

Seven Days, Vol. 19 No. 46, January 14, 2012(\*)

The Ethiopian Government and the Department for International Development (DFID) in UK signed an agreement providing for 510m € grant to support the third phase of the Protection of Basic Services (PBS-III) project. Launched in 2006, the project aims at expanding and improving the quality of basic services such as education, health, clean water and road, by funding block grants to regional governments. It also supports activities to enhance the capacity, transparency, accountability and financial management of regional governments and local authorities (state media, Jan. 8).

Ethiopian inflation dropped in December to 12.9% year-on-year from 15.6% in November, its lowest rate of 2012, official data showed. The government had targeted single-digit inflation in 2012, something it now hopes to achieve this year. Inflation, which has been billed by the IMF as the country's biggest economic challenge, peaked at 36.3% last February, and has steadily declined due to rising agricultural output and government subsidies on a number of food items. According to the Central Statistics Agency the consumer price index actually fell 0.7% month-on-month in December after a 0.5% drop in November. The agency said food price inflation fell to 11.8% year-on-year in December, down from 13.4% in November. The non-food inflation rate also dropped to 14.6% in December from 19.4% the previous month (Reuters, Jan. 9).

Alstom has bagged a €250m contract to develop the 6000MW hydro power plant at Grand Renaissance dam on Ethiopia's Blue Nile. The deal with Metals & Engineering Corporation will see the French outfit supply and supervise the installation of eight 375MW turbines and eight generators for the first phase. The contract also includes engineering and commissioning of the power plant, which will be operated by EEPCO. Commissioning will start late this year and be phased over three years (reNews, Jan. 7).

The Ethiopian Electric Power Corporation (EEPCo) and Cambridge Industries Ltd signed an agreement on providing for the development of the first waste-to-energy plant in Sub-Saharan Africa. The facility will be located adjacent to the largest landfill in the nation, the Reppie (Koshe) landfill in Addis Ababa. EEPCo Chief Executive Officer Mihret Debebe said that the technology is ideal for managing municipal solid waste and converting it to electricity. - According to a preliminary study done on waste-to-energy power generation in Ethiopia, there is a huge potential to generate power in about 35 cities. The plant is scheduled to be completed within 18 months at a cost of 120m USD. It will generate power utilizing the over 500 t of mancipale waste from the new Reppie transfer station daily (ENA, Jan. 5).

Germany has made available an additional 41.5m € in 2012 for food security, drought resilience and participatory forest management in Ethiopia, the Embassy of Germany in Addis Ababa said. An addition 1m € in humanitarian assistance has been provided for food assistance to Somali, Eritrean and Sudanese refugees in Ethiopia. The statement said the fund will be implemented by German and international development agencies. Germany has pledged more than 100m € for the bilateral development cooperation from 2011-2014 (ENA, Jan. 10).