopian Central Statistics Authority (CSA) data shows that between 1980 and 1991, Ethiopia lost about 74.6% of its human capital from various institutions and out of the 22,700 students who went abroad only 5,777 returned⁸. Additionally, 1996 data showed that 49% of total Ethiopian immigrants to USA were employed in a professional or technical capacity and in the health sector. Ethiopia is ranked very high among other African nations as a country that loses significant numbers of its highly qualified professionals, including medical personnel⁹. It is estimated that over 500,000 Ethiopians live in the Washington area alone in the US. In the health sector, the 38th Annual Medical Association Meeting of 2002 showed that more than one third of Ethiopia's doctors have left the country mainly to the US and Western Europe. Furthermore, the impact of HIV/AIDS and the loss of valuable human resource through HIV/AIDS and its associated morbidity on the labour force, and the impact on economic productivity particularly in the rural agricultural producing areas cannot be over-emphasized. The human resource gap created by AIDS pandemic on the active population needs to be replenished.

The Government plans to establish 13 additional Universities in Ethiopia that would require many Teaching and non-Teaching Staff including Lecturers, Administrators, Financial Managers etc to man these universities. However, there is critical lack of professionals in various academic disciplines to lecture in these new Universities besides the lack of human resources in the already existing Universities.

This exodus has left many Ethiopian government institutions charged with public service delivery incapacitated and dysfunctional and has resulted in the increase in the number of expatriates hired to fill in the gaps left by the specialized personnel. These expatriates are very expensive to maintain and sustain and in most cases are brought into the country by donors on a technical assistance basis. The MDG Needs Assessment of Ethiopia identified serious and critical skill gaps in almost all the priority sectors of the economy and at all levels (Federal, Regional, Woreda and Community). The weak human resource base poses a very serious development challenge and constraints to project implementation, monitoring and reporting at all levels, hence unable to absorb available donor funds for effective, efficient and timely service delivery to improve the quality of life of the people. The lack of capacity to design, plan and implement good programs at all levels and the continuing loss of competent Ethiopian professionals is increasingly depriving Ethiopia's economy of skills that are vitally needed and difficult to replace by locally available skills. All said the need to effectively involve Ethiopians in the Diaspora in development endeavors has become urgent at this particular time when the country is facing economic hardship and the need for effective implementation of its PASDEP for poverty reduction and achievement of the MDGs. MIDEth could be one of the most effective means of bridging this human resource gap.

IOM's Operational Experience and Request to IOM

IOM with its extensive experience in migration management and related programmes, as well as technical cooperation with governments, has formulated the Migration for Development in Africa (MIDA) Programme with the aim of paving the way for the transfer of know-how and resources from the diaspora for the development of countries of origin. In order to help African countries combat brain drain and the depletion of human resources, IOM has developed innovative mechanisms aimed at managing migration and turning it into an effective tool for development. Notable among such interventions is the *Return and Reintegration of Qualified African Nationals (RQAN) Programme*,

⁸ Mecra Seton, "International Economic Migration: Creating Incentives to Attract the Skilled Human & Financial Resources to Migration Countries"-P.20

⁹ Human Capital Flight from Africa : An Assessment of Brain Drain from Ethiopia, Regional Conference on Brain Drain and Capacity Building in Africa, Dejene Aredo, Addis Ababa University, February 2000

which assisted many African countries, including Ethiopia in mobilizing the resources of its diaspora for development in their home countries.

Consequently, the Ethiopian Ministry of Labour and Social Affairs and the Expatriate Affairs Directorate General of the Ministry of Foreign Affairs have made official request to IOM to provide technical expertise and assistance to the Government of Ethiopia in the mobilisation of its diaspora to contribute to the implementation of its PASDEP and the achievement of the MDGs in Ethiopia. In response to the government's request, IOM with funds from the Italian government, undertook a preparatory phase of its Migration for Development in Ethiopia (MIDeth) Programme by conducting a diagnostic study to assess the manpower needs of the government as well as the potential remittance flows from the Ethiopian diaspora.

This preparatory phase of Migration for Development in Ethiopia (MIDeth) included a diagnostic study to assess the manpower needs of the government as well as the potential remittance flows by the Ethiopian diaspora. It also included the building of an information website, www.ethiopiandiaspora.info (now www.ethiopiandiaspora.org) with the objective to disseminate timely, relevant and accurate information to the Ethiopian community abroad on issues such as investment opportunities in Ethiopia, government policies, available facilities, including education, health and banking facilities, etc. Furthermore, IOM Addis Ababa, in collaboration with the Directorate General of the Ethiopian Expatriate Affairs in the Ministry of Foreign Affairs, also created an online database where interested and potential candidates can register their interest to participate in the MIDeth programme. As an outcome of this preparatory phase, over 89,956 Ethiopian diaspora have so far visited the website and the website has had over 3,568,584 hits as of June 2006. More importantly, over 532 Ethiopian professionals from 40 different countries have registered in the on-line data base to participate in the MIDeth program through the various MIDeth skills transfer options. Furthermore, at the request of the Ethiopian Investment Centre, IOM has trained the staff of the Centre in I-T as well as in uploading and updating their website with information on new government policies, including an information guide on investment opportunities and requirements and incentives for potential investors. The Ethiopians in the Diaspora can surely make a difference. This project is therefore a timely response to the government's urgent request to IOM to assist in the mobilization of its diaspora for socio-economic development.

Part I b. Strategy

Programme Implementation Strategy

The MIDeth program will establish a database of the skills needed in identified priority sectors and development areas, which could be best met by Ethiopians in the diaspora and other highly qualified professionals willing and available to assist in development programmes in Ethiopia. The capacity gaps would be identified by the relevant Government Institutions at the Federal and Regional levels in coordination with the MFA/DGEA. In this regard, the needs and capacity gaps at the Federal, Regional and Woreda Levels would be assessed by the MoFED, BoFEDs and WoFEDs in accordance with the technical assistance guidelines issued by MoFED and approved by the government. The capacities of the Regional Diaspora Affairs Coordination Offices in the Office of the Regional Presidents would be strengthened for programme implementation and sustainability in collaboration with the sector Ministries and in coordination with the MFA. The target is to assist 200 qualified professionals as well as 20 potential investors and entrepreneurs within a timeframe of 4 years.

