

**LONG TERM PERSPECTIVES ON DEVELOPMENT IMPACTS
IN RURAL ETHIOPIA: STAGE 1**

**MACRO LEVEL POLICIES, PROGRAMMES
AND MODELS ENTERING RURAL
COMMUNITIES: 2003-09**

Catherine Dom

December 2009



Long Term Perspectives on Development Impacts In Rural Ethiopia: Stage 1

Macro Level Policies, Programmes and Models Entering Rural Communities: 2003-09

Table of Content

| | |
|---|----|
| 1. Introduction..... | 1 |
| 2. Macro trends and variations in selected outcomes..... | 3 |
| Growth and inflation | 3 |
| Trends in poverty reduction over SDPRP and PASDEP period | 6 |
| Macro level variations in outcomes | 10 |
| The rural community as policy interface..... | 11 |
| 3. Government and donor development ‘models’ | 13 |
| Highlights of Government-donors macro level dialogue (2003-09)..... | 13 |
| Government development model | 18 |
| Donor development model | 20 |
| How do government and donor models fit? | 20 |
| 4. How Policies and Programmes ‘Enter’ Rural Communities..... | 25 |
| Policies and programmes and community structures and dynamics | 25 |
| Policy calendars | 27 |
| Perspective on how development interventions enter rural communities | 27 |
| 5. How the perspective will be used | 33 |
| The research communities and preliminary typologies | 33 |
| The research communities and different intervention mixes..... | 33 |
| Illustrations of the use of the perspective | 36 |
| Annex One: Historical review of Government – donor macro policy dialogue..... | 39 |
| Government - SDPRP 2002/3-2004/5 (August 2002) | 39 |
| Donors (WB & IMF) - JSA on SDPRP (August 2002) | 41 |
| Government - APR 2002/3 (December 2003) | 41 |
| Donors (WB & IMF) - JSA on APR 2002/3 (January 2004) | 42 |
| Government - APR 2003/4 (March 2005)..... | 42 |
| Donors (WB & IMF) - JSA on APR 2003/4 (October 2005) | 42 |
| Donors - DAG inputs for SDPRP II (May 2005)..... | 43 |
| NGOs – Policy Considerations Proposed for SDPRP II (September 2005)..... | 44 |
| Government – PASDEP (September 2006)..... | 45 |
| Donors (DAG) – Comments from the DAG (May 2007)..... | 47 |
| Donors (WB & IMF) – JSA on PASDEP (August 2007) | 48 |
| Government - APR 2005/6 (June 2007)..... | 48 |
| Government - APR 2006/7 (December 2007) | 50 |
| Government - APR 2007/8 (March 2009)..... | 52 |
| Donors – DAG Issues Paper on PASDEP 2 (draft, Nov 2009) | 55 |
| Annex Two: A review of Government and Government-donor policies and programmes ‘entering’ rural communities in the period 2003-9 | 56 |
| A2.1 Community management domain | 56 |
| Decentralisation | 56 |
| Public Sector Capacity Building | 61 |
| Strengthening Democratic Institutions | 65 |
| Civil Society (development of/support to) | 66 |
| A2.2. Livelihoods domain | 73 |

| | |
|---|-----|
| Protecting Basic Services | 73 |
| Food in/security: Productive Safety Net Programme and Food Security Programme | 74 |
| Rural Economic Development/Food Security and Agricultural Growth Programme..... | 78 |
| Reform of extension services | 81 |
| Input/output agricultural markets | 84 |
| Non-/off-farm activities in rural areas..... | 86 |
| Access to credit | 88 |
| Land policy..... | 90 |
| Irrigation, water and natural resource management..... | 93 |
| A2.3. Human Re/Pro/duction Domain | 96 |
| Education policy and the Education Sector Development Programme | 96 |
| Health policy and the Health Sector Development Programme | 101 |
| Water and Sanitation | 106 |
| Social Protection..... | 110 |
| A2.4. Addressing structures of inequality | 112 |
| Gender Equality | 112 |
| Youth policy | 115 |
| Appendix 1.1: Comparison of topics in SDPRP and PASDEP | 117 |
| Appendix 2.1: Donor involvement in various programmes | 123 |
| Appendix 2.2: Customary Institutions and Community-Initiated Organisations | 124 |
| Appendix 2.3: Brief History of the Protecting Basic Service programme..... | 128 |
| Appendix 2.4: Community-based woreda WASH planning..... | 130 |
| Bibliography..... | 131 |

List of tables, boxes and figures

| | |
|--|-----|
| Table 1: Poverty is declining (PASDEP APR 2006/7) | 6 |
| Table 2: Selected sector performance indicators in the SDPRP-PASDEP period | 9 |
| Table 3: Milestones in overall planning and dialogue..... | 14 |
| Table 4: Highlights of macro level Government-Development Partners (DP) development planning dialogue | 16 |
| Table 5: Government and donors' theories of change | 23 |
| Table 6: Intervention mixes in the research woredas..... | 34 |
| Table 7: Trends in Poverty Oriented Sector Funding in Government Budget..... | 53 |
| Table 8: Volumes of funding for poverty oriented sectors | 53 |
| Table 9: Progress with graduation from the PSNP | 78 |
| Table 10: An overview of the RH strategy, 2006..... | 104 |
| Box 1: PM Meles – “African Development: Dead Ends and New Beginnings”, 2006..... | 19 |
| Box 2: Trends in Growth, Poverty and Wellbeing as reported in the APR 2006/7 | 50 |
| Box 3: Evolution of sub-national governance structures in Ethiopia until 1991..... | 57 |
| Box 4: An account of PSCAP achievements by 2008/9..... | 62 |
| Box 5: The woreda and kebele good governance package | 64 |
| Box 6: PBS SA component – Progress review by mid 2009 | 70 |
| Box 7: Categories of community-initiated associations and customary institutions | 71 |
| Box 8: Main features of the FSP model | 75 |
| Box 9: The ADLI+ strategy of the Country Economic Memorandum (WB 2007) | 78 |

