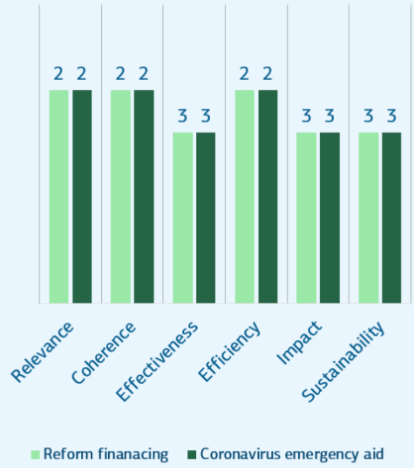
Ex-post evaluation
Reform financing and coronavirus emergency aid, Ethiopia

Title	Reform financing and coronavirus emergency aid Ethiopia
Sector and CRS code	Macroeconomic policy (policy-based support), 15142
BMZ number	BMZ No. 2019 68 874 (reform financing) and BMZ No. 2020 68 609 (coronavirus emergency aid)
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Recipient and executing agency	Republic of Ethiopia, Ministry of Finance
FC financing volume and instrument	EUR 100 million reform financing (budgetary grant); EUR 100 million in emergency coronavirus aid (budgetary grant)
Project duration	2019-2022 **Reporting year** 2025 **Year of random sample** 2024

Overall rating

moderately successful



1: very successful – **6:** completely unsuccessful

Project objectives and implementation

The objective of outcome-based reform financing was to provide financial support for Ethiopia's reform agenda in its transition to a private sector-oriented development model. This was intended to improve the framework conditions for private investment and facilitate access to financial services for businesses. This should lead to more employment and growth (impact level). However, implementation was hampered by the coronavirus pandemic, which made it difficult to achieve the objectives. The coronavirus emergency aid was intended to stabilise the budget and secure the successes of reform financing.

Key findings

Due to external factors, the reforms did not have the intended effect, which is why the appraisal of the programmes indicates that they were only moderately successful.

- The relevance of reform financing and also of the coronavirus emergency aid is considered successful in view of the macroeconomic challenges and economic reform efforts of the Abiy government.
- Reform financing was largely coherent, with a clear division of labour among donors, although the World Bank, as the central actor, hampered dialogue between bilateral donors and partners. The macroeconomic approach complemented the project-based methods of German development cooperation and FC and is considered successful.
- The effectiveness of both projects/programmes is appraised as moderately successful, as private companies were unable to take advantage of the improved framework conditions to the extent expected due to external factors.
- The efficiency of implementation, with the World Bank playing a strong role, was successful, as was the use of existing structures for emergency coronavirus aid.
- Due to geopolitical and economic changes, the reforms did not achieve the hoped-for employment and growth effects. The impact is considered to be moderately successful.
- Sustainability is assessed as moderately successful, taking into account the political tensions in the country.

Conclusions

- The preparation and implementation of reform projects should be more carefully planned, for example by using a more robust database and, where appropriate, scientific support.
- German development cooperation should examine the extent to which it relies on the expertise of the World Bank for policy-based approaches or whether it makes sense to make targeted use of its own economic expertise.
- A broader, more stable selection of indicators and company surveys before and after the reform could help to better appraise the effectiveness of the measures.

Contents

List of abbreviations

FDI	Foreign direct investment
AFD	Agence Française de Développement
PCR	Final inspection
GDP	Gross domestic product
BM	Accompanying measure
BMZ	Federal Ministry for Economic Cooperation and Development
CwA	Compact with Africa
DAC	Development Assistance Committee
DBE	Development Bank of Ethiopia
DPF	Development Policy Financing
DPO	Development Policy Operation
EIC	Ethiopian Investment Commission
EUR	Euro
EPE	Ex-post evaluation
EZ	Development cooperation
FC	Financial cooperation
FC E	FC Evaluation
GERD	Grand Ethiopian Renaissance Dam
GIZ	German Society for International Cooperation
HGER	Homegrown Economic Reform Agenda
ICT	Information and communication technology
IMF	International Monetary Fund
(M)SME	(micro), small and medium-sized enterprises
MDTF	Multi-Donor Trust Fund
PA	Project appraisal
PPP	Public-private partnership
SDR	Special Drawing Rights
UNCTAD	United Nations Conference on Trade and Development
USD	US Dollar
WB	World Bank

Overview

General conditions and classification of the project

Ethiopia is one of Africa's fastest growing economies, but faces major economic and political challenges. The economy is heavily dependent on agriculture, which provides many jobs but contributes only marginally to GDP. Problems such as high inflation, foreign exchange shortages and a large informal economy are hampering growth. Politically, the country is characterised by a complex ethnic federal structure that repeatedly leads to tensions and conflicts. The current conflict in the Tigray region of Ethiopia escalated in November 2020.

Ethiopia has been pursuing serious reforms, particularly since Prime Minister Abiy Ahmed took office in April 2018. Under his leadership, numerous political, economic and social reforms have been initiated, including the liberalisation of key economic sectors, open-door policies and efforts to promote peace and national reconciliation. These reform efforts mark a turning point in Ethiopia's reform process, even though challenges and setbacks remain.

Brief description

Since 2018, the Growth and Competitiveness Reform Financing Facility ( ) has been supporting reforms in Ethiopian economic policy as part of the World Bank's (WB) *Growth and* Competitiveness programme, together with other bilateral donors. The aim of the FC module was to provide financial and advisory support for Ethiopia's reform agenda in its transition to a more private sector-oriented development model. This was intended to improve the framework conditions for private investment and access to financial services for domestic and foreign private companies, thereby strengthening employment and growth in the country. Due to the structural reforms in the economic sector, reform financing formed an important basis for the development cooperation programme "Private Sector Promotion in Ethiopia". Within this broad donor approach, Germany focused on improving the legal framework for domestic and foreign companies and simplifying access to financial services. As part of an FC accompanying measure (BM), technical advice on the development and implementation of the reforms was financed through the Multi-Donor Trust Fund, to which only bilateral donors such as Germany contributed. The FC accompanying measure had not yet been completed at the time of the evaluation (5/2024) and is therefore not part of the EPE.

In the context of the coronavirus pandemic, Ethiopia was granted so-called "coronavirus emergency aid" to cushion the economic hardship. This support was aimed in particular at securing the reform successes achieved to date and keeping the country on track for reform. The financial contribution was used as parallel financing in the course of multilateral donor support for the WB's "*COVID-19 Supplemental Development Policy Financing 2 (DPF2)*" as part of the WB's "*Growth and* Competitiveness" programme in the form of a grant.

Breakdown of total costs

The reform financing contribution of EUR 110 million (of which EUR 100 million is sector budget financing (BMZ No. 2019 68 874) and EUR 10 million is an accompanying measure (BMZ No. 2019 70 359)) is part of the co-financing for the WB programme "*Growth and Competitiveness Development Policy Operation (DPO)*". In addition, there is sector budget financing of EUR 100 million as part of the "Corona Emergency Aid" programme. In December 2020, the German Federal Government committed further tranches of EUR 100 million (BMZ No. 2020 67 015) to support the reform programme. However, these were not disbursed due to the changed framework conditions.

	Reform financing (plan)	**Reform financing (actual)**	**Corona emergency aid (plan)**	**Corona emergency aid (actual)**	**BM (plan)**	**BM (actual)**
Investment costs (total) in million EUR	655	655	645	645	*20*	*n/a*
Own contribution in EUR million	0	0	0	0	*0*	*N/A*
External financing in EUR million	100	100	100	100	*100*	*N/A*
of which BMZ funds in EUR million	*100*	*100*	*100*	100	*10*	*N/A*
of which World Bank in EUR million	*470*	*470*	*235*	235	*0*	*N/A*
AFD in EUR million	*85*	*85*	*120*	120	*5*	*N/A*
AfDB in EUR million	0	0	120	120	*0*	*N/A*
EXIM Bank in EUR million	0	0	70	70	*0*	*N/A*
Other bilateral donors in EUR million	*0*	*0*	*0*	*0*	*5*	*N/A*

Table 1*: Breakdown of costs.*

Map of the project region

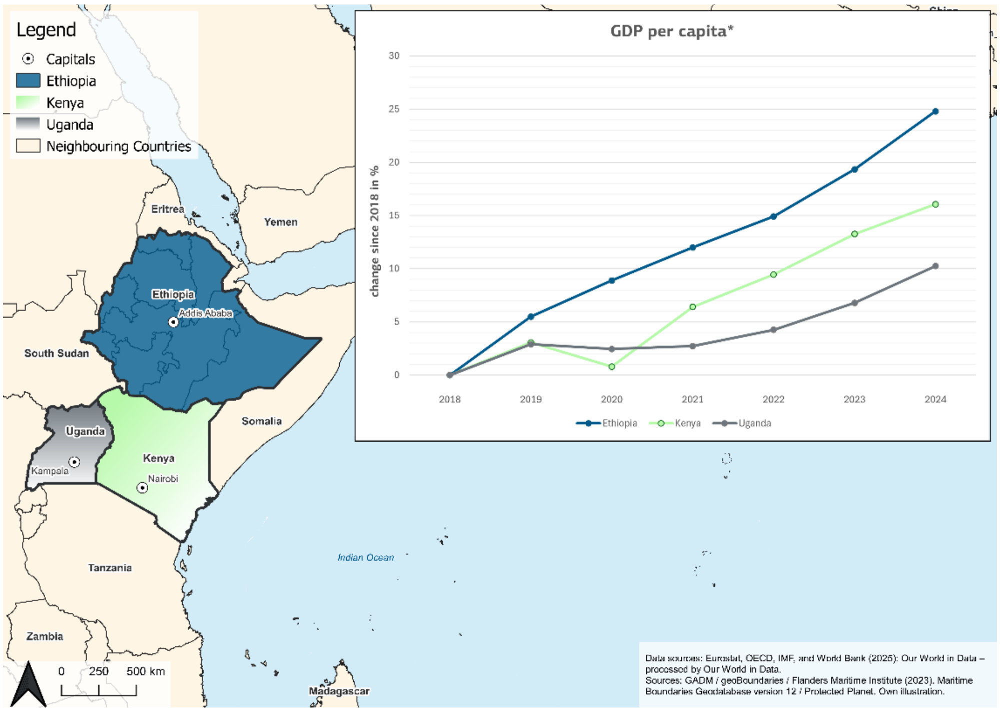


***Figure 1**: Map of the project region.*
***Note**: *These data show relative GDP per capita growth compared to 2018 and are expressed in international dollars at 2021 prices.*

Project-specific strengths and weaknesses of the project

The strengths include in particular:

- The relevance of reform financing and also of the coronavirus emergency aid was high in view of the macroeconomic challenges facing (and still facing) the country and the economic reform efforts of the Abiy government.
- KfW's economic expertise could be incorporated into the preparation and monitoring of macroeconomic approaches such as reform financing. This could lead to more sound planning and implementation of programmes.