The MIDeth programme envisages several modalities of skills transfer. Its truly innovative element is the use of technology to permit the transfer of skills of Ethiopians in the diaspora to their countries of origin without necessarily requiring the permanent relocation of individuals to their country of origin. The transfer options include:

- **Virtual/ tele-work or satellite based technology systems (20 Persons):** Services such as banking, legal, medical, etc. can be provided without physical presence. Digital data broadcasting, as well as distance business transactions (tele-conferencing), including distance learning, tele-teaching, tele-work, are among the most cost-effective options that would be considered and used in this type of skills transfer. This component will contribute to curriculum development and tele-teaching, lectures and service delivery by the diaspora in various disciplines such as tax and judicial reforms and administration, physical sciences, policy formulation, etc. to tertiary institutions, including the various universities, Ethiopia Civil Service College, Ethiopian Management Institute etc. This will be done through the use of the existing WB Video-conference facilities at the Ethiopian Civil Service College and elsewhere in the regions. The programme will pay for the facilities and related costs of such arrangements such as the satellite connectivity as well as honorarium to the selected candidates in countries where this transfer option is feasible and possible.

Tele-medicine: An important component of the MIDEth virtual skills transfer is tele-medicine; which is connectivity of health centres and hospitals to other centres of medical information with Information Communications Technologies (ICTs). This technology will provide reliable, timely, high quality and affordable health care and health information systems including provision of continuous medical training, education and research through the use of ICTs while respecting and protecting citizens' right to privacy. Telemedicine is improvement of the processes of; consultation, diagnostics, treatment, distant learning, prevention of epidemics including delivery of medical services remotely and delivery of e-health services where distance is a critical factor. The programme will establish Broadband links between the hub in Addis Ababa and other centres in the regions to be decided and coordinated with the Ministry of Health and other service providers including the Black Lion Hospital in Addis Ababa. The ITU and ECA would provide technical expertise for establishing connectivity between the hub and remote centres and other international centres for world's medical knowledge. The programme will also acquire Digital Cameras, Computers, appropriate software for image transmission and all necessary medical equipment that would be required to ensure its success. This will complement other on-going efforts by the Ethiopian Diaspora notably the Ethiopian North American Health Professionals Association (ENAHPA)

- **Sequenced/Repeated visits (100 Persons):** Some types of assignment may require a limited number of round trip visits by national professionals or other experts to work as consultants in certain specified areas or vacant positions to address short-term bottlenecks in identified institutions. The short-term consultancies would range from 3 – 6 months or as required. Ethiopian expatriates or International Experts will be targeted to fill identified vacant positions in both the public and private sectors where in-country expertise cannot easily be identified. The programme will pay for the travel-related costs as well as for allowances to the identified Experts or specialists. The same benefits would accrue to the Ethiopian diaspora as well as other non-Ethiopian professionals or Friends of Ethiopia on a case by case basis. IOM will use its international migration facilities and services including its specialized reduced air fares, transit visa waivers etc for a cost effective programme implementation.
- **Permanent relocation (80 Persons):** Permanent transfer to the country of origin would be based on the voluntary decision of the Ethiopian expatriate or International Expert to physically relocate permanently and contribute to the development efforts of Ethiopia. The returning expatriates will be reinserted in already identified vacant positions in priority sectors as demanded and required by the public and private sector institutions endorsed by the government. The programme will facilitate the process of relocation through the provision of one way ticket using IOM specialized fares facilities, as well as other relevant incentives including; shipment of personal effects, provision of professional equipment and literature, reintegration grant and salary topping or supplement on a case by case basis to the Ethiopian diaspora as well as Friends of Ethiopia. The salaries and other

incentives would be provided by the hiring institution, whilst the programme will bear only the costs for relocation. However, MFA/DGEA would be responsible for approving all assistance and will follow up on Candidate's reintegration process with IOM Addis Ababa to ensure their smooth and successful reintegration for a meaningful contribution to programme objectives.

- **Investments (20Persons):** Ethiopians in the diaspora send remittances home for domestic consumption and for small-scale community investments, which are key in driving development at the macro-economic level. Remittances can foster development while remaining private funds. However, transfer costs need to be reduced and banking access increased; whilst overdependence on remittances must be avoided. In this regard, the programme will provide policy guidelines from stakeholders, including the World Bank, Africa Development Bank, IMF, UNIDO, and UNDP in consultation and in coordination with the National Bank of Ethiopia and the Ministry of Finance and Economic Development, etc. to provide policy guidelines, regulatory frameworks and advocacy on best practices for a more cost-effective and smooth transfer of financial and other resources by the Ethiopian diaspora towards productive investment in Ethiopia. This will include policy formulation, legal frameworks and best practices to facilitate the transfer of remittances for investment in identified priority sectors, including agriculture, tourism, etc. It will also involve the dissemination of adequate and relevant information on the investment climate and opportunities in Ethiopia for potential investors and match like-minded potential investors for joint venture investments and private sector Partnerships for potential investors
- **Study on the Ethiopian Diaspora/Remittances:** Even though it is an established fact that Ethiopian diaspora is numerous and constitutes a significant human capital and financial resource, there is hardly any empirical evidence to establish these facts. A social, and economic study of the Ethiopian diaspora in predominant locations in the developed countries, notably the USA, Canada, Germany, UK, Sweden, as well as in Ethiopia etc. will provide a better understanding of the opportunities and constraints for diaspora contribution and resource transfer, in order to optimize the mechanisms for the resource mobilization of the diaspora towards social and economic development in Ethiopia.

Remittances – money that migrants earn abroad and send home – represent an important way out of extreme poverty for a large number of people¹⁰. Remittances represent an enormous transfer of resources from the developed to the developing world and in many cases between countries of the South. Recorded remittances sent home by migrants from developing countries are estimated to be \$199 billion in 2006 an increase of \$11 billion over the 2005 amount¹¹. Unrecorded flows can add another 50 percent or more to the recorded flows. The combined flows make remittances larger than foreign direct investment flows and more than nearly twice as large as official aid received by developing countries¹². In general, the private sector recognizes (a) the demand for innovative financial products linked to remittances and (b) that such products while contributing to the business of the companies are also supportive of the development objectives. While the private sector is keen to make remittances a catalytic financial tool, their unfamiliarity with the product and clients, technology and regulation present a barrier.

It is in light of some of these challenges and barriers that the study will investigate the magnitude and modalities of financial and other resource transfers in order to provide policy guidelines and regulatory frameworks for a more cost-effective and increased remittance flows for constructive investment in Ethiopia as well as promote a more effective private-public sector partnerships for confidence and trust-building for investment.