| | |
|--|-----|
| Box 10: Preliminary design of the multi-donor Agriculture Growth Programme | 80 |
| Box 11: The FSP vision of a reformed extension system..... | 83 |
| Box 12: Selected donor-financed ‘integrated’ agricultural projects | 86 |
| Box 13: Selected lessons on Market-Led Livelihoods for Vulnerable Populations | 87 |
| Box 14: Successes and challenges in providing rural finance services in Ethiopia..... | 88 |
| Box 15: Land – Legal, regulatory and policy framework | 90 |
| Box 16: Progress with certification in the four large Regions | 92 |
| Box 17: Implementing the Community-Based Participatory Watershed Development approach in practice..... | 95 |
| Box 18: How TVET fails to contribute to rural economic development..... | 100 |
| Box 19: Selected progress and constraints in the health sector, 1999-2008..... | 105 |
| Box 20: Selected characteristics of the MOLSA Developmental Social Welfare Policy | 110 |
| Box 21: Donor concerns with regard to gender equality | 114 |
| | |
| Figure 1: Trends of GDP Composition and per capita GDP Growth Rates (2000/1-2007/8) | 3 |
| Figure 2: “Economic growth has recovered but not taken off” | 4 |
| Figure 3: Growth trends and projections (2003 to 2011) | 4 |
| Figure 4: Past and present inflation and growth..... | 5 |
| Figure 5: Recent inflation in Ethiopia, Uganda, Tanzania and Rwanda..... | 5 |
| Figure 6: Number of people in need according to emergency appeals | 7 |
| Figure 7: Change in households’ real income 2006-08 by PSNP status (2006 real prices) | 8 |
| Figure 8: DFID assessment of Ethiopia’s progress toward MDGs, 2009 | 10 |
| Figure 9: One perspective on how development interventions enter rural communities | 28 |
| Figure 10: Summarised calendar of macro level policies and programmes ‘entering’ rural communities in 2003-09..... | 29 |
| Figure 11: Regional, woreda and kebele structures in the EPRDF era | 60 |
| Figure 12: Joint government-donor vision of graduation (August 2009)..... | 76 |
| Figure 13: Government spending in ARD pre- and during PASDEP..... | 82 |
| Figure 14: Health care gaps between urban and rural areas in 2004/5..... | 102 |

Acronyms and abbreviations

| | |
|--------|---|
| ACSI | Amhara Credit and Savings Institution |
| ADA | Amhara Development Agency |
| ADLI | Agricultural Development-Led Industrialisation |
| AGP | Agricultural Growth Programme |
| ANC | Ante-Natal Care |
| APR | Annual Progress Report |
| APRM | African Peer Review Mechanism |
| ARD | Agriculture and Rural Development |
| ARM | Annual Review Meeting |
| BCB | Bureau of Capacity Building |
| BEPLAU | Bureau of Environmental Protection, Land Administration and Use |
| BESO | Basic Education Support Operation |
| BOARD | Bureau of Agriculture and Rural Development |
| BOFED | Bureau of Finance and Economic Development |
| BPR | Business Process Re-engineering |
| CAADP | Comprehensive Africa Agriculture Development Programme |
| CAS | Country Assistance Strategy |
| CBN | Community-Based Nutrition |
| CBO | Community-Based Organisation |
| CEM | Country Economic Memorandum |
| CFI | Chronically Food Insecure |
| CIDA | Canadian International Development Agency |
| CPI | Consumer Price Index |
| CPR | Contraceptive Prevalence Rate |
| CRC | Citizen Report Card |
| CRDA | Christian Relief and Development Association |
| CSA | Charities and Societies Agency |
| CSA | Central Statistics Agency |
| CSC | Community Score Card |
| CSO | Civil Society Organisation |
| CSP | Charities and Societies Proclamation |
| CSRP | Civil Service Reform Programme |
| CSSP | Civil Society Support Programme |
| CSTC | Community Skill Training Centre |
| DA | Development Agent |
| DAG | Development Assistance Group |
| DBS | Direct Budget Support |
| DECSI | Dedebit Credit and Savings Institution |
| DFID | Department For International Development (UK) |
| DHS | Demographic and Health Survey |
| DIP | Democratic Institution Programme |
| DLDP | District Level Decentralisation Programme |
| DP | Development Partner |
| DPPA | Disaster Preparedness and Prevention Agency |
| DS | Direct Support |
| DSA | Decentralisation Support Activity |
| EC | European Commission |
| EFA | Education For All |
| EGS | Employment Generating Scheme |

| | |
|----------|---|
| EMIS | Education Management Information System |
| EOS | Enhanced Outreach Strategy |
| EPDC | Education Policy and Data Centre |
| EPLAUA | Environmental Protection, Land Administration and Use Agency |
| EPRDF | Ethiopian People's Revolutionary Democratic Front |
| ERHS | Ethiopian Rural Household Survey |
| ESDP | Education Sector Development Programme |
| ESMF | Environmental and Social Management Framework |
| ETP | Education and Training Policy |
| EU | European Union |
| EUWI | European Union Water Initiative |
| EWS | Early Warning System |
| FA | Farmer Association |
| FeMSEDA | Federal Micro and Small Enterprise Development Agency |
| FFW | Food For Work |
| FGM | Female Genital Mutilation |
| FHH | Female-Headed Household |
| FP | Family Planning |
| FSP | Food Security Programme |
| FSS | Forum for Social Studies |
| FTAPS | Financial Transparency and Accountability Perception Survey |
| FTC | Farmer Training Centre |
| FTI | Fast Track Initiative |
| GDP | Gross Domestic Product |
| GEQIP | General Education Quality Improvement Programme |
| GER | Gross Enrolment Ratio |
| GOE | Government Of Ethiopia |
| HAB(P) | Household Asset Building (Programme) |
| HEP | Health Extension Package |
| HEW | Health Extension Worker |
| HH | Household |
| HICES | Household Income Consumption and Expenditure Survey |
| HIPC | Heavily Indebted and Poor Countries |
| HIV/AIDS | Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome |
| HMIS | Health Management Information System |
| HoF | House of Federation |
| HoPR | House of Peoples' Representatives |
| HR | Human Resource |
| HR | Human Rights |
| HSDP | Health Sector Development Programme |
| ICT | Information and Communication Technology |
| IGAD | Inter-Governmental Authority on Development (in Eastern Africa) |
| IMF | International Monetary Fund |
| INGO | International Non Government Organisation |
| IPMS | Improved Productivity and Market Success (programme) |
| IT | Information Technology |
| ITN | Insecticide-Treated Net |
| J-GAM | Joint Governance Assessment and Measurement |
| JRM | Joint Review Mission |
| JSA | Joint Staff Assessment |
| LG | Local Government |