The weaknesses include in particular:

- The programme was inadequately prepared in terms of content, and the ownership of Germany and the FC was hardly recognisable. The World Bank designed and implemented the programme, which makes greater German influence appear desirable.
- In Ethiopia, the statistical offices are inadequately equipped, which makes more thorough scientific monitoring of the programme necessary. The available data are insufficient to adequately conduct an appraisal of the programme's impact.
- The selection of indicators to measure the impact of the reforms is inappropriate. Some indicators are too volatile, and there is a lack of a broader and more systematic selection of indicators to measure the success of a reform project with long and complex chains of effects.

General conclusions/lessons learned

- The preparation and implementation of reform projects should be more carefully designed, in particular by using a more sound data basis and, where appropriate, scientific support.
- German development cooperation should examine the extent to which it relies on the expertise of the World Bank for policy-based approaches or whether it makes sense to build up its own economic expertise and use it in a targeted manner.
- A broader and more stable selection of indicators and the conduct of business surveys before and after the reform could help to better appraise the effectiveness of the reform measures.

Assessment according to OECD DAC criteria

Relevance

1. Alignment with policies and priorities

Ethiopia is one of the poorest countries in the world. It ranks 176th in the Human Development Index. After the end of military dictatorship in 1991, the country began to modernise politically and economically. It gradually opened up to the global market. Although the state remained a central player in economic life, market economy elements gradually gained ground. The model of a market economy with strong state control elements enabled development successes to be achieved until the mid-2010s[1] . For example, Ethiopia's GDP doubled. Large infrastructure projects in the energy, transport and manufacturing sectors formed the backbone of this growth.[2] In addition to a large number of state-owned enterprises, such as Ethiopian Airlines, the Commercial Bank of Ethiopia and Ethio Telecom, state infrastructure projects such as the Grand Ethiopian Renaissance Dam (GERD) were particularly important components of economic growth. However, this development model reached its limits in 2015 for the following reasons: on the one hand, the country's debt increased dramatically; on the other hand, the high and steadily growing supply of labour could not be absorbed. Unemployment in urban areas is around 25%.[3] In rural areas, unemployment is estimated to be particularly high due to the seasonal nature of agriculture. According to many experts, the labour market's lack of absorption capacity was due to the underdeveloped private sector.[4] The government shares this assessment: "*While significant strides have been made (...) growth has also failed to stimulate private sector development to create decent jobs; gaps remain in ensuring quality universal access to basic services for all Ethiopians*".[5]

Dr Abiy Ahmed Ali's inauguration in 2018 marked the beginning of a promising process of domestic political and economic reform. With the *Homegrown Economic Reform Agenda* (HGER) of 2020, the Ethiopian government developed a reform programme to expand the country's growth model. The private sector plays a central role in this. The Ethiopian government's efforts to strengthen private enterprises are in line with the international discourse on mobilising private capital to achieve development policy goals. This should enable Ethiopia to become a middle-income country by 2025.

Under Germany's leadership, the Compact with Africa (CwA) was launched in 2017 as part of the G20. The main objective of the CwA is to support countries in Africa in their market economy reform efforts in the areas of economics and finance with capital and expertise, thereby bringing about significant improvements in macroeconomic, economic and financial conditions.[6] The initiative brings together reform-minded African countries, international organisations and bilateral partners from the G20. With these reform goals, Ethiopia qualified for the CwA and the reform partnership of the BMZ. Similar to the CwA, the reform partnerships aim to enable private investment in Africa by improving the macroeconomic and regulatory environment. German development cooperation provides support in particular for structural reforms in the area of economic and financial policy. Ethiopia became a member of the CwA in 2017 and a reform partner in 2019 with the aim of obtaining external support for the implementation of its national reform agenda. Since 2019, the WB has been supporting the country in restructuring its economic system and practices within the framework of the DPO; the International Monetary Fund (IMF) and various bilateral donors are also supporting the country's reform programme to strengthen the private sector.

Ethiopia's initiative to open up its economy is being accompanied by one of the greatest health crises of our time. The coronavirus pandemic and the subsequent global lockdown plunged the world economy into a deep crisis. Ethiopia's integration into the global economy was then brought to an abrupt halt. As one of the world's economically weakest countries, Ethiopia needed financial support to mitigate the economic consequences of the pandemic. A further German financial contribution of EUR 100 million was therefore provided as emergency coronavirus aid. The aim of the support was to cushion the economic impact of the pandemic and thus secure the success of reforms. The coronavirus emergency aid is part of international support, which, however, was provided without conditionality.

2. Alignment with the needs and capacities of stakeholders and beneficiaries

Reform financing supports Ethiopia in parallel with the WB programme "Growth and Competitiveness DPO 2". The DPO is considered the key support programme for the Ethiopian reform process to strengthen the private sector and supports the country in the following target areas:

- <u>Pillar 1</u>: Maximising development financing

[1] Berlin Institute 2017 From Land of Famine to Land of Hope.
[2] Kaps, Dangelmeier, Domnick 2018 From Land of Hunger to Land of Hope
[3] UNPF (2023) Unemployment and Development in Ethiopia. Policy Brief 2023.
[4] Heinemann 2019 Ethiopia 2025: an emerging industrial location in Africa?
[5] Republic of Ethiopia 2020 Homegrown Economic Reform Agenda.
[6] G20 Compact with Africa, Ethiopia Policy Matrix

- Pillar 2: Improving the investment climate and developing the financial sector
- Pillar 3: Improving state-owned enterprises: management, transparency and accountability

Germany supports the DPO in cooperation with other bilateral donors. German support focuses on the implementation of the second pillar, "Improving the investment climate and developing the financial sector".

In the World Bank's Doing Business Report 2019, Ethiopia's legal framework and access to financing for private companies were assessed as restrictive and complex. According to the World Bank's annual appraisal, Ethiopia ranked 159th out of 190 economies in terms of ease of doing business.[7] In addition to excessive bureaucracy, there were barriers to entry in the financial and capital markets, particularly for private companies. The banking sector was dominated by two large state-owned banks, which gave preference to channelling capital into the state-owned enterprise sector. It is therefore not surprising that access to finance is considered an obstacle by around 40 % of private companies in Ethiopia.[8] The opportunities to acquire foreign currency also posed a major hurdle due to an opaque state distribution system. Given the initial situation – an overregulated private sector with a lack of access to financing opportunities – the reform financing measures contained in the second pillar, "Improving the investment climate and developing the financial sector", were logical.

The coronavirus emergency aid was aimed at supporting countries that had fallen into financial difficulties due to the economic consequences of the Covid pandemic. This included Ethiopia. However, in its evaluation of the measures funded by the BMZ, DEval classified Ethiopia as less affected. The following parameters were used for this classification: change in GDP, case numbers and excess mortality. It should be noted that Covid case numbers in Africa were grossly underestimated due to the weakness of diagnostic capabilities – little testing was done in Africa and also in Ethiopia – and the poor equipment of the statistical offices. For this reason, some experts assume that the number of cases in Africa is underreported.[9] At the same time, a relatively strict lockdown was imposed in Ethiopia, which had a noticeable impact on economic life[10] and depressed GDP growth. Based on these and other assessments, such as Lakemann, Lay and Tafese 2020[11] , it can be assumed that Ethiopia suffered massively from the pandemic and the countermeasures taken to combat it. The coronavirus emergency aid is considered justified on the basis of the reasons stated here. This appraisal therefore deliberately differs from that of DEval.

Reform financing and coronavirus emergency aid are approaches that do not target specific groups. The measures are implemented at the macro level and focus primarily on companies and banks. Companies that find better investment conditions create jobs and thus contribute to reducing the high level of unemployment in Ethiopia. According to a study by the International Growth Centre, unemployment in the country's urban areas is around 25 %.[12] The programme can thus contribute to strengthening labour demand and reducing poverty. The potential gender impact could not be addressed by the FC. Particularly vulnerable sections of the population are not given special consideration.

3. Appropriateness of design

The design was largely carried out by the WB and included support in the form of financial contributions combined with policy dialogue and technical support via the MDTF, which was largely appropriate, timely and realistic**.**

However, the priority actions Prior Actions that had to be fulfilled for the disbursement of the first tranche, i.e. the reform financing evaluated here, were developed without Germany and the FC; nevertheless, the agreed objectives broadly coincide with the development policy guidelines of German-African cooperation, keyword CwA, Marshall Plan with Africa. The question arises, however, as to whether Germany could have played a greater role in shaping the priority actions with its own priorities. Given its experience with privatisation and the strong role of state-owned enterprises in the economy, it might have been more interesting for Germany to support or finance pillar 3 – "Improving state-owned enterprises: management, transparency and accountability". Reforms in this area could also have supported investment, for example through privatised state-owned enterprises. However, it is not possible to say conclusively whether the reforms will also have an impact on employment.

Specifically, the measures (prior actions) in Pillar 2, which was supported by the FC, aimed to improve the legal framework for investments from the private sector (including banks). To this end, the investment law was to be liberalised and barriers to access to credit in the private sector reduced. In order to enable more loans to private companies, the so-called "27 % rule" was to be gradually abolished. This rule obliged private banks to purchase five-year Ethiopian government bonds amounting to 27 % of the loan amount for each loan granted. As a result, the capital used to purchase government bonds was no longer available to companies. In addition, foreign exchange markets and a market for government bonds should be established. A foreign exchange market would improve access to foreign currency for private companies vis-à-vis state-owned enterprises. A newly created market for government bonds, in turn, would improve the position of private banks vis-à-vis the state, as there would no longer be a

[7] Trading Economics 2020
[8] Bebasso, Legas and Tekleselassie 2020 "The state as an enabler of private sector development in Ethiopia: the cases of tax and financial sector policy"
[9] McKay et al 2024 "The Missing Millions: Uncovering the Burden of Covid-19 Cases and Deaths in the African Region". Population and Development Review.
[10] Hale, Thomas, et al. 2020 "Variation in government responses to COVID-19." *Blavatnik School of Government Working Paper.*
[11] Lakemann, Lay, Tafese 2020 “Africa after the Covid-19 Lockdowns: Economic Impacts and Prospects”- Giga Focus Africa.
[12] Pochke 2020 Unemployment and self-employment in urban Ethiopia. Policy Brief, Jan. 20220. International Growth Centre.

minimum purchase requirement for government bonds. Given the country's complex political economy, the "prior actions" of reform financing represent a good first step towards liberalising the private enterprise and banking sectors.

Overall, the reforms to be implemented by Ethiopia were a classic supply-oriented economic policy. The programme design only addresses the strengthening of demand for labour and credit to the extent that it assumes that companies will take advantage of the freedom created by the reforms and begin to invest. This raises the question of whether the structural reforms undertaken as part of the priority actions were sufficient to achieve the programme objective at impact level of "more growth and employment" in the private sector. In the course of the appraisal, the FC and Germany should have used their own economic considerations to scrutinise and perform an appraisal of the objectives and measures of the partner and the World Bank more critically.