¹⁰ Money transfers to developing countries from overseas resident and non-resident workers are estimated to have increased from US\$126 billion in 2004 to \$167 billion in 2005 (The World Bank, Global Prospects Report 2005). This is almost twice the amount of Official Development Assistance– US\$72 billion and 76% of total foreign direct investment.

¹¹ Migration and Development Brief 2: Remittance Trends 2006; Development prospects Group, Migration and Remittances team. The world Bank

¹² Development aid from OECD countries was \$103.9 billion in 2006, down by 5.1% from 2005, in constant 2005 dollars
(<http://www.globalpolicy.org/soecon/develop/oda/2007/0403oecdfehl.htm>)

- **Policy, Advocacy and Transfer of Medical Equipment, Facilities and Literature:** The programme will provide technical advice and advocate for retention and mitigation strategies to counteract the adverse effect of migration of health professionals. It will also establish and maintain appropriate human resource information systems including data base of health professionals; as well as encourage exchange programmes through bilateral training agreements that might not be available locally. The programme will also encourage ethical recruitment guidelines including bilateral and multilateral migration agreements to optimize the flows of health personnel. The MIDA-Health component will advocate for the substitution of skill outflows through training to fill the gaps created by the recruitment of health workers as well as the donation of equipments, literature, medicine and other relevant facilities and logistical support to Ethiopian Health, Educational and other relevant Institutions where such equipment and donations may be deemed necessary and required. The programme will bear the cost of transfer of such donated equipment or literature; whilst the donor will bear the related cost of technical assistance for in-country training in the use of the donated equipment. The approval of the medical equipment or educational materials would be decided on a case by basis by the relevant Ministries of Health and Education in coordination with the MFA/DDEA.

Sustainability

To ensure project sustainability, the project will develop systems, provide facilities and train programme implementation officers in the relevant Ministries, such as at the General Directorate for Ethiopian Expatriates Affairs in Ministry of Foreign Affairs, the Diaspora Coordinating Office in the Ministry of Capacity Building and at the Diaspora Desk in Addis Ababa City Government Investment Authority, the diaspora Focal Persons of the Regional Diaspora Affairs Coordination Offices of the Regional Presidents as well as other institutions in Ethiopia dealing with the diaspora. Focal persons from the relevant government (Federal and Regional) and private sector institutions would be assigned and trained in project implementation and management. The designated focal persons would be directly involved in project implementation in order to ensure the continuation and possible expansion of the project. In this regard, the MFA will designate 3 dedicated Staff towards overall project implementation for data base management and networking with the Regional Bureaus (BoFEDs and WoFEDs) for the collation and analysis of the capacity gaps at the Regional and Woreda level. The MFA Project Staff will maintain the networking of database with the Regions and diaspora associations as well as liaison with the Ethiopian Diplomatic Missions abroad. The IOM Missions abroad will also liaise with the Community Affairs Staff at the key Ethiopian Embassies notably in Washington and elsewhere to ensure programme sustainability. In this way, IOM will incrementally devolve programme implementation responsibilities to the MFA/DDEA and sector Ministries. In this regard, the IOM Programme Coordinator will be assigned an Office space within the MFA/DGEA to partly work and train the Project Staff. The designated Project staff of the MFA and other sector Ministries / Institutions and the Regional Bureaus would be expected to continue the programme within the government's own set up and established processes at the end of the programme.

A Stakeholders' Forum (SF) comprising all the relevant stakeholders in the public and private sectors, will be established to foster and promote strategic alliance and partnerships between the Ethiopian diaspora, friends of Ethiopia and local partners and institutions to support programme implementation.. Additionally, a Technical Steering Committee (TSC) comprising of MoFED, MoCB, UNDP, IOM, and a Representative of the Diaspora Associations in Ethiopia; chaired by the Director General of the Expatriates Affairs Directorate of the MFA will guide project implementation in accordance with the established programme implementation mechanisms. This will include fostering public-private sector partnerships as well as the identification, mobilization and utilization of the Ethiopian diaspora to ensure programme continuity and sustainability. Members of the SF will be identified by the TSC. The TSC as part of the SF will convene monthly meetings to discuss progress of programme implementation whilst the SF will meet quarterly under the chairmanship of the DG-MFA/DGEA. The

representative of the Ethiopia diaspora in Ethiopia would be designated by the MFA/DGEA whilst IOM would identify an all-inclusive Professional Diaspora Associations abroad as key partners for project implementation.

Target Group / Priority Areas

In order to attain project objectives, a selection criteria would be established to target 200 highly skilled and qualified Ethiopian diaspora and other suitably qualified specialists and professionals as well as potential investors willing to contribute their expertise, financial and other resources to the development efforts in Ethiopia. In this regard, the programme target beneficiaries will include the following:

- Highly qualified professionals to fill high level managerial positions,
- Qualified professionals for mid-level and administrative positions and
- Skilled professionals for technical positions

Specifically, the programme will target the following indicative beneficiaries;

- 20 diaspora Ethiopians transferred through tele-work assignments
- 100 diaspora Ethiopians transferred for sequenced/repeated assignments
- 80 diaspora Ethiopians with the requisite skills transferred for permanent services
- 20 Ethiopians in the diaspora and other potential investors matched with like-minded interests and entrepreneurs for investments in Ethiopia;
- 20 government officials trained in programme implementation and management including and in creating and updating the web-site and data base management;
- Government Institutions in priority sectors; especially Health facilities at the Federal, Regional and Woreda levels;

The target priority areas for consideration and job placement would conform to the priorities of the PASDEP and will include the following sectors: Agriculture, Private Sector Development, Tourism, Water & Sanitation, Roads and Transport, Health, Telecommunication (ICT) and Education with special focus on Health, Education and Basic Social Services notably Water and Sanitation during the first year of project implementation. Cross-cutting areas of focus will include HIV/IDS, Governance (policy guidelines and regulatory frameworks), Decentralization and institutional Capacity Building of targeted Government Institutions at all levels.