| | |
|---------|---|
| LIG | Local Investment Grant |
| LIU | Livelihoods Integrated Unit |
| M&E | Monitoring and Evaluation |
| MBA | Membership-Based Associations |
| MBO | Membership Based Organisation |
| MCB | Ministry of Capacity Building |
| MDG | Millennium Development Goal |
| MEFF | Macro-Economic and Fiscal Framework |
| MFI | Micro-Finance Institution |
| MLVP | Market-led Livelihoods for Vulnerable Population |
| MOARD | Ministry of Agriculture and Rural Development |
| MOE | Ministry Of Education |
| MOFED | Ministry Of Finance and Economic Development |
| MOH | Ministry Of Health |
| Mol | Medium of Instruction |
| MOLSA | Ministry of Labour and Social Affairs |
| MOU | Memorandum Of Understanding |
| MOW | Ministry Of Water |
| MOWA | Ministry Of Women's Affairs |
| MOWUD | Ministry of Works and Urban Development |
| MP | Member of Parliament |
| MPC | Multi-Purpose Cooperative |
| MSE | Micro and Small Enterprise |
| MSF | Multi-Stakeholder Forum |
| MTR | Mid-Term Review |
| NAP-GE | National Action Plan for Gender Equality |
| NCBP | National Capacity Building Programme |
| NCFS | New Coalition for Food Security |
| NER | Net Enrolment Ratio |
| NGO | Non Government Organisation |
| NRM | Natural Resource Management |
| O&M | Operations and Maintenance |
| ODA | Official Development Assistance |
| OFSP | Other Food Security Programme |
| OPD | Outpatients Per Day (number of visits) |
| PAD | Project Appraisal Document |
| PADETES | Participatory Demonstration and Training Extension System |
| PANE | Poverty Action Network in Ethiopia |
| PASDEP | Plan for Accelerated and Sustained Development to End Poverty |
| PBS | Protecting Basic Services (programme) |
| PEP | Public Expenditure Programme |
| PER | Public Expenditure Review |
| PID | Project Information Document |
| PM | Prime Minister |
| PMO | Prime Minister's Office |
| PPA | Participatory Poverty Assessment |
| PRS(P) | Poverty Reduction Strategy (Paper) |
| PSCAP | Public Sector Capacity-building Programme |
| PSNP | Productive Safety Net Programme |
| RCBP | Rural Capacity Building Programme |
| RD | Rural Development |

| | |
|---------|---|
| RED/FS | Rural Economic Development/Food Security |
| ReMSEDA | Regional Micro and Small Enterprise Development Agency |
| REST | Relief Society of Tigray |
| RH | Reproductive Health |
| RICA | Rural Investment Climate Assessment |
| RUFIP | Rural Finance Intermediation Programme |
| RUSACCO | Rural Savings and Credit Cooperative |
| SA | Social Accountability |
| SDPRP | Sustainable Development and Poverty Reduction Programme |
| SIDA | Swedish International Development Agency |
| SLM(P) | Sustainable Land Management (Programme) |
| SNNP(R) | Southern Nations, Nationalities and Peoples (Region) |
| SWAp | Sector Wide Approach |
| SWC | Soil and Water Conservation |
| TGE | Transitional Government of Ethiopia |
| TPLF | Tigrayan People's Liberation Front |
| TSF | Targeted Supplementary Food |
| TVET | Technical and Vocational Education and Training |
| TWG | Technical/Thematic Working Group |
| UAP | Universal Access Plan |
| UN | United Nations |
| UNICEF | United Nations Children's Fund |
| UPE | Universal Primary Education |
| USAID | United States Agency for International Development |
| WA | Women Association |
| WASH | Water Sanitation and Hygiene |
| WAT | Women Association of Tigray |
| watsan | Water and sanitation |
| WB | World Bank |
| WCBS | Woreda/City Benchmarking Survey |
| WMS | Welfare Monitoring Survey |
| WSDP | Water Sector Development Programme |
| WSS&H | Water Supply, Sanitation and Hygiene |
| YA | Youth Association |

Macro Level Policies, Programmes and Models Entering Rural Communities: 2003-2009

1. Introduction

1.1. In this research our main objective is “to improve knowledge and understanding of what actually happened when donor-supported government policies designed at macro level were introduced into different types of rural community in Ethiopia between 2003 and 2009”. Focusing on twenty communities and starting from what we know about them until 2002/3¹ we will trace in these communities the impact of the most significant macro level changes of the past six years at local rural level. The macro level changes we consider include high economic growth rates and the recent inflation, expansion in services, and political and governance reforms. The period investigated in this research (2003-9) covers the period of the implementation of the Government of Ethiopia’s first ‘Poverty Reduction Strategy’, the Sustainable Development and Poverty Reduction Programme (SDPRP) and roughly half of the period planned for in the successor Plan for Accelerated and Sustainable Development to End Poverty (PASDEP).

1.2. This paper reviews the macro level changes just mentioned. As a background to the research and in line with our research proposal², the aim is to provide:

- A history of the macro-level introduction of government and donor policies, programmes and practices related to the areas of interest outlined above, in the period considered
- Summaries and comparison of the *formal development theories* implicit in these government and donor policies, programmes and practices (government and donors’ ‘models’).

1.3. The paper is organised as follows. The next chapter (chapter two) presents a review of **macro trends in selected outcomes** in the areas mentioned above. Macro trends feature known variations (e.g. across Regions, gender etc.). However, the knowledge of these variations still stops at a very aggregate level and the reasons for them are not well understood. In this research we will document much finer variations, across rural communities³, and through a robust case-based methodology (explained in a companion background paper)⁴, we will investigate the reasons for these variations. We believe that in order to do so, understanding the **development models** of government and donors is important, because the way in which these models overlap and diverge is likely to influence the manner in which development interventions enter the rural communities. The review and discussion of these models is the subject of chapter three. Chapter four outlines one of the perspectives that we will adopt to investigate **how development interventions enter communities** and we present a highly stylised summary of the main such interventions. The fifth and final chapter illustrates how this perspective will be used through two examples.

¹ This is summarised in companion papers called ‘Comparative Societal and Policy Baseline for Twenty Exemplar Rural Communities’, Philippa Bevan, December 2009 (WIDE3 2009 (c)), and ‘Holistic Societal and Policy Baseline for Six Exemplar Rural Communities: 1995-2003’, Alula Pankhurst, December 2009 (WIDE3 2009(d)).

² “Long Term Perspectives on Development Impacts in Rural Ethiopia: Stage One – A research proposal for J-GAM Ethiopia”, Mokoro Ltd, Nov 2009 (WIDE3 2009 (a))

³ The “communities” involved in this research were selected in the context of earlier research projects (1995 and 2003). At the time they all were Peasant Associations/*kebeles* in their own right. Since then, due to several restructuring some of them have been integrated into larger *kebeles* – but they have remained fairly distinct entities which are going to be the focus of this research.

⁴ See “Methodological approach and fieldwork plan”, Philippa Bevan, December 2009 (WIDE3 2009 (b))

1.4. The paper is based on a substantial body of evidence which is presented in two Annexes. Annex One is a review of the (government-donor) macro policy dialogue over the SDPRP and PASDEP period. This forms part of the evidence basis underpinning the analysis of government and donor models in chapter three. Annex Two is a review of the government and government-donor policies and programmes elaborated in the period 2003-09. This also informs the analysis of government and donor development models, and it substantiates the brief presentation of development interventions in chapter four. Importantly, this review represents the policy baseline against which the research officers will investigate the way in which development interventions entered the research communities in practice.

1.5. In this paper, **programmes** are understood as being the *stated* vehicles for **policies**. They are supposed to transform policies into practice hence they state what actual practice (what we will find in the fieldwork) should be compared to. **Development interventions** are specific actions envisaged in particular programmes and supposedly consistent with the policies which underpin the programmes (thus for instance, the government ADLI policy is operationalised through various programmes – such as the extension programme - themselves unpacked into development interventions – such as the deployment of DAs at *kebele* levels etc.).