According to the Ethiopian Ministry of Finance, the reform financing of EUR 100 million was to be used (and was used) to finance the following budget expenditures:

- private sector promotion through the expansion of industrial parks,
- improvement of the tax system (budget for the newly created Ministry of Revenue) and
- improvement of the investment climate through the Ethiopian Investment Commission (EIC) *(Ethiopian Investment Commission*).

Beyond the reforms to be enacted, the policy dialogue with the Ethiopian government should form a further building block for further reforms and the preparation of another DPO. The accompanying technical support measures within the framework of the MDTF, which are intended to contribute to capacity building in the financial sector and also in the authorities and ministries, have also been adequately designed.

As part of the evaluation, the impact matrix was adjusted to transparently structure the impact levels for reform financing. Inputs in the form of financing, policy dialogue and technical support are intended to establish structures and identify reforms, laws and measures (output). Before the impact at the outcome level can be achieved, improved framework conditions must first be created through the implementation of reforms and laws (induced output). Only then can these be used by the private sector (outcome level). During the project appraisal, the outcome-level objective was: "Supporting the Ethiopian reform agenda in the transition to a more private-sector-oriented development model through improved framework conditions for investment and access to financial services for domestic and foreign companies." For the evaluation, the outcome-level objective was adjusted to focus on the use of the changed framework conditions and on reform financing and emergency coronavirus aid as follows: "Private companies are using the improved framework conditions, in particular access to financial services, to increase investment." This emphasises that the reforms to improve the investment climate and develop the private financial sector must also be used by companies to bring about positive change in investment and growth. This should enable foreign companies to invest in previously closed sectors (reform of the Investment Law) and Ethiopian companies to benefit in particular from easier access to capital for investments (financial sector reforms). No further reforms or laws were initiated with the coronavirus emergency aid, but the improved framework conditions resulting from the reform financing should continue to be utilised, which is why the outcome targets for reform financing and coronavirus emergency aid are identical.

When planning reform financing, it was expected that the reforms would stimulate private sector activity and thus have a positive impact on sustainability of economic development and employment. The impact-level target was therefore specified for reform financing, as it had previously focused on improved framework conditions, especially for MSMEs: the improved framework conditions lead to more growth and employment in the private sector. For the Corona emergency aid, the impact target is formulated less ambitiously: employment in the private sector and growth remain stable. If private companies take advantage of the newly created opportunities, this will lead to more growth and employment and can therefore contribute to social development, macroeconomic stability and poverty reduction. The impact logic is visualised in Figure 2.

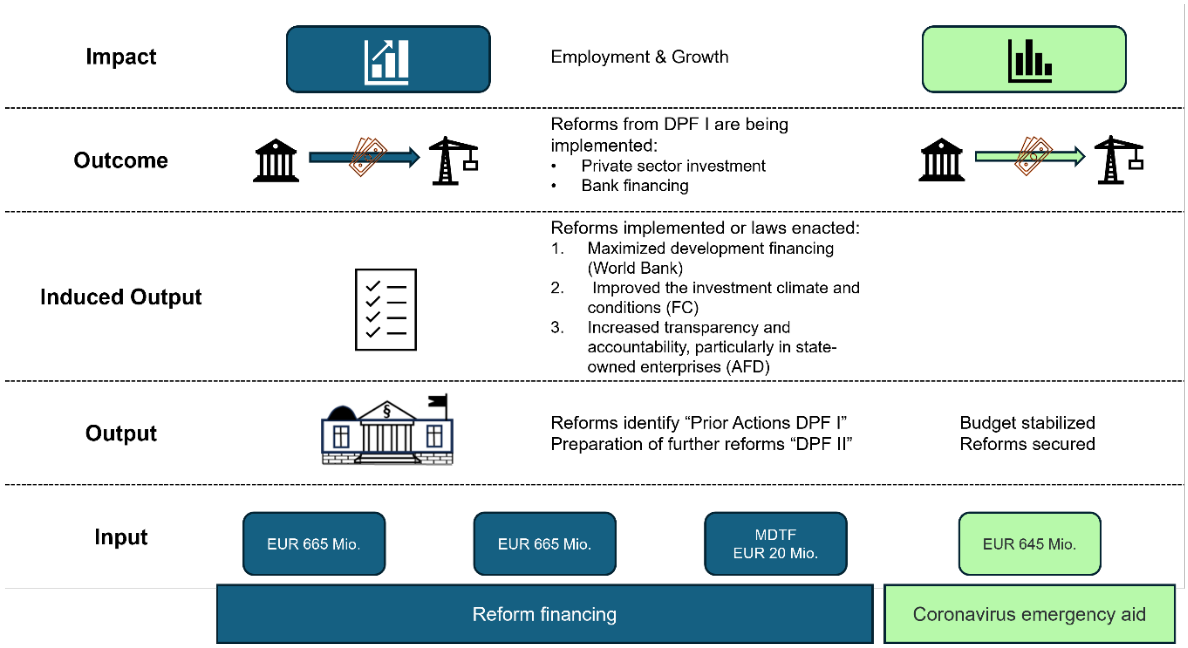


Figure 2*: Impact logic.*
Source*: Own illustration.*

However, this chain of effects is greatly simplified. The extent to which companies take advantage of these improved conditions depends on many other factors that are beyond the control of the programme and the joint projects of other donors (including the WB). Foreign investors, for example, do not respond solely to developments in Ethiopia. International investment is part of a complex discourse on risks and opportunities, which in turn are the result of different developments in different places. Investments by domestic companies, in turn, are influenced by macroeconomic and political assessments in Ethiopia as well as potential sales opportunities. This makes it clear that the implementation of reforms alone does not contribute to more growth and employment. This thesis can be substantiated by the coronavirus pandemic and the outbreak of war in Tigray (see effectiveness). Experience from the Ethiopian export sector in particular shows that, despite the newly created jobs in the manufacturing sector (industrial parks), social mobility opportunities are not improving. On the contrary, the majority of jobs in industrial parks are precarious.[13]

The capital region benefits most from the reforms due to the concentration of economic activity there (one third of GDP), while rural areas benefit less. The country is also ethnically and politically fragmented. The majority of the population in the capital region belongs to the Oromo ethnic group. Reforms therefore come with political and social risks, which are indirectly taken into account in the reform efforts.

The programme is not focused on climate and environmental issues. No measures will be taken to reduce CO_2 emissions or other negative impacts. On the contrary, as a programme aimed at strengthening foreign direct investment (FDI), it contributes to the international division of labour, which has a negative impact on the climate and the environment due to long transport distances. Strengthening the Ethiopian business sector is also expected to lead to an increase in CO_2 emissions, and land use and negative impacts on the environment could also increase as a result of the investments. No measures have been planned to mitigate these negative impacts on people, the environment and the climate.

It also remains unclear to what extent the reforms will particularly benefit small and medium-sized enterprises. The issue of improving SME financing was mentioned frequently in the module proposal, the progress reports and the final reporting on the, but it remains unclear how this goal was to be achieved. The "prior actions" were not specific to SMEs, but aimed to improve the general economic conditions for all businesses.

The indicators selected for the appraisal were only partially appropriate for measuring the impact of the reforms. The underlying data from the national statistics authority is considered inadequate. National statistics do not sufficiently differentiate between state-owned and private companies, which makes analysis difficult. Against the backdrop of this limitation, the indicator "number of new company registrations per year" is difficult to interpret with regard to the outcome target, as it combines private and state-owned companies. The indicator "foreign direct investment" is very volatile and therefore not very meaningful, especially in small and closed economies with little FDI, such as Ethiopia. Looking at FDI stocks in Ethiopia over a longer period of time, it also

[13] Mulat 2024 Ethiopia's industrial parks leave workers to the fate of global shocks.

becomes clear that the target value of USD 5 billion seems rather unambitious. In the years before the DPO and reform financing began, FDI stocks were significantly higher. It would have been desirable for the design of the programme to seek independent economic expertise in order to select better indicators.

No baseline or endline survey was planned (or carried out) in the design of the reform financing. This would have allowed the effectiveness of the measures to be assessed more accurately through the collection of specific data. For example, such a survey would have made it possible to find out what role loans play in financing investments in the private enterprise sector and what other options companies have. In addition, a business survey could have provided an indication of whether it has become easier to obtain loans. With a view to achieving the impact target of "growth and employment", questions on the use of the additional capital would have been helpful.

4. Adaptability – response to change

The reform financing was not adjusted during the course of the programme. However, shortly after the disbursement of the first tranche evaluated here, the Covid pandemic led to a global lockdown, which hit the country very hard economically. In order to secure the success of the reforms, additional coronavirus emergency aid amounting to EUR 100 million was disbursed to cushion the economic hardship. Unlike the reform financing, the disbursement of the emergency aid was not linked to new conditions (prior actions), such as further reform steps, but was intended to secure the reform steps taken so far and stabilise public finances. The coronavirus emergency aid was also part of an international (bilateral and multilateral) support measure.

Due to the outbreak of military conflict in and around the Tigray region and the resulting human rights violations, the disbursement of the third tranche of reform financing was suspended.

Rating summary of relevance: Reform financing – successful (2),
Coronavirus emergency aid – successful (2)

The relevance of reform financing was high in view of the macroeconomic challenges the country faced (and continues to face) and the economic reform efforts of the Abiy government. This was confirmed by the discussions held on site as part of the evaluation. The design of the support provided by the WB in the form of financial contributions combined with policy dialogue and technical support via the MDTF was largely appropriate and timely. Overall, however, it would have been desirable to draw more on Germany's own economic expertise in order to improve the selection of indicators. The priority actions to be fulfilled for the disbursement of the first tranche were developed without Germany and the FC; nevertheless, the agreed reform financing objectives are broadly in line with the development policy guidelines of German African cooperation, keyword CwA, Marshall Plan with Africa. Instead of focusing on the second pillar, it would have made more sense to support Ethiopia in reforming its state-owned enterprises, given Germany's history of privatisation and the role of state-owned enterprises. Nevertheless, fewer employment effects would have been expected under this third pillar.

The relevance of the coronavirus emergency aid is fully in line with expectations. Despite the economic reforms that had been initiated, the country was not economically strong enough to cope with the socio-economic effects of the crisis on its own. The intention of the coronavirus emergency aid to support a country that has hardly any income in hard currencies such as US dollars or euros is considered relevant. The goal of using the coronavirus emergency aid to secure the reform successes achieved or intended to date is also considered relevant.

Coherence

German development cooperation programmes and measures focus on different levels of the economy with different priorities and are largely coherent. Reform financing, like the coronavirus emergency aid, focuses on the macro level and supports market economy transformation and the development of the financial sector.

5. Internal coherence

German TC supports capacity-building measures in public institutions (Ministry of Industry, *Ethiopian Enterprise Development* Authority, Ministry of Innovation and Technology) and the various stakeholder groups at the meso level. The actors are empowered to improve their administrative processes and offer new services for SMEs and start-ups in Ethiopia. There is a strong complementarity between the focus of TC on SMEs and start-ups and the general improvements in access to financing opportunities. The support provided by TC enables local companies in particular to take advantage of the opportunities created by reform financing.