Special Consideration

Whereas there are many skilled and qualified Ethiopians in the diaspora with experience in various disciplines, special consideration will be given to the Health Professionals as well as those critical skills identified to be of priority to the government's development agenda and which can hardly be found in-country. In this regard, the project will pay particular attention to strengthening the institutional capacities in the health, educational, public administration and management and the development of the agricultural sector. Special consideration will also be given to Specialized Health Professionals as well as those with expertise in ICT (hardware, software, system maintenance), Organizational management, (information collection and analysis, decision making etc) and Financial management, which have been, amongst others, identified as critical skill gaps need towards the achievement of the government's development goals. The capacity programme will focus on institutional, systems development as well as knowledge and skills development.

In this regard, even though the programme will consider high profile non-Ethiopian Experts, special consideration will be given to Ethiopian nationals due to their cultural and linguistics attributes for easy adaptation and integration for timely service delivery. The programme will also pay particular attention

to government policies and regulations regarding the incentive framework, including remuneration for the retention of professionals as well as programme sustainability. The programme will endeavour to maximize the programme resources by paying particular attention to support suitably qualified professionals in priority sectors notably; health, education and basic social service delivery. It will also give preference to candidates who may not be able to make the required or preferred contribution to Ethiopia's development without the programme's support.

Particular attention would be given to the use of Telemedicine to enable access to the world's medical knowledge and locally relevant content resources for strengthening public health research and prevention programmes including sexual and reproductive health and sexually transmitted infections, HIV/AIDS, malaria and Tuberculosis. This is particularly relevant Ethiopia where scarcity of Doctors and other medical staff has a higher impact on the quality of the health service delivery due to brain drain. Consequently, telemedicine would improve the health environment of human resource which is key to economic and social development; and would contribute to the achievement of National priorities of the MDGs in relation to health; notably as reduction of child mortality, improve maternal health and combat HIV/AIDS, Malaria and other diseases.

The programme will pay particular attention to the constituency and confidence-building efforts of the Ministry of Foreign Affairs, in particular the recommendations of the joint committee of the regional authorities and Federal government institutions towards programme implementation. In this regard, the project will develop appropriate systems and strengthen the capacities of the Regional Diaspora Affairs Coordination Offices to identify need and human resource gaps at the Regional, Federal and Woreda levels.

Project Description

The programme will develop systems and build the capacity of the Federal and Regional Government Institutions to mobilize the skills and financial resources of willing Ethiopians in the diaspora and other like-minded professionals through recruitment, selection, return and reinsertion in identified priority sectors and specific job vacancies by various modes of skills transfer options. The programme will target those skills, which are lacking or in high demand in the various priority sectors at all levels of the Ethiopian economy. The programme will establish working partnerships between the Government of Ethiopia, stakeholders within the private sector and its constituents in the diaspora. Through synergies developed among these partners, the MIDEth will effect the transfer of the human and financial resources of the Ethiopians in the diaspora. The arrangements require that Ethiopian diaspora, whose services are needed, do not necessarily relocate or give up the position or rights acquired in the host countries; but rather Ethiopians in the diaspora should be able to move back and forth between Ethiopia and host countries where they may legally be residing.

The MIDEth programme has a flexible eligibility and transfer options, including virtual skills transfer or tele-working, temporary or sequenced (repeated) assignments, permanent relocation and investment promotion through policy options. The IOM Offices in Washington and other host countries, in collaboration with the Ethiopian Diplomatic Missions in Washington and elsewhere, as well as IOM and Ethiopian Diplomatic Missions in Africa will assist in programme promotion, identification, selection and recruitment of suitable candidates from Africa, Gulf States, Asia, Europe, the Americas and elsewhere. This will be done based on the evaluation of their professional background, training, experience and entrepreneurial capacity. The Regional Diaspora Affairs Coordination Office in collaboration with other relevant public and private sector institutions will identify the critical needs gaps and manpower requirement in priority sectors under the supervision and in coordination with the Expatriate Affairs Directorate of the Ministry of Foreign Affairs (MFA/DGEA); whilst the IOM Office in Addis Ababa, and MFA/DGEA, will be responsible for the selection and recruitment of candidates for identified job assignment under the programme. In this regard, the IOM Mission in Washington will be a designated Recruitment Mission responsible for case processing for candidates residing in

North America in collaboration with the Ethiopian Embassy in Washington and the Ethiopia Diaspora Associations in North America. The MFA/DDEA and IOM Mission in Addis Ababa as the Placement Mission will also be responsible for case processing of candidates residing in Africa, Gulf States and Asia with the support of respective IOM Missions, Ethiopia Diaspora Associations and Ethiopia Diplomatic Missions in those countries where they are present. Case processing for the selection of suitably qualified candidates will involve a pre-screening, recruitment, interviews and selection of applicants in accordance with established programme eligibility criteria and guidelines. The IOM Mission in Washington would be designated Recruitment Mission with a dedicated Project Staff and IOM Addis Ababa as the Placement Mission with project staff. Other IOM Missions and Ethiopian diaspora Associations involved in the recruitment and selection process would be paid a fixed Service Fee for every successfully recruited candidate. Only candidates who fulfil the programme eligibility criteria including specialised skills that conform to the identified priority sectors will be selected for specific job assignments upon the endorsement and approval by the Directorate of Expatriate Affairs of the Ministry of Foreign Affairs of Ethiopia.

MIDEth is a generic strategy, where various configurations are possible and goes beyond the reinsertion of qualified expatriates in their countries of origin. MIDEth rather envisages a wider approach and formulas compatible with the diaspora's desire to contribute to the development of their countries of origin. It seeks to involve the contribution of all stakeholders in countries of the North and the South, in order to broaden the programme's ownership base.

In order to optimize the resources of the diaspora, the programme will undertake a study on the Ethiopian diaspora both in Ethiopia and in predominant host countries with Ethiopia diaspora to investigate the underlying factors for their emigration, their plans, resources as well as the opportunities and factors that inhibit their contribution to Ethiopia's development efforts. It is envisaged that the findings and recommendations of this study will result in policies to maximize the contribution of the Ethiopian diaspora including remittances to their country of origin.