1.6. We are conscious of the fact that government-led development interventions are conceptualised, unpacked/adapted, and finally implemented in relation to communities, by different actors at different levels, and that actual practice will be influenced by how each of these levels translate the policies and stated practice (programmes). Thus, for instance, the skills and personalities of the extension Development Agents in a particular community, and the extent of support that they get from their *woreda*, matter in terms of how that particular development intervention (the deployment of DAs in each *kebele*) actually enters and the effect that it will have in that community. This paper does not cover the actual practice of development interventions – this is the objective of the research and will be reflected in the final report.

2. Macro trends and variations in selected outcomes

Growth and inflation

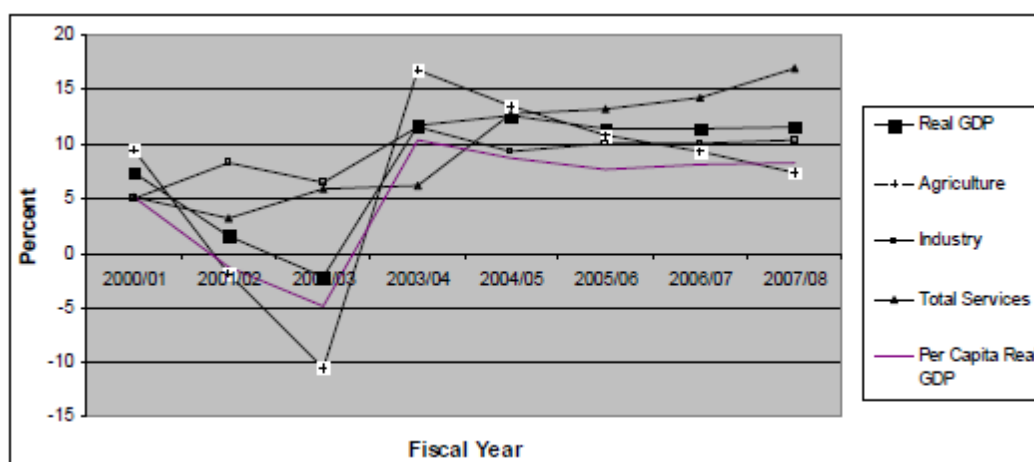
2.1. The first Poverty Reduction Strategy (PRS) paper of the Government of Ethiopia (GOE), the Sustainable Development and Poverty Reduction Program (SDPRP), was written in 2002. The following paragraph is extracted from it:

“The government has calculated the elasticity of poverty with respect to growth based on the latest Household Income and Consumption Expenditure Survey data (1999/00), taking explicitly into account the likely changes in income distribution. The analysis implies that the Ethiopian economy must grow in real terms by 5.7% per annum until 2015 to reduce poverty by half from its current level. Modest improvements in institutional efficiency (e.g. reform of the legal system, enforcing contracts, ensuring property rights, maintaining peace and stability, and improving the functioning of public services) can help reduce the growth requirement to 4.7%. This is likely to be achieved as the government has already embarked on almost all fronts (capacity building, devolution and empowerment, justice system and civil service reform, anti-corruption, etc).”

2.2. Between 2002/3 and 2008/9 the country’s economy has done better than the hoped-for average annual growth rate of 4.7% or even 5.7% (and this, even taking into account the large ‘dip’ in 2002/3, see below). However, little is known of whether this growth is tangible in rural communities and if so, in which ones and to what extent. This is one of the macro level changes that we want to trace down at local level in this research.

2.3. **Growth:** As highlighted in government and donor documents reviewing the 2003-09 period, economic growth has been good over the past few years – following the 2002/3 drought and preceding the worldwide economic and financial crisis (see Figure 1 below).

Figure 1: Trends of GDP Composition and per capita GDP Growth Rates (2000/1-2007/8)



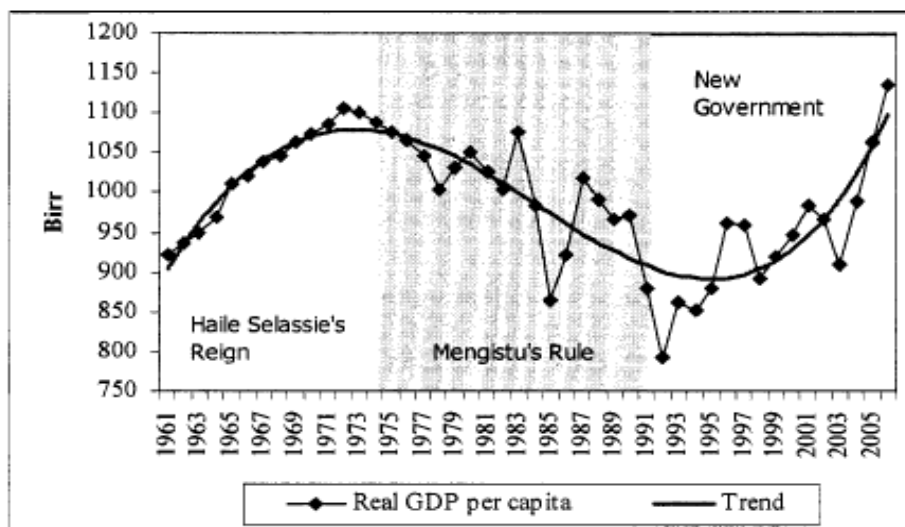
Source: PASDEP Annual Progress Report 2007/8, March 2009 (APR 2007/8 2009)⁵

2.4. However, it is important to situate this recent trend in context. As Figure 2 below shows, Ethiopia is in a recovery phase. By 2004/05 the country had just managed to return to the GDP per capita that had been reached toward the end of the imperial period. Moreover, year-on-year fluctuations appeared to have become larger in the latter part of the period until 2004/5. The last four years have seen further high economic growth rate but have also been characterised by high inflation.

⁵ References are found in the bibliography at the end of this paper. They are fully spelled out the first time they are found in the paper. After which they are referred to by the shorthand reference, in the first column of the list in the bibliography.