The development of the financial sector, as planned within the framework of reform financing, does not automatically lead to an improvement in the financing conditions for SMEs and start-ups. This type of company has specific financing needs that cannot always be adequately addressed by commercial banks. These include, for example, small loan volumes or equity capital requirements. This is where the FC programme "Development of the Ethiopian Private Sector" comes in. In terms of content, the programme aims to provide financing opportunities for SMEs. The state-owned *Development Bank of Ethiopia* (DBE) acts as an apex institution, refinancing banks that serve the still underserved "missing middle" segment (SMEs) with needs-based financing products. As part of an accompanying measure, the implementation capacities of the DBE and the participating banks are to be strengthened, and a due diligence study is to contribute to the development of a new business model for the DBE. With its focus on promoting SMEs, the programme operates at the micro level. In view of the special position of the state-owned DBE within the FC programme, the question arises as to whether the FC programme with the DBE fits in with the reform financing objective of strengthening the private banking sector vis-à-vis the state-owned banking sector.

The emergency coronavirus aid provided by the FC and other donors is helping to stabilise the country's economic situation and also to partially compensate for the decline in demand. Part of the emergency aid provided by the FC was explicitly intended to provide financial relief to businesses.

6. External coherence

Text As mentioned above, the reform financing is part of a WB DPO that is supported by other international donors. The group supporting the MDTF includes France, the United Kingdom, Ireland and Canada, among others.

The IMF is also supporting the Ethiopian government's reforms through its own programme to support structural reforms such as exchange rate liberalisation, restrictive monetary policy, improved financial supervision, the establishment of a market mechanism for public finance, and the strengthening of the supervision and efficiency of state-owned enterprises and their financial situation. The monetary policy measures complemented the measures supported by Germany in the area of Pillar 2 – improving the investment climate and access to the financial market. IMF measures relating to state-owned enterprises address Pillars 1 and 3 of the DPO. In addition, the IMF supported the Ethiopian government during the pandemic with its own emergency coronavirus programme worth 300 million special drawing rights.

As described above, Germany, together with the above-mentioned bilateral donors and the World Bank, which does not contribute to the costs of the MDTF, supports the technical implementation of reform financing within the framework of a Multi-Donor Trust Fund (MDTF). As part of the MDTF's capacity-building measures, selected Ethiopian institutions are supported in the preparation and implementation of reforms. The focus is on institutions that can directly influence the objectives of the reforms. Technical support within the framework of the MDTF is an important component of direct support for national reform efforts. The Ethiopian administration does not have sufficient human resources, technical expertise and financial means to implement the reforms.

Although political dialogue with the government came to a standstill during the Covid lockdown and the tense security situation that arose after the end of the lockdown, the largest donors, including Germany, consult regularly. The bilateral donors Germany, France, Canada and the United Kingdom in particular are in close contact.

The WB takes a leading role in donor coordination, coordination of the MDTF and also in communication with the government. Discussions on the ground revealed that the WB fulfils its role as "coordinator" between the government and donors very well. However, this is at the expense of direct dialogue between bilateral donors and the Ethiopian government. As a result, bilateral donors have little influence on the government's reform plans. For example, the priority actions required for the disbursement of the tranches were developed jointly by the WB and the Ethiopian government, with no discernible German influence. The measure is mainly based on the structures of the WB's DPO, as confirmed within the framework of the EPE. This enabled Germany to quickly support the Ethiopian government in its reforms without setting up its own programme. However, the design failed to establish a joint monitoring system.

Due to the coronavirus pandemic and the security crisis in connection with the war in Tigray, the government's enthusiasm for reform waned and the policy dialogue came to a standstill. Nevertheless, the largest bilateral donors (Germany, France, Canada and the United Kingdom) coordinate regularly and form a counterweight to the World Bank.

The coherence of the national reform agenda "HGER" with the support provided by international donors is high. The agenda is being developed as part of a whole-of-government approach by the government and a consultation framework with the private sector, academia and development partners. A reform secretariat has been set up in each ministry and responsible office to develop a detailed plan for political and regulatory reforms and an investment plan for necessary measures. The following chart (Figure 3) shows the key areas and pillars of the HGER agenda and the corresponding activities of international donors. The measures under the reform financing provided by Germany (pillar 2) support the areas of " macroeconomic reforms" and "structural reforms", with a particular focus on improvements through measures in the pillars of access to the financial market and investment conditions. The Ministry of Finance (MoF) is responsible for these areas.

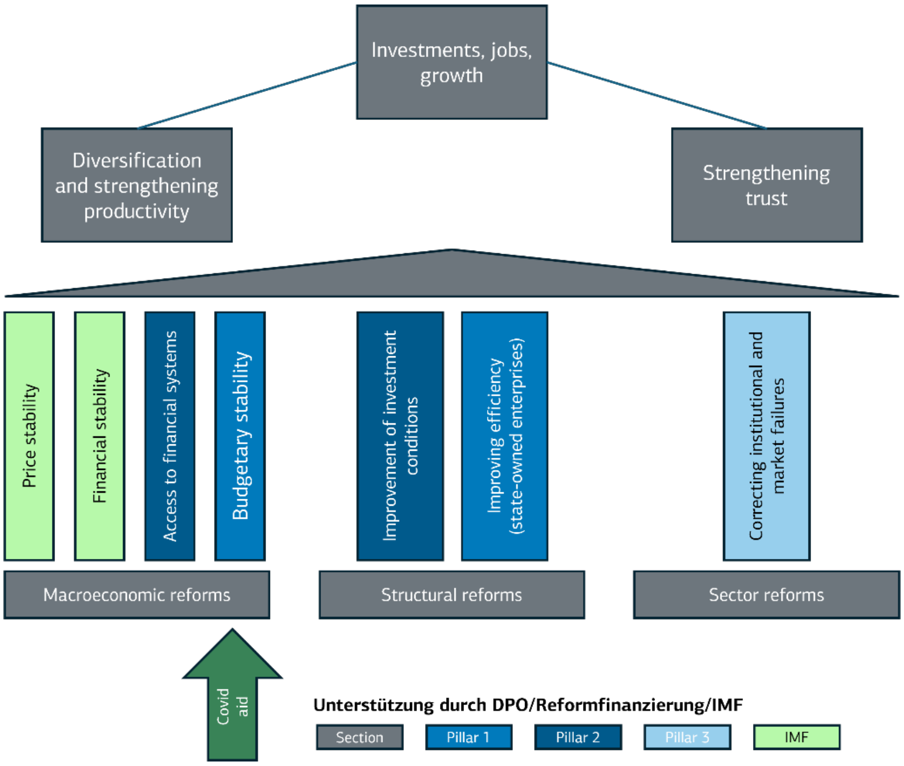


Figure 3: *Coherence of the HGER agenda with international support.*
Source: *Own illustration.*

As with the policy dialogue, the partner's own efforts have generally declined as a result of the two crises (see effectiveness).

German support in the context of the coronavirus pandemic was also part of an international effort in conjunction with other donors, including the World Bank and France, within the framework of the DPO. Complementarity can also be described as good, although no additional reforms were required as part of this support. This meant that no substantive coordination on the content of the reforms was necessary. The coronavirus emergency aid supports the thematic area of "macroeconomic reforms" by contributing to budgetary stability, although no reform performance is required for the aid to be disbursed.

Rating summary of coherence: Reform financing – successful (2),
Coronavirus emergency aid – successful (2)

At the level of German development cooperation, both projects – reform projects and coronavirus emergency aid – fit well into the programme "Private sector development in Ethiopia". While the two programmes are intended to bring about improvements at the macro level, the project-based approaches of TC and FC focus on institutions and companies. Both contribute to strengthening companies and institutions and enable them to take advantage of the opportunities created by reform financing.

The reform financing and coronavirus emergency aid provided by the various donors has been planned in a largely coherent manner. The objectives of donors, partners and the Ethiopian government are aligned. The division of labour among donors is clear and is well coordinated by the WB as the central actor in reform financing – although the strong role of the WB also limits dialogue between partners and bilateral donors. Overall, however, the coherence of reform financing and coronavirus emergency aid is appraised as good, both internally and externally.

Effectiveness

7. Achievement of objectives

The adjusted objective of reform financing and coronavirus emergency aid at the outcome level for the EPE was for private companies to take advantage of the improved framework conditions, in particular access to financial services for increased investment (see relevance).

The following indicators were used to measure the outcome objective:

Indicator	Status at time of appraisal (2018/2019)	Target value at appraisal (by the end of 2022)	Actual value at PCR (December 2022)	Actual value at EPE
(1) Number of annual new company registrations[(a)]	520	650	2020/21: 180	(the figure for 21/22 is not yet available) Data insufficient
(2) Foreign direct investment[(b)]	USD 3.7 billion	USD 5 billion	2020: USD 2.4 billion	USD 4.02 billion (2024) Target value not achieved
(3) Share of private banking assets in total banking assets[(c)]	45	50	2021/22: 58.5	52 % (2024) Target value achieved
(4) Share of lending to the private sector as a percentage of total lending[(d)]	46	55	2021/22: 55.7	58 % (2022/2023) Target value achieved

***Table 2**: Outcome target achievement.*
***Source**: Own illustration.*
***Note**: (a) Source: Ethiopian Investment Commission; (b) Source: National Bank of Ethiopia. Quarterly Reports and World Bank Group "Foreign Direct Investment"; (c) Source: National Bank of Ethiopia. Quarterly Reports. 2021/22; 2023/2024; (d) Source: National Bank of Ethiopia. Quarterly Reports. 2021/22; *IMF Country Report Ethiopia, No. 24/318*

The effectiveness of reform financing and emergency coronavirus aid can be appraised as moderately successful. The indicators used to measure the outcome were only partially achieved, i.e. the reforms implemented under DPO II ("Prior Actions") were unable to fully unfold their effect in the context of the severe economic crisis caused by the coronavirus pandemic in Ethiopia and around the world, as well as the impact of the Tigray conflict in Ethiopia. These events had a negative impact on the number of new business registrations per year, foreign direct investment and lending to the private sector; only the size of the private banking sector increased over the period. The coronavirus emergency aid enabled the country to counteract the crisis to a certain extent through economic policy measures, thereby stabilising the business sector and employment to some degree. However, the aid was not sufficient to fully offset the negative effects of the coronavirus pandemic. The factors mentioned above, which were external to the project, were largely responsible for the failure to achieve the intended objectives. Nevertheless, it should also be borne in mind that macro-level reforms take a long time to take effect and that an assessment after four years may not take this sufficiently into account. A baseline and endline survey would certainly have supported the evaluation of a programme with such complex chains of impact.