Part II Results and Resources Framework

<p>Intended Outcome: To contribute to the implementation of the Ethiopian government's PASDEP, PSCAP and the achievement of the MDGs by strengthening the institutional capacities of the government and non-state actors, through the transfer of relevant human, financial and other resources of the Ethiopians in the diaspora.</p>		
<p>Outcome indicator:</p>		
<p>Applicable Strategic Area of Support (from SRG) and TTF Service Line (if applicable):</p>		
<p>Partnership Strategy: GoE has established Expatriate Affairs Directorate with in the Ministry of Foreign Affairs that has various policy initiatives which will support the implementation of the programme. UNDP will finance part of the budget for the first year and EAD/MoFA will authorize the flow of the fund timely.</p>		
<p>Project title and number: Migration for Development in Ethiopia (MIDeTh)</p>		
<p>Intended Outputs</p>		
<p>1.1 Identified human resource needs and critical skill gaps in priority areas or programs in the Ethiopian economy are matched with identified relevant skills, financial and other resources of the Ethiopian diaspora and other suitably qualified professionals and investors abroad available to assist in development programmes in the country;</p>	<p>Output Target</p> <p>200 suitably qualified Ethiopian professionals in the diaspora, friends of Ethiopia including potential investors assisted to transfer human, capital and other resources to Ethiopia for development; (Skills of 20 Ethiopian diaspora transferred through telework assignments; Skills of 100 Ethiopian diaspora transferred for sequenced / repeated assignments; 80 Ethiopian diaspora with the requisite skills transferred for permanent services; 20 potential investors, including Ethiopian diaspora matched with potential entrepreneurs for investment in Ethiopia. ;)</p>	<p>Indicative Activities</p> <ul style="list-style-type: none"> • MoFED, BoFEDs, WoFEDs in coordination with MFA, MoCB, and the Regional Diaspora Affairs Coordination Offices , etc. to identify manpower requirements and critical skill gaps in priority areas in the private and public sectors to be strengthened in consultation with relevant institutions and agencies; • MoCB, MFA and IOM to identify, compile, establish and maintain an updated data bank of identified skill and concrete job vacancies in Ethiopia through contacts with business circles, private and state enterprises, Public and Private institutions etc. and matching them with the professional profiles of Ethiopian and other expatriates; • IOM / MFA to facilitate the transfer of skills and resources of 200 Ethiopians and others in the diaspora, handling all aspects of skills and resource transfers of the selected candidates including donated equipment etc, in collaboration with the relevant government authorities; • IOM Washington, in collaboration with the relevant Ethiopian Embassies and Diaspora Associations in host countries, to establish and maintain an updated data bank of identified Ethiopians in the diaspora and others with the requisite resources/skills required. To provide distance education and distant medical consultations with remote and rural hospitals/clinics and also with international medical centers • IOM Addis Ababa and MFA to make contacts through existing networks of IOM Offices worldwide, Ethiopian Embassies and Diplomatic Missions, professional organisations, Ethiopia diaspora Associations etc., to promote MIDeTh through mass information campaigns and programme promotion and to identify suitably qualified candidates..

<p>1.2. To institutionalize the mobilization and utilization of human and other resources of the Ethiopian Diaspora for development in Ethiopia;</p>	<p>An institutional framework established for the mobilization and utilization of the Ethiopian diaspora and friends of Ethiopia for socio-economic development in Ethiopia;</p>	<ul style="list-style-type: none"> • IOM to train project staff at the MFA/DGEA and the Focal Persons in the Regional Diaspora Affairs Coordination Offices in Offices of the Regional Presidents in order to build their capacities for programme implementation, management and sustainability; • MFA, IOM and the Ethiopian diaspora Associations to engage in programme promotion and outreach strategies to promote the MIDEth programme to Ethiopian diaspora worldwide; • MFA, IOM, UNDP and the Ethiopian Embassies diaspora Associations abroad to establish a consultative forum to strengthen the partnerships between the Government and its Constituents in the diaspora towards nation and confidence building; • MFA/DGEA, UNDP and IOM to establish a sustainable framework for institutional capacity building at all levels for the mobilization and utilization of the resources of the Ethiopian diaspora;
<p>1.3. To develop systems and manuals to enhance the capacities of the Government at all levels for development;</p>	<p>Systems, policies and manuals developed to strengthen the institutional capacities of the government at all levels for effective and timely service delivery;</p>	<ul style="list-style-type: none"> • IOM to develop systems, policies and manuals to establish and strengthen the institutional capacities at all levels to mobilize and utilize the resources of the Ethiopian diaspora for development in Ethiopia; • MFA/DGEA and IOM in coordination with the TSC to design manuals and policy guidelines and standard operational procedures for the recruitment of suitably qualified professionals for assignment in Ethiopia • IOM to procure the necessary project equipment and facilities and establish a website of the Ethiopian diaspora at the MFA Offices in Addis Ababa;
<p>1.4. To assist the government in the development of policy guidelines and regulatory frameworks to institutionalize the participation of the diaspora in the socio-economic development of the country;</p>	<p>Existing Institutional policy guidelines and regulatory (legal) framework and financial transfer mechanisms reviewed to promote increased and cost effective remittance flows;</p>	<ul style="list-style-type: none"> • MFA/DGEA, UNDP and IOM to establish a sustainable framework for institutional capacity building at all levels for the mobilization and utilization of the resources of the Ethiopian diaspora;

<p>1.5. To strengthen the institutional capacities of the Ethiopian government at all levels to develop and maintain a long term viable resource transfer programme for qualified, skilled and resourceful Ethiopians in the diaspora;</p>	<p>Institutional capacity of the GoE strengthened and maintained at all levels to sustain a long term viable skills transfer option for Ethiopians in the diaspora through the MIDEth programme;</p> <p>A cooperative mechanism and institutional framework established by the GoE to mobilise the human and financial and other resources of the Ethiopian diaspora and other willing entities for sustainable economic development in Ethiopia.</p>	<ul style="list-style-type: none"> • WB, ADB, IMF, UNDP, UNIDO, in collaboration with the National Bank of Ethiopia and the Ministry of Finance and Economic Development, to review existing policy guidelines and regulatory frameworks / institutional mechanism with relevant financial institutions for a cost-effective resource transfer and constructive investments in Ethiopia; • Addis Ababa University, suitable consultants or credible Institutions to conduct a study on the Ethiopian diaspora with particular focus of resource transfers;
<p>1.6 To develop strategies to maximize the contribution or impact of remittance to development in Ethiopia.</p>	<p>Policy guidelines, remittances strategies and legal frameworks developed for increased remittance flow for constructive investment in Ethiopia;</p>	<ul style="list-style-type: none"> • To conduct a baseline survey or study on the Ethiopian diaspora and remittances to maximize its development impact;

Part III Assumptions and Risks

Assumptions

- ❖ Support and commitment of the GoE to the programme to achieve the MIDEth objectives within the framework of the overall PASDEP and PSCAP programmes;
- ❖ An enabling socio-political and economic environment and policies to encourage transfer of required resources and investment by the Ethiopian diaspora;
- ❖ Prevailing security conditions in the country during project implementation period would be conducive enough to attract transfer of human and financial resources from Ethiopians and other professionals and potential investors living abroad;
- ❖ Ethiopians abroad would embrace the programme and be willing to participate and make a contribution; financial or otherwise as required by the programme;
- ❖ The relevant Government authorities at all levels and private sector counterparts / stakeholders provide the necessary administrative support, cooperation and required political will and participate actively in the implementation of the programme.