2.5. One of the macroeconomic objectives of the government is to restructure the Ethiopian economy away from its predominantly agrarian nature. Data shows that the percent share of agriculture⁶ in the Gross Domestic Product (GDP) has declined from 57% to 46% in ten years time, between 1996 and 2007. Government takes this slight structural shift as an indication of the success of its Agricultural Development-Led Industrialisation (ADLI) policy (see below and Annex Two).⁷

Figure 2: “Economic growth has recovered but not taken off”



Source: World Bank Country Economic Memorandum 2007 (WB CEM 2007)

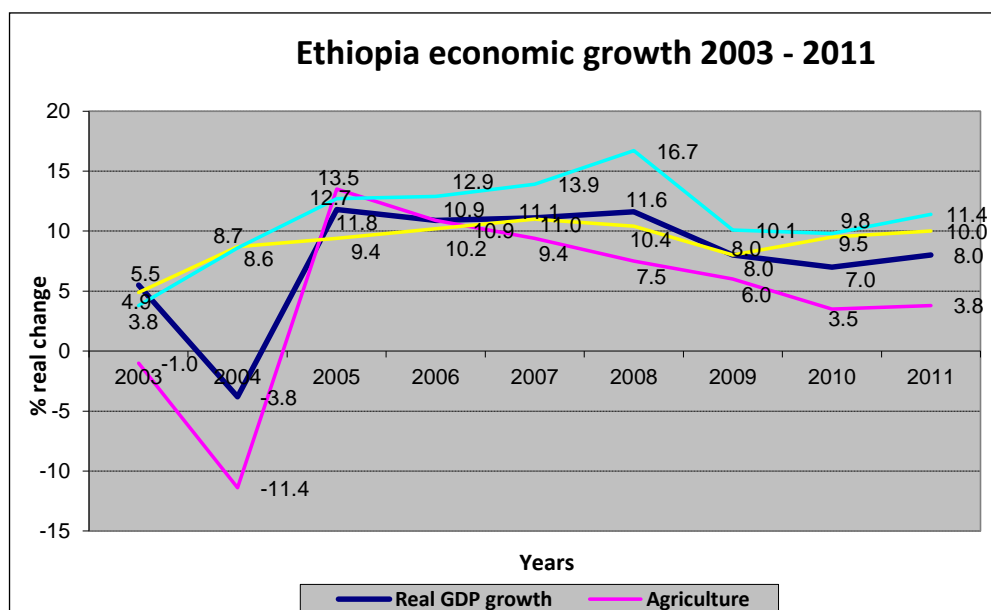
2.6. However looking at prospects, as in Figure 3 below, the projections suggest that the claim that there begins to be a structural shift away from agriculture is relatively optimistic.⁸ At best the shift is nascent. Recently donors have indeed stressed the need to think more radically to accelerate the transformation of the economy which is required to sustain the fast-growing Ethiopian population.

Figure 3: Growth trends and projections (2003 to 2011)

⁶ Agriculture includes crop, livestock and hunting, forestry and fishing. Industry includes mining and quarries, manufacturing, electricity, gas and water. The service sector includes trade, hotels and restaurants, transport and communication, public administration and defence, education, health and social works and related.

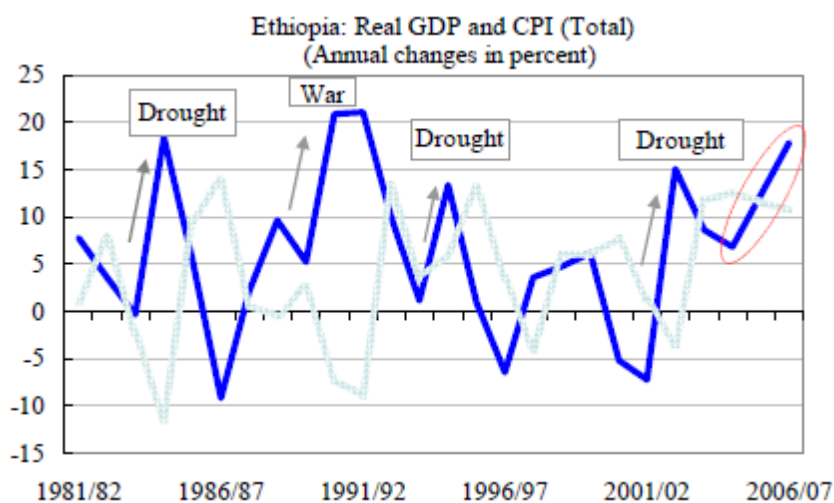
⁷ See e.g. the Comprehensive African Agriculture Development Programme (CAADP) Main Report, July 2009.

⁸ Sources: “Index Mundi” and PASDEP (2003/4); Economist Intelligence Unit Country Report 2009 (2005-2011). The Ethiopian fiscal year starts in early July leading to variations in estimates for European calendar years.



2.7. **Inflation.** The period 2003-9 has also been marked by high inflation since 2006. Whilst there have been episodes of high inflation in the past, in a number of ways the current episode is remarkable. Most notably, as the IMF analyses suggest⁹, in this episode very high inflation accompanied strong growth whereas in earlier episodes high inflation had always been associated with low growth. This is illustrated in Figure 4 below.

Figure 4: Past and present inflation and growth

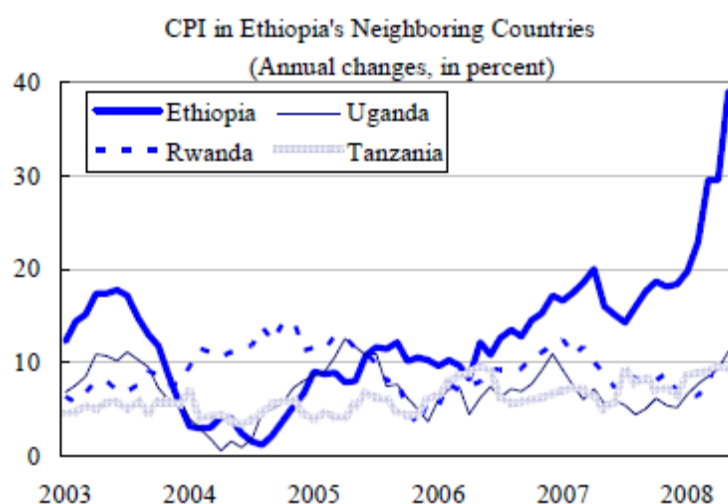


Source: International Monetary Fund Report "Selected Issues", 2008 (IMF 2008)

2.8. Another difference with past trends is the high non-food inflation, subsiding only very slowly. Moreover, the same analyses show 'Ethiopia-specific' trends (compared to neighbouring countries) suggesting that the current inflationary environment in Ethiopia is not exclusively due to the global economic context and external factors (See Figure 5).

Figure 5: Recent inflation in Ethiopia, Uganda, Tanzania and Rwanda

⁹ See e.g. 'Selected Issues' report, July 2008; and a brief update in IMF Sep 2009.



Source: International Monetary Fund Report "Selected Issues", 2008 (IMF 2008)

2.9. With regard to *causes* the IMF, whilst being cautious in its assessment of the causes of inflation, nonetheless suggests that what it had called earlier the 'expansionist' fiscal stance of the government may be among them. To this day, comprehensive and evidence-based analyses of the *impact* of the current episode of inflation are still missing.¹⁰ Whilst high food price are said to be beneficial to the farmers, this concerns those farmers who can sell a surplus. For all others, high food price makes things very hard, especially as it is combined with high non-food price. It is not clear in what sense the overall balance is tilting. Moreover, even if it was on the whole rather positive, this would nonetheless mean much harsher conditions for those on the wrong side of it.