Due to the coronavirus pandemic and the conflict that flared up in the northern region of Tigray in 2020, which developed into a war, the government's enthusiasm for reform waned. With the coronavirus pandemic, the government was confronted with the greatest health and social crisis in the modern world and had to change its political approach. As observed worldwide, the state became more present in the economy and society. This policy change contradicted the government's reform efforts, and the international support offered to implement these market reforms. With the war in the north breaking out shortly after the start of the coronavirus pandemic, the government was once again distracted from its reform plans and the state's influence on the economy and civil society was further strengthened. The impact of the reforms was thus hampered by a resurgent state and the economic effects of the crises, which led to underutilisation of the economy. Today, the government argues that it has implemented its reform agenda despite the two crises. Bilateral donors and the IMF in particular share this assessment only to a limited extent, as the evaluation interviews made clear. Donors on the ground described the reforms as erratic, spontaneous and lacking a clear direction. One donor commented: "It is unclear to us today where we stand with the reform agenda. When the government participates in a meeting within the framework of the MDTF, it usually comes and causes a lot of commotion, but no one is able to tell us what has been achieved, what has not worked and what the next steps should be." (Interview as part of the EPE, Addis Ababa, May 2024).

At the level of softer targets, such as the goal of establishing a policy dialogue between donors and the partner government, the programme is also considered partially successful. The dialogue between donors and the Ethiopian government ended with the start of the coronavirus lockdown. After the end of the pandemic, talks between Ethiopia and its bilateral supporters resumed only very hesitantly due to the Tigray war. At least the exchange between the Ethiopian government and the WB on further reforms continued despite coronavirus and the Tigray conflict. At the time of the evaluation visit (May 2024), there was talk of a new willingness on the part of the government to reform, thanks in part to the continued dialogue between the government and the WB. As part of HGER Agenda 2, further investment opportunities for private companies are to be created and the macroeconomic situation improved through reforms. Political dialogue was thus kept alive despite several crises.

The reforms under the second pillar provided for the following:

- Prior Action 6 – a revision of the Investment Law: This reform involved revising the Investment Law from a positive to a negative list, thereby opening up economic sectors to broader foreign participation.
- Prior Action 7 – Abolition of the 27 % rule for financing the DBE: Barriers to foreign investment are to be reduced by making rigid participation requirements, for example for the DBE, more flexible or abolishing them altogether.
- Prior Action 8 – Financing of the National Bank of Ethiopia (NBE): Introduction of market-determined interest rates for treasury bills.

The MDTF made an important and valuable contribution to the implementation of these reforms and the preparation of further reforms. Important MDTF initiatives relating to the second pillar were: Strengthening Financial Infrastructure in Ethiopia, Ethiopia Financial Sector Stability and Reform Support, Ethiopian Securities Exchange Capacity Building and Market Development Activities, Ethiopia Trade and Trade Policy Reforms. While the first three activities supported Priority Action 8 by strengthening the capital market, the fourth MDTF measure strengthens the attraction of foreign direct investment.

8. Contribution to the achievement of objectives

As part of the reform financing, so-called prior actions had to be implemented before disbursement. These prior actions can be described as the induced output of the measure. The induced outputs that were "financed" as part of the reform financing supported by Germany were implemented at the start of the programme, i.e. they could be used by the companies. However, some of these were abolished in the course of the programme, including the reintroduction of the DBE rule, which meant that their further effects were lost. The "27 % rule", which stipulated that banks had to invest the equivalent of 27 % of their loan portfolio in government bonds, thereby serving to refinance the DBE, was abolished in July 2019 (Prior Action 7). In the absence of a functioning capital market, a new regulation was issued during the course of the programme, which again obliges private and public commercial banks and insurance companies to subscribe to DBE bonds. Banks must subscribe to DBE bonds amounting to 1 % of their outstanding loans per annum (up to a ceiling of 10 % of the outstanding loan portfolio), while insurance companies must invest 15 % of their annual net income in DBE bonds. The bonds are backed by a 100 % state guarantee and bear interest at a rate of at least 2 % above the minimum deposit rate for savings deposits. Although this measure ties up liquidity in the private financial sector, it is more balanced and significantly below the original level.

The liberalisation of the investment law also follows a similar dynamic, as an evaluation of the legal reform by the Kiel Institute for the World Economy on behalf of GIZ shows.[14] On the one hand, the legal reform removed barriers to foreign investment, but on the other hand, new barriers have emerged, as the report notes: "Access to raw materials, the availability of high-quality local means of production, access to credit and the availability of skilled labour remain major obstacles to investment. The repeated tightening of foreign exchange regulations by the Ethiopian National Bank has become an explicit barrier to investment for many investors and has led to uncertainty among potential investors." Access to foreign exchange is thus further regulated and is almost exclusively available to state-owned enterprises.

The coronavirus pandemic and the war in Tigray have led to underutilisation of the economy. Despite improved conditions, companies have not invested in Ethiopia due to increased uncertainty and a global decline in sales opportunities. The reforms implemented have therefore not been utilised by companies to the extent expected. Ethiopia experienced a similar situation with the outbreak of war in Tigray. The volatile security situation unsettled international and domestic companies, leading to a decline in investment. Investment by domestic and foreign companies fell significantly. During the Covid lockdown, the borders were closed and international investment projects were put on hold. The United Nations Conference on Trade and Development (UNCTAD) observed a 28 % decline in FDI in Africa in the first half of 2020. Compared to its African neighbours, foreign direct investment in Ethiopia did not decline quite as sharply, but it was still significantly negative, with a decline of 12 %.[15] Accordingly, demand

[14] Görg, H. et al (2022): Impact Study on Ethiopia's New Investment Framework. Kiel Institute for the World Economy.
[15] UNCTAD 2020 Investment Trends Monitor, October 2020, Issue 36

for credit and labour also declined, meaning that the legal opportunities for investment created by the Prior Actions and the improvements in access to credit and financial services were not fully exploited by the private sector. Due to the difficult security situation in the country, international companies in particular remained reluctant to invest even after the end of the Covid pandemic. The local business sector was also affected by the war, as the transport of goods became more difficult. Business investment fell by 3.3 % in 2020 compared to 2019, and in 2021 investment fell by 0.3 % compared to the previous year (WB). When interpreting the figures, it is important to bear in mind that these values also include investments by state-owned companies. Considering that state-owned companies were used to counteract the economic downturn during the Covid pandemic, the investment data for private companies could be even lower.[16]

The results of a telephone survey conducted by the WB can be used to support the thesis of investment restraint among private companies (see Figure 4). This clearly shows that the majority of those surveyed in 2022 expected the economic situation to deteriorate in 2023. Although this is not a survey of companies alone, the sentiment of the entire population can be taken as an indication of the overall economic mood, and it is reasonable to assume that private companies will not invest in such an environment.

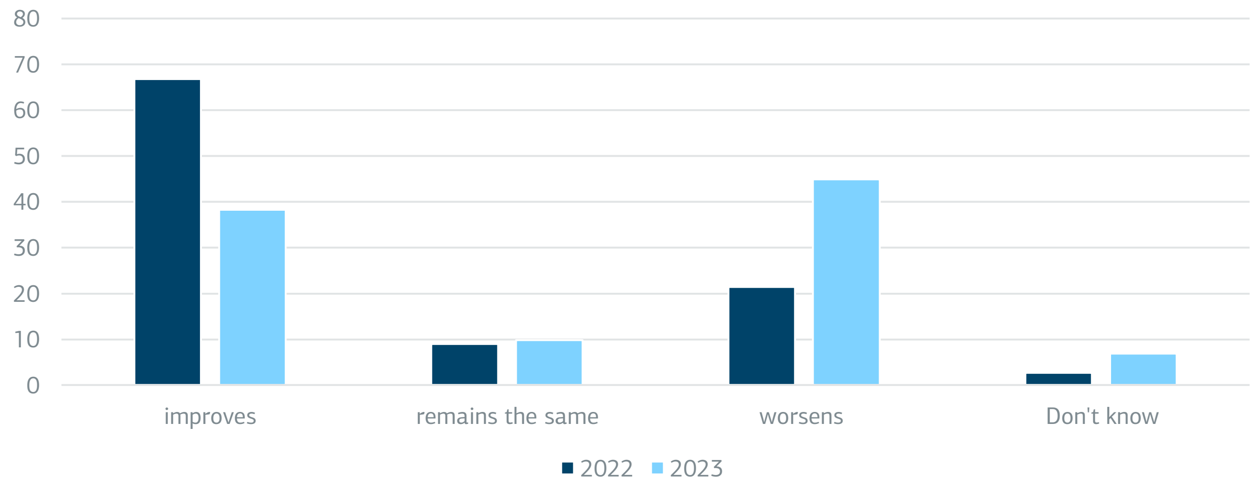


Figure 4: *Assessment of the economic situation over the next 5 years.*
Source: *World Bank High Frequency Survey 2024*

The reforms enacted (outputs achieved) are open to all private companies, i.e. both foreign and domestic private companies benefit from the improved framework conditions for reform financing. The reforms enacted have given private banks more leeway. The proposed module occasionally refers to the small and medium-sized enterprise (SME) segment, which should receive particular support through reform financing. However, the EPE was unable to conclusively determine whether this group of companies would benefit particularly from the reforms. The reforms enacted have a broad impact and affect all private companies, regardless of their size. Measures to improve the situation of particularly disadvantaged or vulnerable groups, for example through labour market measures, were not planned. The reforms agreed under the DPO were primarily aimed at improving macroeconomic structures (pillars 2 and 3).

9. Quality of implementation

The appraisal of the quality of the management and implementation of the measure is assessed as rather unsuccessful. In terms of reform financing, this is primarily determined by the management of the dialogue with donors and the government and the preparation of future measures. The dialogue between donors, the WB and the Ethiopian government on further reform steps, which began in 2020, was abruptly interrupted by the coronavirus pandemic and has not yet been resumed. With the outbreak of the pandemic, the further management and preparation of (additional) measures was almost exclusively in the hands of the WB, which meant that DF, like other bilateral donors, had no control over the preparation of further reforms under DPO III. The process between the Ethiopian government, the WB and, in some cases, the IMF was therefore perceived as lacking transparency.

Furthermore, it must be emphasised that another important part of the reform financing is being implemented as part of the accompanying measure via the MDTF. However, this is not part of the evaluation as it has not yet been completed.

[16] The Ethiopian National Statistics Agency does not differentiate between state-owned and private companies; nevertheless, it is one of the few statistical offices that reports the GDP component "business investment".

10. Unintended effects (positive or negative)

Possible unintended effects of the measures can only be estimated within the framework of the EPE. It is plausible to assume that the support expanded Prime Minister Aby's power base, for example. The institutions newly created as part of the reforms, such as the *Capital Market Board*, were staffed with close confidants of the Prime Minister. Most of Aby Ahmed's confidants come from the capital region of Oromia. Among other things, this leads to ethnic tensions in the multi-ethnic and federally organised state of Ethiopia, which is nevertheless politically and economically centralised. Considering that one of the programme's macro-level objectives is to decentralise economic growth, i.e. to give the private sector more space, the centralisation tendencies triggered by the reform financing must be viewed critically. On the other hand, the appointment of confidants to key administrative posts increases the chances of the reform course being continued. These aspects were not addressed or openly discussed by the donors.