Risks

- Lack of cooperation and support by relevant Government Institutions and Officials;
- Apathy and negative role and perception by the Ethiopian diaspora and relevant stakeholders in programme implementation;
- Lack of information and ignorance about the programme;

Flexibility

- On a case-by-case basis, available resources will be allocated in priority areas according to assessed evolution of manpower development needs,
- Programme resources would be disbursed on a case-by-case basis taking into consideration capacity building needs as well as individuals' specific situation and needs.
- Monitoring and evaluation by project management will recommend adjustments as necessary.

Part IV. Management Arrangement

Role of Implementing Partner (Ministry of Foreign Affairs)

As the Implementing Partner, MFA/DGEA is accountable for the management of the project, and is held accountable for delivery of the expected outcome and outputs. MFA/DGEA will have the overall ownership and authority for project management under the National Execution arrangements and would be responsible for the coordination and approval of annual work plans (AWPs) under the project.

The MFA/DGEA will establish and chair the Project Management Committee comprising of MFA, MoFED, UNDP and IOM. The MFA/DGEA will request for resources disbursement from UNDP based on the approved AWPs, ensure sound financial management of the released project funds and report to the Ministry of Finance and Economic Development and UNDP on a quarterly basis as per the NEX guidelines. In this regard, the MFA/DGEA will open a bank account for the project to receive funds for project activities. The financial report will be accompanied by quarterly project progress reports summarizing the outputs and activities undertaken. The MFA/DGEA may enter into subcontract arrangements with other partners by exchanging a Memorandum of Understanding (MoU) when technical and logistic services are required in order to ensure effective and efficient project implementation. These subcontractors are terms as Responsible Parties. The MFA/DGEA may

authorize UNDP the release of funds directly to Responsible Parties for project implementation as per the MoU and in accordance with the NEX guidelines.

The MFA/DGEA will provide the required technical and administrative support as well as policy guidelines towards project implementation within the framework of the development plans of the Federal, Regional and Woreda administrative structures. The Ministry of Foreign Affairs (MFA) will appoint a National Project Coordinator for this purpose. MFA/DGEA will assist in liaison and networking with Ethiopian diplomatic missions and diaspora associations for programme promotion. It will also coordinate the human resource needs and programme activities of the regional governments and will approve all selected candidates before assistance is provided. The MFA will liaise with the relevant government institutions and partners for the human resource needs and, as the Chair of the TSC, will advise on government policies and decisions including incentives as they affect programme implementation.

The government would provide the necessary administrative and required logistical support regarding documentation and clearance of goods and services in order to facilitate the timely support and investment of project beneficiaries. In this regard, the MFA will facilitate the entry and work permits of non-Ethiopian Expatriates who participate in the programme. The Ethiopian Investment Commission, the Ethiopian Chamber of Commerce and Addis Ababa City Government Investment and Internal Revenue Authority will facilitate private sector investments, tax exemptions and investment incentives in collaboration with the Regional and Local Administrative Authorities.

Role of the Responsible Party (IOM Addis Ababa)

IOM is expected to play a role as Responsible Party as contracted by the MFA/DGEA. IOM Addis Ababa will provide technical expertise and would be responsible for the technical management of the project activities as stipulated in the MOU. The IOM will be accountable to the MFA/DGEA for the delivery of outputs based on the MoU and will report quarterly to MFA/DGEA on the resources transferred to the IOM and on the outputs and activities during each quarter. Copies of these reports will be also made available to the Ministry of Finance and Economic Development as well as UNDP. The IOM Office in Ethiopia, in collaboration with and with the approval of the Ethiopian Government, will implement this project involving both public and private sector institutions with vested interest in utilising the Ethiopian diaspora for the development of the country. The project components entrusted to IOM will be implemented using existing IOM infrastructures/offices in Washington, DC, USA and elsewhere as Recruitment Missions in co-ordination with other IOM Missions in respective countries and IOM Headquarters in Geneva. In this regard IOM will utilize its status and privileges in Ethiopia and elsewhere including its specialized air fares and international migration services and facilities for a smooth and cost-effective programme implementation. In this regard, IOM offices in Ethiopian diaspora's host countries will provide specialised services for candidates' identification, recruitment, interview and selection and pre-departure briefing and assistance to selected candidates in coordination with the DGEA and Ethiopian Diplomatic Missions in relevant host countries. This would include pre-screening for eligibility, valid travel documents, and making the necessary logistical and travel arrangements for skills transfers, including virtual and satellite based technology, payments and purchase of equipment and literature for transfers to Ethiopia. The programme will be implemented in coordination and in consultation with the relevant government counterpart ministries and stakeholders.

As one of the Responsible Parties providing technical support and expertise for project implementation, IOM Addis Ababa will receive, advance, disburse and account for project funds in accordance with approved project activities within the AWP and corresponding budgets and projected expenditures within the MoU to be concluded between IOM and the DGEA as per the NEX guidelines. The MoU will outline Project implementation and financial management modalities as well as the programme and

financial reporting mechanisms. IOM will disburse project funds according to the modalities specified in the MoU. The IOM Regional Office in Nairobi will provide technical and financial backstopping for project and financial management whilst its headquarters in Geneva will assist in fund raising and resource mobilization with donors and provide overall project and financial supervision to ensure transparency and effective financial management and reporting to donors. Programme funds allocated to IOM will be accounted for and audited according to IOM internal accounting systems and audit procedures, including external controls.

The role of Partners

The WB, IMF, UNDP, WHO, UNIDO, ITU and ADB will provide technical assistance to the project in their relevant expertise and competencies and areas of comparative advantage. This will include policy formulation, macro-economic analysis, policy guidelines and regulatory / legal frameworks to promote increased remittances and investments in Ethiopia. They will also assist in resource mobilization for project implementation and would be invited to participate in the Technical Steering Committee meetings whenever required to guide programme implementation.