Trends in poverty reduction over SDPRP and PASDEP period

2.10. **Income poverty:** The data show that country-wide poverty headcount, depth and severity have declined between 1994/5 and 2004/5. This is illustrated in Table 1 (based on data from three successive Household Income Consumption and Expenditure Surveys/HICES). Information on earlier periods is scarce, but what there is suggests that in contrast, poverty had increased during the Derg. The 1994/5-2004/5 trend is therefore a continuation of a U-turn change following the inception of the EPRDF regime¹¹, thus somehow reflecting the converse U-turn in economic growth. However on the whole, the available evidence suggests that much of the poverty decrease had occurred before the inception of the new poverty reduction oriented planning process embodied in the SDPRP and PASDEP. Moreover, there is a big unknown related to trends since 2004/5, considering the combination of economic growth and high inflation discussed above.

Table 1: Poverty is declining (PASDEP APR 2006/7)

| % households | 1995/96 | 1999/00 | 2004/05 |
|--------------|---------|---------|---------|
|--------------|---------|---------|---------|

¹⁰ For instance the note on "The distributive impact of inflation in Ethiopia 2006 – 2008", by C. Ruggeri Laderchi and E. Ticci (WB, Feb 2009) assesses the distributional impact of inflation based on extrapolations of the HICES 2004/5 consumption and production patterns, which have not been updated since then. Moreover, the study is limited to the 2006-8 period while even if it has eased in 2009, inflation has not been brought back under 10% yet.

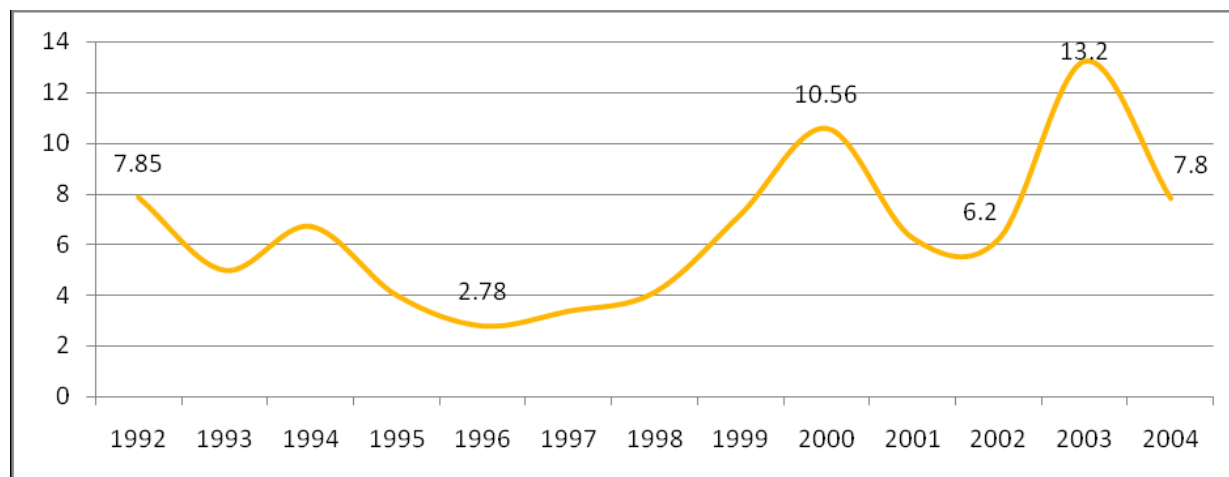
¹¹ Kloos (1998), citing Duffield and Prendergast (Without Troops and Tanks: Humanitarian Intervention in Ethiopia and Eritrea, Red Sea Press 1994), notes that the proportion of poor households had increased from 62% in 1987 to 78% in 1991. This suggests that poverty would have decreased very markedly between 1991 and 1994/5, then more slowly afterwards, a "rebound" trend which is commonly found in post-conflict situations.

| | Total | Rural | Total | Rural | Total | Rural |
|-------------------|-------|-------|-------|-------|-------|-------|
| Poverty headcount | 49 | 52 | 42 | 41 | 38 | 38.5 |
| Poverty depth | 15 | 15 | 11 | 10 | 12 | 12 |
| Poverty severity | 6 | 6.2 | 3.9 | 3.8 | 4.9 | 4.9 |

2.11. In spite of this seemingly slower poverty reduction trend in the second half of the period 1994/5-2004/5, and whilst the government recognises that one-year snapshots may be misleading and that variations among Regions are hard to explain (PASDEP APR 2006/7)¹², a sense of optimism has started to emerge. However, these macro trends and sense of optimism do not match well with local *perceptions* of increased poverty and vulnerability. This is noted in e.g. the Participatory Poverty Assessment undertaken in 2004/5 by the government, but usually not emphasised in official documentation. *Data* at more local levels also suggest diverging and generally volatile trends in e.g. community wealth (see e.g. the companion paper on the research communities' baselines, WIDE3 2009 (c)). Among other things this research aims to unpack the reasons why this is the case.

2.12. **Non income poverty.** Food in-/security is an important measure of non income poverty in Ethiopia. The food poverty head count index at the national level is reported to have declined from 42% in 1999/00 to 38% in 2004/05 or by 9%. However, and in contrast with the *income* poverty head count, the *food* poverty head count index has declined less in rural areas than in urban areas (from 41% to 38.5%) and is still greater than for the urban population and also the national average.¹³ The trend in food in-/security up to 2004/5, outlined in Figure 6 below, was indeed hardly a matter for satisfaction. Since then, trends are not clear cut. In areas recognised as chronically food insecure and now covered by the Productive Safety Net Programme some improvements were reported at the household level between 2006 and 2008, as indicated in Figure 7. However, emergency appeals have continued to be necessary for an annually fluctuating number of affected households, with a peak foreseen in 2009/10.¹⁴