Rating summary of effectiveness: Reform financing – moderately successful (3),
Coronavirus emergency aid – moderately successful (3)

Given the aggravating external circumstances of the coronavirus pandemic and the war in the Tigray region, the reforms did not strengthen the private sector as comprehensively as expected. The new scope for investment created by the reforms was not exploited intensively enough, and some reform measures were even reversed.

The political dialogue on preparing further reforms and consolidating the reform process came to a standstill in the wake of the pandemic and, in view of the war in Tigray, has not been resumed in its original form.

The coronavirus emergency aid has contributed to stabilising the budget. Thanks in part to this support, the country was able to avert a debt crisis. In terms of securing the reforms, the coronavirus aid has been of moderately successful.

Overall, private companies were unable to take advantage of the improved framework conditions, in particular access to financial services for increasing investment, to the extent expected due to external factors, which is why its effectiveness is appraised as only partially successful.

Efficiency

11. Production efficiency

Germany's high level of participation significantly increased the volume of reform financing, which made the DPO more attractive to the Ethiopian government. For partner countries, large volumes of reform financing increase the incentive for reforms, especially when it comes to grant funding. The disbursements were made in conjunction with other bilateral donors and the WB. Among the bilateral donors, Germany finances the largest share. Ethiopia conducted a sufficient appraisal of the funds and the high volume to enter into a policy dialogue with Germany and the other partners and to ambitiously implement further reforms. The output in the form of further reforms and prior actions within the framework of DPO II could not be maintained as planned (see effectiveness). As a result, the further tranches were not disbursed, but instead emergency coronavirus aid was pledged.

Although the strong role of the WB in the preparation and implementation was at the expense of bilateral participation in the policy dialogue, this nevertheless led to economies of scale and low personnel input with high output in the form of rapid implementation. The reform project was mainly accompanied on the FC side by the local office; at the embassy, the reform financing was accompanied politically by a WZ advisor.

The accompanying measure was intended to support the technical implementation of the reforms, given the limited technical and human capacities and resources on the Ethiopian side. Thus, the Ethiopian government and the institutions and actors acting on its behalf were and are being supported in a harmonised and efficient manner by several donors through a multi-donor trust fund. All stakeholders from the bilateral donor community who were interviewed confirmed that they had received sufficient support from the World Bank in the development and implementation of the BM. However, this BM is not part of the evaluation. It is therefore not possible to provide a more detailed answer to this question.

The appraisal of the disbursement of emergency coronavirus aid via the existing contractual structures of the reform project without binding outputs in the form of prior actions is considered efficient. Here, too, the German contribution has helped to achieve a critical volume within the donor community, as the social and economic costs of the pandemic have been immense.

A cost comparison with other reform financing and emergency aid measures in the region is not possible.

12. Allocation efficiency

Beyond considering the overall costs and benefits of the reforms, Germany's geopolitical interests must also be taken into account in any reform financing. In this regard, it is noted that the programme was well suited to addressing Germany's interests.

With the help of reform financing, as part of a DPO, Germany was able to promote reforms in Ethiopia and thus support progressive forces in a country that is essential to the success of the CwA.

The design of the measures (prior actions) was the responsibility of the Ethiopian government and the WB, which reduced the scope for design on the part of the FC. The extent to which other prior actions would have led to greater impact could not be clarified within the framework of the EPE. There are no alternative approaches to the coronavirus emergency aid, so the question is not applicable to this part of the EPE.

Whether the benefits achieved by both programmes could also have been achieved through a large number of smaller bilateral project financings can only be answered hypothetically. The limited effectiveness of the reform financing is the result of external events. These influences outside the project would also have affected the success of possible project financings. At the same time, the costs of project preparation and implementation are higher for project financing, and donor coordination is more complex than for a large joint project, as agreement must be reached on the individual measures. Based on these considerations, the reform financing instrument appears to offer the best cost-benefit ratio in this case.

Rating summary of efficiency: Reform financing – successful (2),
Coronavirus emergency aid – successful (2)

The outputs generated by the "reform financing" were achieved with reasonable effort (Production efficiency). The strong role played by the WB was both a blessing and a curse in this regard, as it contributed to lean project management overall, but at the same time meant that the FC was hardly able to influence the content.

The appraisal of the disbursement of emergency coronavirus aid via the existing contractual structures of the reform project is considered efficient, as its impact, in conjunction with emergency aid measures from other donors, contributed overall to securing the reforms and to a certain stabilisation of the economy.

From an allocation perspective, efficiency can also be appraised as good, both in terms of alternative implementation of bilateral individual projects and alternative prior actions that could not be identified within the framework of the EPE.

With its reform financing and emergency coronavirus aid, Germany was able to position itself as a supporter of the Ethiopian reform processes and contribute to the implementation of its own initiatives, such as the CwA and the reform partnership.

Both programmes are considered successful overall.

Impact

13. Overarching developmental changes

The impact-level objective adjusted within the framework of the EPE was that the improved framework conditions would lead to more growth and employment in the private sector (reform financing) or that growth and employment would remain stable (coronavirus emergency aid). Improved framework conditions for private companies in the areas of regulation and financing were expected to increase investment in the private corporate sector and lead to growing demand for labour, thereby helping to reduce the high unemployment rate in the country. The coronavirus emergency aid was intended to help stabilise the country's economic situation in conjunction with other donors.

The achievement of the impact-level objective should be measured using three indicators. However, the values for the indicators "Global Competitive Index (Pillar 9)" and "Ease of Doing Business Index" were no longer collected. This leaves only the share of private sector employment in total employment, although inconsistencies have arisen in the individual values measured over time. At the time of the project review, the value for the share of private sector employment was 52 % of total employment. The target value was set at 55 % during the appraisal. In the final report, the measured value was 55.6 % and is therefore considered to have been met. The data sources used for the values were in all cases the *Ethiopian Labour Force Surveys* for the corresponding years. Not all data sources could be used in the EPE. Only the *Ethiopian Labour Force Survey 2021* was available for the research. However, the evaluation of the available data source shows a discrepancy with the value from the PCR. The value measured in the EPE for the share of employment in the private sector is only 32.2 %, which is significantly below the target value. It was not possible to determine the source of the discrepancy.

The global lockdown prevented companies and citizens from being surveyed. In addition, the WB decided to discontinue the *Ease of Doing Business* Index. The reason for this was China's political influence on the results. The surveys and data collection for the *Ibrahim Index of African Governance* could also not be carried out as usual due to the pandemic; however, the index was continued in 2023. The indicators critical to the programme, "Business & Competition Regulation" and "Access to Banking Services", were not collected because the raw data for these indicators is partly based on the Ease of Doing Business Index.

The Bertelsmann Transformation Indicator is the only way to estimate the impact of the two programmes on overarching developmental impacts. The Bertelsmann Index observes a sideways movement of the country in the areas important for the evaluation: Although improvements are observed in the areas of regulation, competition and the private banking sector, the Ethiopian government's continuing large role in economic life is criticised.

The main objective of the reform programme was to promote the private sector in order to absorb a large part of the growing working population. A larger and more dynamic private sector, free from excessive government intervention, should be able to absorb a larger part of the growing working population. However, employment in the private sector is lower today than at the beginning of the reform process, which took place with the support of the DPO (see Figure 5 below). This assessment is based not only on the evaluation of the *Ethiopian Labour Force Survey* discussed above, but also on data from the 2020-2024 high-frequency telephone survey, which was funded as part of the accompanying measure. The high-frequency telephone survey covers both formal and informal employment. According to the survey, private sector employment accounts for only about 10 % of total employment, which is well below the programme's target. Taking into account the 10.5 % growth rate of the working-age population over the period evaluated, the picture for private sector employment is even bleaker: the employment rate in the private sector is now below the 2019 level. Not only is the relative value of private sector employment lower today, but so is its absolute value. The main objective of the programme – to promote employment in the private sector – was therefore not achieved. In line with the explanations under effectiveness, external factors – the coronavirus pandemic and the war in Tigray – were also the main reason for the poor development in employment and growth rates at the impact level.

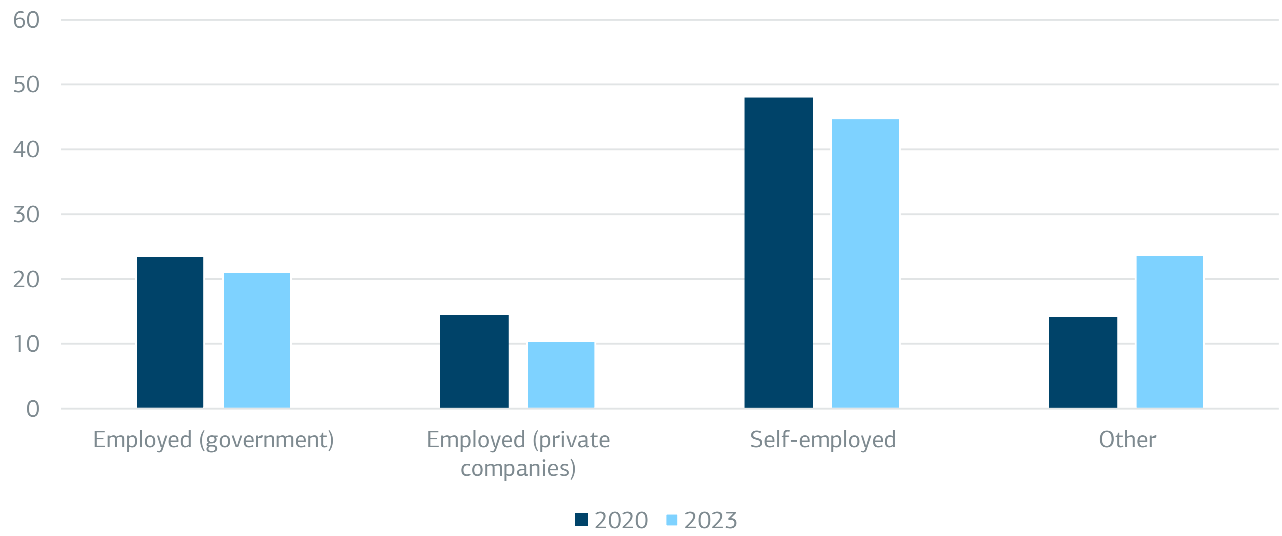


Figure 5*: Employment by sector 2020-2023 (in %).*
Source*: World Bank High Frequency Survey 2024*

Ethiopia's economy grew by 7.1 % in 2022/23, compared to 6.4 % in 2021/22. In real terms, i.e. excluding the high inflation rate, growth was only 3.8 % and 4.2 % respectively. Real economic growth was therefore too low to absorb the strong growth in the working-age population. The shortage of foreign currency is a serious problem, especially for the export-oriented economy and the private sector (the redistribution of foreign currency continues to favour state-owned enterprises).