The role of Donor(s)

While the first 12 months is funded by UNDP, during the remaining three years, the programme is expected to be funded by bilateral and multilateral donors in Ethiopia as well as host governments with predominant Ethiopian diaspora. Potential donors would be expected to contribute adequate and timely financial resources to undertake programme activities and to ensure the successful achievement of project expected results and output. The funding mechanism would be discussed and agreed upon by the MoFED, MFA, Donors, UNDP and IOM.

Resources/ Inputs

Project resources/inputs will be used towards direct support costs for the transfer of resources from abroad to Ethiopia whilst indirect support costs would be geared towards administrative support for programme implementation. The direct support to programme beneficiaries will consist of the following items and will be decided on a case-by-case basis: Direct support costs will include;

- Airtime and Satellite Connectivity for Virtual skills transfers including Tele-medicine;
- Honorarium for Curriculum Development and Lectures;
- Travel costs for the Candidates including short-term consultants and families of permanent returnees;
- Transport / Shipment of luggage and personal effects of permanent returnees;
- Transport and shipment costs for donated equipment and literature;
- Reintegration grants to cover cost-of-living up to 3 months for permanent returnees;
- Monthly salary topping / supplement for an average USD 300 for a maximum period of 12 months;
- Purchase of Scientific or professional equipment /literature for the institutions on a case-by-case basis to be determined by MFA/DGEA
- Procurement of I-T / Office equipment for capacity training of the MFA/DGEA Project Staff including web-site design, management and maintenance;
- Capacity building and counterpart training including outreach and programme promotion;

Indirect programme costs will mainly include IOM Staff and Office costs comprising of an International Programme Coordinator, National Programme Officer / Assistant and administrative support costs. The Office costs will include transport and communication, fixtures and fittings and office supplies. If a project vehicle is procured, it would be used purposely for project activities and would be donated to the MFA/DGEA at the end of the project implementation.

Part V. Monitoring and Evaluation

The monitoring of the programme implementation will provide the analytical data for the assessment not only of the mode of implementation but also of the realisation of programme goal and impact. Monitoring will not only expose lapses when and where they occur but also provide justification for backstopping as corrective adjustment mechanism. Meetings with the Stakeholders Forum and/or with the donors will be organised periodically – no fewer than once a year (annual reviews) to discuss revised strategies for the adjustment of the programme. Progress reports, including narrative and financial reports will be submitted by MFA/DGEA to the MoFED and UNDP and other partners, while the IOM will submit to the MFA/DGEA the narrative and financial reports of the project components entrusted to them as per the MOU. The MFA/DGEA is responsible for consolidating the report from the IOM and reports on other project components.

A mid-term review will be carried out at the end of the second year after the commencement of the programme. It will assess project results and make recommendations to adjust policies, procedural and operational guidelines if so required. On the basis of the outcome of the mid-term evaluation, the government in consultation with the donors may decide to make the necessary adjustment to enhance programme implementation to achieve project objectives and expected outputs. A terminal evaluation will be undertaken six months after programme's life span.

Indicators

The indicator of success of the programme goal will be the increased number of public and private sector institutions directly or indirectly benefiting from the MIDEth programme activities through the skills, experience and technological know-how and knowledge of the Ethiopian diaspora as well as a significant number of Ethiopian diaspora and other suitably qualified professionals contributing to the different sectors and priority areas of employment.

The indicators of success of the programme purposes are:

- At least 80% of the assisted returnees are still active and successful in their social and professional reintegration in Ethiopia and maintain linkage with their employers after 2 years of completion of assignment(s)
- At least 75% of Employers consider a positive contribution in their efficiency and performance through new innovations introduced by the programme candidate;
- At least 85% of working colleagues at the work place agree or feel that they benefited from the returning professionals through some form of skills or technological transfers;
- At least 80% Core Support Group members are still active at the end of project activities; and the government counterpart is acquainted with the procedures required for the recruitment and placement of Ethiopian nationals residing abroad;
- At least 70% of the assisted returnees see their decision to return to key areas of the economy as a good decision;
- At least 80% of the returnees consider their job commensurate with the training or specialisation received abroad;
- At least 75% of the returnees consider that a transfer of knowledge or experience to other persons working in the same profession does take place;

- At least 70% of the returnees consider that the return of qualified nationals contributes significantly to the development process of the country;
- At least 70% of diaspora Focal Persons at the Federal and Regional level trained in programme implementation and management continue to function after programme implementation;
- At least more than 50% of Ethiopian diaspora would be willing to participate in the MIDEth programme through the existing government institutions and mechanisms;
- At least 70% of the potential investors feel the programme contributed directly or indirectly to their investment opportunities in Ethiopia.
- At least 75% of MFA/DGEA capacity building structure and mechanisms fully functional for effective programme implementation and management;

Means of Verification: The means of verification are:

- Programme database and target group profiles;
- Skill needs and skill availability database;
- List of returnees assisted under the programme;
- Investment portfolios by Ethiopian diaspora;
- Survey of employers, counterpart institutions and of Ethiopians in the diaspora;
- Minutes of meetings of support group involved in programme implementation;
- Annual reports, including narrative and financial statements and receipts and payment vouchers;
- Testimonies of programme participants;
- Assessment and performance evaluation reports of MFA/DGEA Project staff;
- Monitoring, backstopping and evaluation reports.

Part VI. Legal Context

This programme document shall be the instrument referred to as such in the Standard Basic Assistance Agreement signed in 1982 between the Government of Ethiopia and the United Nations Development Programme.

Part VII. Budget

The total budget planned for Migration for Development in Ethiopia (MIDEth) is US\$ 4,487,700 over a potential four-year period with a total estimate budget of US\$ 500,000 for the first year.

The detailed budget is attached as Annex.