Figure 6: Number of people in need according to emergency appeals¹⁵



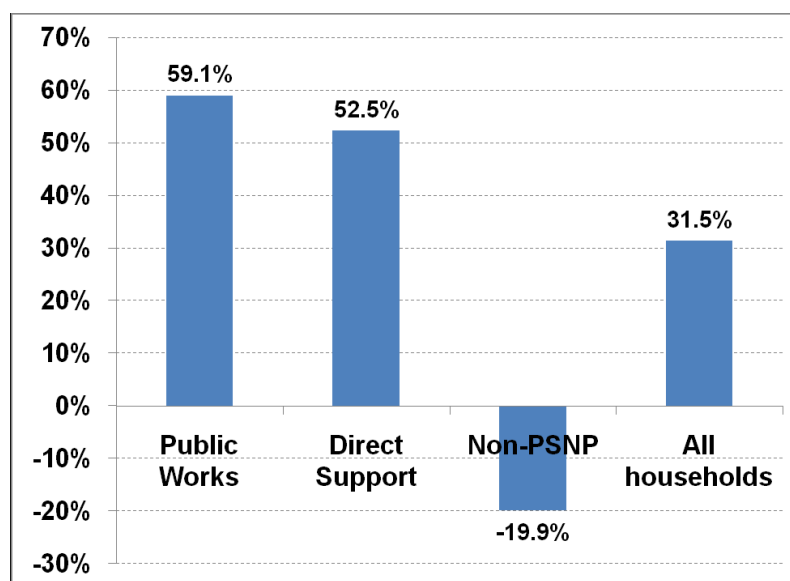
¹² MOFED analysis of the first and second HICES was disaggregated by Region. This showed large differences between Regions: in Amhara poverty had decreased significantly between 1995 and 1999, and this was driving most of the progress for the country as a whole, while poverty in Tigray and in Oromia had increased. A regionally disaggregated analysis of the third HICES is not yet available.

¹³ The data is from the CAADP Main report, July 2009

¹⁴ See e.g. UN News Centre 10 December 2009: "Nearly five millions Ethiopians will need food aid in the first half of 2010." The same article reminds that in October 2009 the number of people needing food aid was estimated to be 6.2 millions. These numbers are in addition to the 8 millions people enrolled in the PSNP.

¹⁵ This is extracted from the "Food Security Programme: the Productive Safety Net Programme", MOARD, August 2009.

Figure 7: Change in households' real income 2006-08 by PSNP status (2006 real prices)¹⁶



2.13. Table 2 below displays trends in selected sector performance indicators related to service provision in education, health, agriculture, water and sanitation and roads infrastructure development – the sectors identified in the PASDEP as poverty oriented ones.

¹⁶ This is extracted from the “PSNP: 2008 Assessment Report”, December 2008, Devereux et al.

Table 2: Selected sector performance indicators in the SDPRP-PASDEP period

| | | | |
|--|---------------|------------------------------|---------------|
| Population Estimate for 2002/3 | 2002/3 | 2007/8 74 millions | |
| Education | 2002/3 | 2004/5 | 2007/8 |
| Gross Primary Enrolment | 64.40% | | 96.70% |
| Grade 1-4 | | | 125.60% |
| Grade 5-8 | | | 63.10% |
| Average repetition rate Gr 4-8 (1) | 9.80% | | 11.60% |
| Primary school dropout rate (2) | 19.20% | | 18.70% |
| Completion rate to Gr 5 (3) | 34% | | 65.70% |
| Pupil-teacher ratio | 64 | | |
| Grade 1-4 | | | 61 |
| Grade 5-8 | | | 49 |
| Health | 2002/3 | 2004/5 | 2007/8 |
| Infant Mortality Rate (per 1,000 live birth) | | 77 | |
| Under-5 Mortality Rate (per 1,000 live birth) | 140 | 123 | |
| Maternal Mortality Rate (per 100,000 deaths) | | 673 | |
| % deliveries attended by trained health staff | | 9 | 20.3 |
| Contraceptive prevalence rate (4) | 21.50% | 15.00% | 51% |
| Out Patient visit (Days) (OPD) per capita | 0.36 | | 0.25 |
| DPT3 coverage | 50.40% | | 81% |
| Doctor: population | 1:28,339 | | 1:30,493 |
| Nurses: population | 1:4,882 | | 1:4,690 |
| HEWs: population | | | 1:3,159 |
| Agriculture & Food Security | 2002/3 | 2004/5 | 2007/8 |
| No. Hhs covered by extension (5) | 4.1 mn | | 816,427 |
| No. Trainees in Ag TVET | 37,482 | | |
| Fertilizer use (metric tons) | 277,000 | | 450,000 |
| No. Cooperatives | 817 | | |
| Progress with FTC construction is below target | | | |
| Progress with modular training of farmers is below target due to lack of equipment | | | |
| Water & sanitation | 2003/4 | 2004/5 | 2007/8 |
| Access to potable water | 37.9 | 43 | 59.5 |
| Rural | 29.5 | | 53.3 |
| Urban | 83.1 | | 86.2 |
| Small scale irrigation (hhs) | 73,854 | | |
| M & L scale irrigation (has) | 1,000 | | |
| Roads | 2003/4 | 2004/5 | 2007/8 |
| Av time for all-weather roads | 5.7 | | 4.2 |
| Road density/area (1,000km ²) | 33.2 | | 40.1 |
| Road density/1,000 pop | 0.51 | | |
| % rural roads in good shape | 36% | | |

Notes:

- (1) Education: The trend for the average repetition rate between Grade 4 and 8 is alarming and needs to be checked, though it may well reflect the reality.
- (2) Education: Similarly the trend for the average drop out rate is alarming but may reflect the reality. Note that the data for 2007/8 is apparently for girls only.
- (3) Education: The latest known completion rate is for the year 2006/7 (not 2007/8).
- (4) Health: It is hard to believe that 51% women would have access to modern contraceptive means by 2007/8 – The CPR reported in the APR 2007/8 needs to be checked.
- (5) Agriculture: The indicator ‘number of households covered by extension’ does not measure the same thing in 2002/3 and in 2007/8. In 2007/8 the policy emphasised more extensive packages and this meant

that fewer households could be reached within one year compared to the rather superficial contact involved in what counted for a household to be covered by extension in 2002/3.

2.14. The data show mixed trends on a number of counts, such as a very rapid increase in enrolment in primary schools and some progress made in relation to completion to grade 5, but a persisting high repetition rate. Health indicators highlight the difficulty of expanding the system with regard to the number of trained staff compared to population. Also, whilst the theoretical coverage increases as the number of facilities expands (see Annex Two) the use of services may not increase commensurately: it certainly is intriguing that the average number of out-patients days is less in 2007/8 than what it was in 2002/3. The increase in the use of fertilisers (in agriculture) is probably largely explained by weather variations – the conditions in 2002/3 were likely to have made many farmers unwilling to invest in modern inputs. Longer term trends show a slow increase, but very little progress made in improved seeds distribution¹⁷ – whilst research shows that the return on modern fertiliser without also using improved seeds is not worth the investment.¹⁸ Progress in access to potable water is notable, as is progress in roads infrastructure development. However these indicators do not measure the extent of use of these new infrastructures and services, and little is known about this.

2.15. This snapshot compares fairly well with DFID's take on Ethiopia's progress towards the MDGs, as reported in a recent DFID report.¹⁹ See Figure 8.