As described above, the desired development policy changes, such as employment and economic growth, are not apparent. The reforms have not contributed to increased employment due to the deteriorating global economic situation. Accordingly, the social situation in the country remains tense. Despite growth of around 6 % for 2025, Ethiopia remains one of the poorest countries on the continent, with a gross national income per capita of USD 1,020 (WB, 2024). The results of the latest Afrobarometer survey show a high prevalence of poverty, with many Ethiopians frequently suffering from a lack of food and other essential goods and services in their everyday lives. An overwhelming majority of the population gives the government a poor appraisal when it comes to keeping prices stable, reducing the gap between rich and poor, creating jobs and managing the economy.[17]

14. Contribution to overarching intended developmental changes

As described above, the measures outlined in the reform financing contributed to opening up the Ethiopian economy to private investment on the supply side. The reforms targeted key areas of the economy, namely foreign trade and the financial sector. For

[17] Afrobarometer 2024 Ethiopians rate the government's economic performance as poor. Afrobarometer Dispatch, No 882.

these reasons, reform financing can be described as contributing to the (intended) development policy changes. Even if their impact has not yet been fully realised due to the deteriorating conditions described above, it can at least be assumed that the reform measures under the HGER and the Ethiopian government's comprehensive coronavirus emergency aid programme have helped to cushion the economic impact of the pandemic from 2020 onwards: Compared to Uganda and Kenya, Ethiopia was able to keep its GDP growth relatively stable and weather the crisis years comparatively well (see GDP development in Figure 1).

Companies are generally in a position to take advantage of the improved framework conditions. The reforms have been enacted and further reforms are expected to follow, giving the private sector more freedom to invest. In addition, the reform dialogue between the World Bank and the Ethiopian government has continued, which can also be seen as contributing to development policy changes.

The aim of the reform measures was to bring about structural or institutional changes. As described above, these have been partially achieved. The coronavirus emergency aid has helped to stabilise the Ethiopian economy, which in turn has had a broad impact. The development policy additionality is particularly evident in the context of the MDTF, which plays a key role in the technical preparation and implementation of reforms. The Ethiopian administration would not have been able to implement the reforms on its own without the financial support of the MDTF. However, the development policy additionality is also evident in the context of reform financing and the coronavirus emergency aid, even though the reforms were implemented before the first tranche was disbursed and the content of the reforms was developed largely independently. The support provided by international donors helped to stabilise the momentum for the reforms and to share the costs of the reforms. In a politically fragile country such as Ethiopia, this was sensible and necessary. The funds provided by international donors cushioned the costs of the reforms. Without this financing, the reform process might have come to an end much sooner. Other financing reforms were not an option due to the country's debt situation and sovereign rating.

Without the emergency coronavirus aid from bilateral donors and the World Bank, the country's economic and social situation would have been even more difficult.

15. Contribution to overarching unintended developmental changes

The country's political stability deteriorated over the course of the project. This was due to increasing ethnic tensions between the individual regions. The magazine Foreign Policy comments: "*Economic transformation was fast enough to displace people as cities expanded and businesses grabbed farmland, but not fast enough to find jobs for them. The result was a social crisis, refracted through the prism of ethnic politics, that threatened to devour the Ethiopian state itself.*"[18] In addition, the Covid pandemic, with its high social and health costs, acted as an accelerant. The outbreak of war between the Tigray region and the central government was the result.

As a result of the war, spending on the Ethiopian army quadrupled in 2022/2023 (see Table 3). Spending on the judiciary and police also rose significantly compared to the previous year. Whether the war in Tigray and other provinces is related to the coronavirus emergency aid and even reform financing could not be clarified in the evaluation. However, it has been observed that the increase in military spending is offset by a reduction in the budget for education and health in 2022/2023. These observations should be addressed in the policy dialogue.

Government expenditure (in billion birr)	**2020/2021**		**2021**	**2022**
Defence	18		22	84
Justice and police	10		12	17
Health	17		20	19
Education	55		66	64

Table 3*: Government expenditure by selected departments in real terms (in billion birr).*
Source*: UNICEF 2022 Highlights of the 2022/23 Federal Government Budget Proclamation and UNICEF 2023 Highlights of the 2023/23 Federal Government Budget Proclamation.*

The coronavirus aid measures mentioned above were unable to cushion the high social costs of the pandemic and calm the tense situation. The reforms taking place in parallel caused additional unease among individual groups, as the restructuring of the

[18] Taylor 2024 Ethiopia's Precarious Economic Reforms. Foreign Policy.

state was accompanied by a strengthening of the Oromo population group. The president, who belongs to this ethnic group, has primarily promoted figures from this group when appointing new institutions, such as the Capital Markets Board (supported by the MDTF), thereby expanding his power base. The political appointment of key authorities has not only expanded the president's power base but also secured support for further reforms. The Capital Markets Board is currently very clearly advocating further market economy reforms, thereby supporting the president's guidelines.

As mentioned above, the country's political stability has suffered in parallel with the implementation of the reforms. Whether this instability, which ultimately led to war and an extremely deteriorated security situation, was further exacerbated by the reform financing provided by the European Investment Bank cannot be clarified using the methods available for collecting data within the framework of the EPE.

Rating summary of impact: Reform financing – moderately successful (3), #
Coronavirus emergency aid – moderately successful (3)

The goal of increasing employment in the private sector and boosting growth through reforms has not been achieved due to the Covid pandemic and the Tigray war, which have had massive macroeconomic impacts. Nevertheless, reforms have taken place that will enable additional growth in the private sector, provided that the macroeconomic and security situation in the country improves. The coronavirus emergency aid helped to secure the success of the reforms. The political changes that have been initiated have thus strengthened the president and his reform plans but have also led to ethnic tensions. The Ethiopian budget has been consolidated, which may have enabled military spending without preventing cuts in the health and education sectors.

However, the fact that targets have not been met is not due to the HGER agenda and the goal of the government and the international community to create a more dynamic private sector (impact level). The reasons for this lie in the geopolitical and economic shifts that took place in parallel with the reform programme: Covid, the trade war between the US and China, the war in Tigray and the associated security problems. As a result of these events, the country's economic situation is weaker today than it was at the start of the reform process in 2018, but the reforms created the conditions for strengthening the private sector, and these conditions have been maintained and pursued, partly thanks to the coronavirus emergency aid. In a secure environment, they can also be better utilised in the future and then contribute more to growth and employment. The appraisal of the impact of reform financing and coronavirus emergency aid is therefore still limited in its success.

Sustainability

16. Capacities of beneficiaries and stakeholders

Following serious geopolitical shifts and in the face of serious economic problems, the government is (once again) working on new reform plans. As in 2018, these plans are supported by an agreement with the IMF, but this time the IMF agreement is subject to stricter conditions, particularly with regard to the liberalisation of the exchange rate.

The reforms to date have also changed the landscape of actors in Ethiopia, as a number of actors have been strengthened by the reforms and political decisions of the Abiy government. The following actors in particular have benefited and are proving to be a group of agents of change, i.e. they are explicitly advocating further reforms with the aim of strengthening the private sector:

- Public Enterprise Holding and Administration Agency (PEHAA)
- Ethiopian Investment Holding
- Capital Markets Board
- Central Bank

The appointment of the Prime Minister's allies to key positions has secured support for the broader and more extensive reform agenda. It is assumed that these actors are currently pushing for the reform policy to continue. Nevertheless, the central and most important actors remain the Ministry of Finance and the President himself.

It remains to be seen to what extent these institutions will be resilient to future risks that could jeopardise the effects. The country is currently seeking support for further reforms. In the course of the EPE year, a stand-by agreement was concluded with the IMF, which also provides for important reforms in the area of currency. In addition, the HGER reform programme was revised and a second version published. This describes which further reforms are to be implemented.

17. Contribution to supporting sustainable capacities

As illustrated above, the measure has helped to strengthen the capacities of key players in the reform process. These include, in particular, the Capital Markets Board and the Central Bank. It is likely that these changes will be sustained in the medium term.

The Ethiopian government is currently seeking to resume the reform path it was on before the pandemic with the support of international donors. An agreement with the IMF, which supports and continues key elements of the reforms supported by Germany's Development Cooperation, was signed at the same time as the 2024 evaluation.[19] The World Bank's DPO supports this new reform package from the government and the IMF. The IMF programme will run until 2028.

18. Durability of impacts over time

It has been repeatedly emphasised that Ethiopia is in the midst of an increasingly difficult political transition that began in 2018 with the inauguration of Prime Minister Abiy Ahmed. Initially, this change seemed promising, but tensions between and within the country's numerous ethnic groups have increased. The stability of the state and the ethnic-federalist system that has been in place since 1991 and is supported by many Ethiopians because it guarantees local autonomy are at stake. At the same time, there are also many who view the existing system as a source of division and believe that it undermines efficient central government. At the end of 2020, war broke out in the northern region between the federal government and the government of Tigray when these tensions became apparent. Tensions with neighbouring countries Egypt, Somalia and Eritrea have also increased. The situation in the Horn of Africa is described as fragile. If tensions and fragility continue to increase, this will also have a negative impact on economic development, especially as the development of the global economy is difficult to predict in light of Donald Trump's policies (keyword: tariffs). Weaker economic growth will increase social pressure in the country, which could lead to further instability.

The continued pursuit of reforms therefore depends on the government's ongoing commitment but is also characterised by a considerable risk of increasing fragility due to significant internal tensions within the country and growing tensions with neighbouring countries. The Economist Intelligence Unit expects political instability to remain high in 2024 due to the high level of uncertainty in the country.[20] A fragile peace agreement in Tigray, active uprisings in Amhara and Oromia, and tensions between neighbours pose significant security risks that could hamper economic growth and employment growth.

Rating summary of sustainability: Reform financing – moderately successful (3),
Coronavirus emergency aid – moderately successful (3)

On the one hand, the Ethiopian government's pursuit of the reform agenda ensures the sustainability of the reforms implemented to date. On the other hand, the political, macroeconomic and social situation in the country remains tense and continues to harbour a high risk of increased fragility, including with neighbouring countries.

Although the effects of the reforms supported by the IMF, the World Bank and bilateral donors not yet materialised as expected and , the reforms and institutional changes that have been initiated can still be assessed as limited in terms of their sustainability overall.

The sustainability of the coronavirus emergency aid cannot be assessed in isolation from the reform financing.

Ethiopia is undergoing a difficult political transition that began in 2018. Despite initial progress, ethnic tensions have increased, threatening the stability of the state and the ethnic-federalist system. The reforms have changed the landscape of actors in Ethiopia and strengthened some actors, such as the Public Enterprise Holding and Administration Agency, the Ethiopian Investment Holding, the Capital Markets Authority and the Central Bank. These actors support the reform agenda and are pushing for the reform policy to continue, with the Ministry of Finance and the President playing central roles. The Ethiopian government and international donors are motivated to continue on the reform path that was set out before the pandemic. A new agreement with the IMF, which runs until 2028, and the World Bank's DPO programme support these efforts. The reforms, supported by the IMF, the World Bank and bilateral donors, can therefore be described as having a limited level of sustainability.