4 Year Budget (in USD) for Project "Migration for Development in Ethiopia" (MIDEth)

DESCRIPTION	UNITS	UNIT COSTS	Months/ Days	Total Year Budget (48 months)	UNITS	UNIT COSTS	Months/ Days	Total Year Budget (48 months)	UNITS	UNIT COSTS	Months/ Days	Total Year Budget (12 months)	Budget MoFA	Budget IOM
A. DIRECT OPERATIONAL COSTS														
Direct Support Costs for Returnees														
1.1 Virtual Return - 20 persons														
1.1.1 Air time or Satellite Connectivity	150	300		45,000	30	300		9,000				9,000	9,000	
1.1.2 Honorarium for Curriculum Development & Lectures	20	2,000		40,000	3	2,000		6,000				6,000		6,000
1.1.3 Tele-medicine Infrastructure & Connectivity	Lump-sum			300,000										
Subtotal of 1.1				385,000								15,000	9,000	6,000
1.2 Sequenced/Repeated Transfer - 100 persons														
1.2.1 Round-trip tickets (average)	100	1,500		150,000	10	1,500		15,000				15,000		15,000
1.2.2 Allowance (Average 3 months per visit)	100	2,000	3	600,000	10	2,000	3	60,000				60,000		60,000
Subtotal of 1.2				750,000								75,000		75,000
1.3 Permanent Transfer - 80 persons and dependants														
1.3.1 One way ticket (Ave. Fam Size - 2 Adlts + 3 Depndts.)	80	5,000		400,000	5	5,000		25,000				25,000		25,000
1.3.2 Shipment of personal effects	80	5,000		400,000	5	5,000		25,000				25,000		25,000
1.3.3 Purchase of professional equipment, literature and training (excl. Personal Computers)	80	3,000		240,000	5	3,000		15,000				15,000		15,000
1.3.4 Monthly Salary topping / supplement (Ave. USD 300 for maximum 12 months)	80	3,000		240,000	5	3,000		15,000				15,000		15,000
1.3.5 Reintegration grant (Lump-sum)	80	4,000		320,000	5	4,000		20,000				20,000		20,000
Subtotal of 1.3				1,600,000				100,000				100,000		100,000
1.4 Investment - 20 persons														
1.4.1 Study of the Ethiopian Diaspora in Hosts Countries etc)	1	30,000		30,000										
1.4.2 Technical Assistance for Policy Guidelines and Legal Frameworks on Remittances	1	20,000		20,000										
Subtotal of 1.4				50,000										
Programme Operational Costs				2,785,000				190,000				190,000	9,000	181,000
1.5.1 Institutional Capacity Building and Counterpart Training (MFA & RDACOs)	20	5,000		100,000	5	5,000		25,000				25,000		25,000
1.5.2 Information technology equipment: PCs for MFA	10	2,000		20,000	10	2,000		20,000				20,000		20,000
1.5.3 Information technology equipment: 6 Printers, 2 Scanners & 1 Fax Machine for MFA	9	1,000		9,000	9	1,000		9,000				9,000		9,000
1.5.4 Office Equipment: 1 Photocopier for MFA	1	10,000		10,000	1	10,000		10,000				10,000		10,000
1.5.5 Home Coming Events for Diaspora and Stakeholder Workshops etc.	4	15,000		60,000	1	15,000		15,000				15,000		15,000
1.5.6 Programme Promotion, Brochures Media etc (Ethiopia, USA, and Europe etc)	1	60,000		60,000	1	60,000		60,000				60,000		60,000
1.5.7 Service Fee for Case Processing - Recruitment and Selection by Other Recruitment Missions	50	500		25,000	5	500		2,500				2,500		2,500

4 Year Budget (in USD) for Project "Migration for Development in Ethiopia" (MIDeth)

DESCRIPTION	UNITS	UNIT COSTS	Months/ Days	Total Year Budget (48 months)	UNITS	UNIT COSTS	Months/ Days	Total Year Budget (12 months)	Budget MoFA	Budget IOM	
1.5.8 Tickets for Outreach & Sensitization Visits by relevant Officials to selected host countries	6	2,000		12,000	3	2,000		6,000	6,000		
1.5.9 DSA for Officials on Outreach visits	6	1,500		9,000	3	1,500		4,500	4,500		
1.5.10 Administrative Support for Ministries (MFA, etc) Project Staff	1	500	48	24,000	1	500	12	6,000	6,000		
1.5.11 Website Design, Maintenance, Networking and Yearly cost for Hosting by MFA	Lump-sum	10,000	48	10,000	Lump-sum	6,000	12	6,000		6,000	
1.5.12 Cost of Shipment of Donated Medical / Equipments from abroad to Ethiopia	1	100,000		100,000	1	15,000		15,000		15,000	
Subtotal of Programme Costs				439,000				129,000	56,500	72,500	
Contingency (5% on Operational Cost)				161,200				15,950	3,275	12,675	
Subtotal of A				3,385,200				334,950	68,775	266,175	
B. PROJECT SUPPORT COSTS											
Staff and Office Costs											
2.1 Staff costs											
2.1.1 Project Manager (10% of time)	1	2,000	48	96,000							
2.1.2 International Programme Coordinator	1	10,000	36	360,000	1	2,153	12	25,841		25,841	
2.1.3 National Programme Assistant - (IOM Washington)	1	2,500	48	120,000	1	2,500	12	30,000		30,000	
2.1.4 National Programme Officer (NO-A IOM Addis Ababa)	1	1,700	48	81,600	1	1,700	12	20,400		20,400	
2.1.6 Administrative support	1	1,400	48	67,200	1	1,400	12	16,800		16,800	
Subtotal of 2.1				724,800				93,041	-	93,041	
2.2 Office costs											
2.2.1 Information technology equipment: (IOM Addis & Washington)	3	2,000		6,000	3	2,000		6,000		6,000	
2.2.2 Office furniture and Fixtures	3	1,200		3,600	3	1,200		3,600		3,600	
2.2.3 Communications	2	400	48	38,400	2	400	12	9,600		9,600	
2.2.4 Office supplies	2	250	48	24,000	2	250	12	6,000		6,000	
2.2.5 Office Space	2	500	48	24,000	2	500	12	6,000		6,000	
2.2.6 Vehicle Rental / Purchase: Fuel and maintenance	1	1,000	48	48,000	1	1,000	12	12,000		12,000	
Subtotal of 2.2				144,000				43,200	-	43,200	
2.3 Evaluation and Monitoring											
2.3.1 Programme Evaluation (Yearly and Final)	4	5,000		20,000	1	5,000		5,000		5,000	
Subtotal of 2.3				20,000				5,000	-	5,000	
Subtotal of B				888,800				141,241	-	141,241	
Subtotal of A and B				4,274,000				476,191	68,775	407,416	
Total Fund Required				213,700				23,810	-	20,371	
				4,487,700				500,000	68,775	427,787	
GRAND TOTAL				4,487,700	500,000				68,775	427,787	