Overall assessment: moderately successful (3) – (both programme)

The relevance of reform financing in Ethiopia was (and is) high in view of the macroeconomic challenges and the economic reform efforts of the Abiy government. The support provided by the World Bank (WB) in the form of financial contributions, policy dialogue and technical assistance through the MDTF was appropriate and timely. The German part of the financing focused on improving financing and investment conditions and thus on an important part of the Ethiopian economy. The financial sector is considered to play a central role in the transformation of the Ethiopian economy. In the course of implementation, Ethiopia and the world were confronted with the greatest health crisis of modern times, which did not spare the economy. The country was unable to cope with the socio-economic impact of the COVID pandemic on its own, which is why the relevance of this additional programme was

[19] IMF 2024 Country Reports "The Federal Democratic Republic of Ethiopia: Request for an Arrangement Under the Extended Credit Facility – Press Release; Staff Report; and Statement by the Executive Director for the Federal Democratic Republic of Ethiopia"
[20] Economic Intelligence Unit 2024, Ethiopia

appraised as high. The reform financing and COVID aid are coherent, as the objectives of the donors and the Ethiopian government are aligned.

The division of labour among donors is clear and well-coordinated by the World Bank. The strong role of the World Bank is straining dialogue between partners and bilateral donors. The appraisal of the impact of reform financing and Covid emergency aid, in conjunction with other private sector development programmes, is rated as good. While the reforms have an impact at the macro level, the project-based approaches of GIZ and FC aim to strengthen institutions and businesses.

Overall, however, the reforms have not led to the desired results: Ethiopia's economic situation is weaker than it was at the start of the reform process in 2018. GDP growth in 2023 was only around 5 %, which is not enough to support the growing working population. The shortage of foreign currency is a serious problem that particularly affects the private sector. The reforms have not sufficiently strengthened the private sector, which is due to geopolitical and economic shifts such as Covid, the trade war between the US and China, and the war in Tigray. For these reasons, the programme was only appraised as moderately successful. Covid aid was implemented through existing structures and is therefore considered efficient. The contribution to stabilising the economy should not be overlooked, despite all the national and international challenges. Furthermore, the impact of the programmes cannot be measured solely in terms of directly derivable economic results, as they also contribute to the consideration of German geopolitical interests. This has enabled Germany to position itself as a supporter of the Ethiopian reform process and to contribute to the implementation of its own initiatives.

Contribution to Agenda 2030

The objectives of reform financing, emergency coronavirus aid and the 2030 Agenda for Sustainability, which was launched by the United Nations, pursue similar approaches and have many similarities. Particularly noteworthy are the promotion of sustainability (SDG 8), poverty reduction (SDG 1) and improving the quality of life of the population (SDG 16). Both programmes contribute in particular to the following goals of the 2030 Agenda:

- **Fighting poverty:** The reforms supported by Germany in Ethiopia and the 2030 Agenda focus on combating poverty. Economic diversification, which includes strengthening the private sector in comparison to state-owned enterprises, is intended to achieve a growth spurt that will reduce poverty in the country. A key objective is to create formal employment in the manufacturing and service sectors by broadening the economic base. Opening up the economy to foreign investors is also intended to promote good employment conditions in the export sector. Improving financing conditions for private companies aims not only to support investment in equipment and infrastructure, but also to create jobs in a targeted manner in order to reduce widespread poverty in the country. However, this theory of change has not been fully realised, and there are doubts that economic growth alone is sufficient to reduce poverty.
- **Sustainability**: Both the 2030 Agenda and reform financing focus on sustainability. The restructuring of the Ethiopian development model is intended to put the economy on a broader footing. The private sector is expected to contribute to more dynamic and higher-quality growth, thereby creating jobs. The goal is to transform Ethiopia into a middle-income country by 2025. Covid emergency aid also supports the goal of sustainability by safeguarding reforms to diversify the economy.

Peace and social justice: Both programmes and the 2030 Agenda promote peace and social justice. In Ethiopia, the transition from an authoritarian regime to a formal democracy is a key component of the reform strategy. Economic decisions are no longer to be made centrally by the state. The aim of the reform is to strengthen private enterprise and decentralise economic decision-making. Sustainable and robust economic growth contributes to distributive justice and promotes participation in a country with a tense political situation.

Methodology

Evaluation methodology

The ex-post evaluation follows the methodology of a rapid appraisal, i.e. a data-based, qualitative contribution analysis, and represents an expert opinion. The project is attributed effects based on plausibility considerations, which are based on a careful analysis of documents, data, facts and impressions. Where possible, this also includes the use of digital data sources and modern techniques (e.g. satellite data, online surveys, geocoding). The causes of any contradictory information are investigated, attempts are made to resolve them, and the assessment is based on statements that are confirmed by several sources of information (triangulation), where possible.

The analysis of the effects is based on assumed causal relationships, documented in the impact matrix developed during the project appraisal and updated during the ex-post evaluation, if necessary. The evaluation report sets out arguments as to why certain influencing factors were identified for the effects observed and why the project under review probably made a certain contribution (contribution analysis). The context of the development measure is taken into account in terms of its influence on the results. The conclusions are put into relation to the availability and quality of the data basis. An evaluation concept serves as the reference framework for the evaluation.

The method offers a balanced cost-benefit ratio for project evaluations, on average, with a balance between knowledge gain and evaluation effort, and allows for a systematic assessment of the effectiveness of DFG projects across all project evaluations. Individual ex-post evaluations cannot therefore meet the requirements of a scientific assessment in the sense of a clear causal analysis.

The main objective of the evaluations (knowledge interest) is to measure impacts, provide accountability, promote transparency and enable institutional learning.

Type of evaluation:

Trip to the project country.

Key questions of the evaluation according to the evaluation concept:

- To what extent are the outputs created by companies as part of economic policy reforms actually being used?
- Has improved access to financial services led to increased demand for credit and easier refinancing for SMEs?
- Have the measures of the Ethiopian government's "Homegrown Economic Reform Agenda" been successfully implemented with the support of international donors?
- To what extent were the Partnership Council and the Multi-Donor Trust Fund (MDTF) used to implement the reforms?
- Have the reforms contributed noticeably to improving the investment climate and strengthening the financial sector?

Non-public (internal) documents

Internal project documents, strategy papers, context, country and sector analyses, media reports.

Directory of public sources

Afrobarometer (2024): Ethiopians rate the government’s economic performance as poor. Afrobarometer Dispatch, No 882.

Bebasso, Legas und Tekleselassie (2020): „The state as an enabler of private sector development in Ethiopia: the cases of tax and financial sector policy”

Berlin Institute (2017): From Land of Famine to Land of Hope.

Economist Intelligence Unit (2024): Country Report Ethiopia.

Hale, Thomas, et al. (2020): "Variation in government responses to COVID-19." *Blavatnik School of Government Working Paper*.

Heinemann (2019): Äthiopien 2025: ein aufstrebender Industriestandort in Afrika? Fokus Volkswirtschaft. Nr. 249. KfW Research.

UNCTAD (2020): Investment Trends Monitor, Oktober 2020, Ausgabe 36.

Kaps, Dangelmeier, Domnick (2018): Vom Hungerland zum Hoffnungsträger.

Lakemann, Lay, Tafese (2020): “Africa after the Covid-19 Lockdowns: Economic Impacts and Prospects”- Giga Focus Afrika.

McKay et al. (2024): “The Missing Millions: Uncovering the Burden of Covid-19 Cases and Deaths in the African Region”. Population and Development Review.

Mulat (2024): Ethiopia’s industrial parks leave workers to the fate of global shocks.

Pochke (2020): Unemployment and self-employment in urban Ethiopia. Policy Brief, Jan. 20220. International Growth Centre.

IMF (2024): Country Reports „The Federal Democratic Republic of Ethiopia: Request of an Arrangement Under the Extended Credit Facility-Press Release; Staff Report; and Statement by the Executive Director for The Federal Democratic Republic of Ethiopia”

Republic of Ethiopia (2020): Homegrown Economic Reform Agenda.

ZVEI – Zentralverband Elektrotechnik- und Elektronikindustrie e.V. (2017). G20 Compact with Ethiopia – Main Policy Matrix. Available at https://www.zvei.org/fileadmin/user_upload/Themen/Maerkte_Recht/Aussenwirtschaft/Afrika/Aethiopien/Aethiopien-EZ-Elektro-Energie-Rohstoffe/G20-Compact-Ethiopia-main-policy-matrix-2017.pdf

Data sources and analysis tools

World Development Indicators, Afrobarometer, High Frequency Phone Survey Ethiopia, Mo Ibrahim Index of African Governance.

Project sites visited

Addis Ababa.

Interview partners and modality (in person, virtual/by telephone, in writing)

- *IC Development Bank of Ethiopia – in person*
- *Economist and Financial Sector Expert, FCDO in person*
- *Project Consultant - in person*
- *Consultant, Frankfurt School - in person*
- *Secretary General and AACCSA - in person*
- *Deputy Commissioner Office, Ethiopian Investment Commission – in person*
- *Financial Sector Export, World Bank – in person*
- *Office Manager, KAS – in person*
- *IMF Mission Chief – in person*
- *Project Manager, AFD – in person*
- *Director Bilateral Relations, Ministry of Finance – in person*
- *Development Secretary, Canada - in person*
- *Vice President of Operations, Enat Bank – in person*
- *Private sector, Team GIZ – in person*
- *German Embassy – in person*
- *Office manager, FES – in person*

The following aspects limited the evaluation

Limited data available for outcome and impact levels

Assessment methodology

A six-point scale is used to assess the project according to OECD DAC criteria, with the exception of the sustainability criterion. The scale values are as follows:

Level 1 Very successful: results significantly above expectations

Level 2 Successful: results fully in line with expectations, without significant shortcomings

Level 3 Moderately successful: results below expectations, but positive results predominate

Level 4 Moderately unsuccessful: significantly below expectations and negative results dominate despite recognisable positive results

Level 5 Unsuccessful: despite some positive partial results, the negative results clearly dominate

Level 6 Highly unsuccessful: the project is useless or the situation has deteriorated

The overall rating on the six-point scale is based on a project-specific weighting of the six individual criteria. Levels 1–3 of the overall rating indicate a 'successful' project, while levels 4–6 indicate an 'unsuccessful' project. It should be noted that a project can generally only be classified as "successful" in terms of development policy if both the achievement of objectives at the outcome level (effectiveness) and impact level, as well as sustainability, are rated at least as "moderately successful " (level 3).

The annex to this report is available upon request (German only).

Imprint

Responsible: Evaluation Department of KfW Development Bank

FZ-Evaluierung@kfw.de

Cartographic representations are for informational purposes only and do not imply recognition of borders and territories under international law. KfW accepts no responsibility for the topicality, correctness or completeness of the map material provided. Any liability for damages arising directly or indirectly from its use is excluded.

KfW Bankengruppe
Palmengartenstraße 5-9
60325 Frankfurt am Main, Germany