Figure 8: DFID assessment of Ethiopia's progress toward MDGs, 2009

| Indicator | Proportion of population below \$1.25 a day | Net enrolment in primary education | Ratio of girls to boys in primary education | Under 5 mortality ratio | Maternal mortality ratio | HIV prevalence, 15-49 years old | Improved water source |
|--------------------|---|------------------------------------|---|-------------------------|--------------------------|---------------------------------|-----------------------|
| Current assessment | Green | Green | Green | Amber | Red | Amber | Green |

Macro level variations in outcomes²⁰

2.16. Macro trends hide known and sometimes very large variations in outcomes. Notably, there are large variations across (and within) **Regions** in terms of poverty headcount and level of food insecurity, and Regional trajectories may also diverge. For instance, the decrease in the national poverty headcount between 1994/5 and 1999/00 was largely driven by a significant decrease in poverty incidence in the Amhara Region (from 45% to 36%) whilst poverty incidence had pretty much stayed the same in SNNP Region and had actually increased in Tigray and Oromia.²¹ There are also large regional variations in health and education indicators. For instance, the national under-five mortality was estimated to be 132/1000 in the Demographic and Health Survey (DHS) 2005, ranging from 72/1000 in Addis Ababa to 157/1000 in Benishangul-Gumuz. And, in spite of tremendous efforts and

¹⁷ See CAADP Main report, July 2009

¹⁸ See "Cereal Production and Technical Change in Ethiopia", Alejandro Nin-Pratt, Bingxin Yu, José Funes, Sinafikeh Asrat, and Alemayehu Seyoum Taffesse, ESSP Discussion Paper 10, November 2009

¹⁹ See http://www.dfid.gov.uk/Documents/publications/PSA/E_Ethiopia.pdf, reporting on progress made towards the MDGs in the Public Service Agreement countries (dated 2009).

²⁰ Except indicated otherwise the data in this section comes from various government sources including Annual Progress Reports, health statistics in HSDP progress/review reports, Demographic and Health Surveys etc.

²¹ The regional poverty headcount rates in 2004/5 are not available at this time.

the introduction of Alternative Basic Education, in 2006/7 there were just 16% of the school age children enrolled in primarily schools in Afar, against e.g. 91% in Tigray and 83% in Amhara.²²

2.17. There are also large differences between **urban and rural** outcomes. Urban areas do markedly better on most health indicators - including maternal and child health and family planning. For instance in 2004/5, 41% of urban women used modern contraceptive means and 42% of them gave birth with professional assistance, against 10% and 2% respectively among rural women. Under-five mortality was 98/1000 in urban areas against 135/1000 in rural areas. On average, household consumption had also increased significantly faster between 1994/5 and 2004/5 in urban areas (per capita adult equivalent consumption had grown by 17.4% nationally, by 33.5% in urban areas and by 13.8% in rural areas). But inequality, which stayed approximately at the same level in rural areas for the past ten years, had in contrast significantly increased in urban areas (urban Gini coefficient increasing from 0.338 to 0.436).

2.18. **Income** also matters: for instance in 2004/5, among the young adults of the 15-24 age group more than eighty percent of those in the lowest income quintile had no schooling at all, and only two percent had some secondary schooling. In the richest quintile the proportion of young adults without schooling at all was only 23% and 5% of that group had reached the tertiary education level.²³ In turn, educational achievement and the likelihood of being poor are closely linked. Poverty decreases with the household head's education level (from 41.2% headcount for no education to 10.3% for certificate education). Completion of primary education is associated to poverty headcount nearly 8% lower than the national average. Each grade of schooling is associated with a 2% increase in per capita adult equivalent consumption. This has significant implications in terms of inter-generational transmission of poverty.

2.19. There are also large variations in outcomes for **women compared to men** – for instance women have been found to continue to be significantly less than men using modern agricultural inputs. In terms of education, in 2004/5 the female adult literacy rate was still much below that for men (34% and 49% respectively). Whilst the gender gap is fast closing in the first grades of education it is much harder to address as soon as children are in the second cycle of primary education, and there remains significant gender imbalances in access to higher education levels. In health the very poor state of maternal health indicators (Ethiopia has one of the highest maternal mortality ratios in the world, standing at 871/100000 in 2004/5) translates into a much higher morbidity rate for women (75.5%) than for men (25.5%).²⁴

2.20. However, these variations are still at a very aggregate level. Moreover, the reasons for these variations are not well understood in many cases.

The rural community as policy interface

2.21. This research will go much deeper, exploring variations in outcomes among different (types of) rural communities and the key processes that could explain these differences – likely to do with community-specific local dynamics and the way development interventions interacted with these.

2.22. Companion papers explain in detail why the level of rural communities is particularly important in research aimed to be policy relevant, in the Ethiopian context.²⁵ The thrust of the argument is that in agricultural societies the policy interface between government development interventions in various areas and the society is the **community**. Policies, programmes and projects will only produce development if they lead to changes in local ideas, practices, community institutions and structures. At

²² "Mid-term Evaluation of the EFA Fast Track Initiative: Country Desk Study – Ethiopia", Catherine Dom, draft, July 2009 (Dom FTI 2009). The data is from the Education Policy and Data Centre, 2008

²³ Same source as above (Dom FTI 2009 citing EPDC 2008)

²⁴ The data is from the Ministry of Women Affairs' National Action Plan for Gender Equality, 2006

²⁵ See WIDE3 2009 (a) and WIDE3 2009 (b)

the same time, communities are not merely recipients of interventions but they operate as **dynamic open complex social systems** which are spatially and historically located and which co-evolve in interaction with their neighbouring and long-range environments. They are energised by the social inter-actions of the community members. As time passes communities evolve along context-specific **trajectories**, much defined by the community's past history and current internal dynamics, but which may be disrupted or re-directed by planned or unplanned changes in their environments.

2.23. Development interventions are part of the planned changes in communities' environment and our research will investigate the way in which they have 'entered' these communities. In doing this, an understanding of Government and donor development 'models' and how they overlap and diverge is important. This is outlined in the next chapter.

3. Government and donor development ‘models’

3.1. This chapter outlines Government and donor models (that is, the formal and informal, explicit and implicit theories underpinning their concept of development and of how change occurs) and how they overlap and diverge on a number of issues that may be critical in the way development interventions ‘enter’ rural communities in Ethiopia. This is based primarily on a review of the government-donor dialogue around the country’s macro level economic growth and poverty reduction policy and planning frameworks over the 2003-09 period (namely, the Sustainable Development and Poverty Reduction Programme (SDPRP) and the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP)). The review is presented in full in Annex One.²⁶

3.2. The SDPRP-PASDEP dialogue highlights quite well overlap and divergences between models. However, the effectiveness of this cross-cutting dialogue in influencing the content of sector policies is relatively limited. Much of the actual policy dialogue is primarily sectoral and/or driven by large-scale programmes such as the Protecting Basic Service (PBS) programme, the Productive Safety Net Programme (PSNP) and the Public Sector Capacity building Programme (PSCAP). Thus, the analysis in this chapter also draws on a review of sectoral policies in relevant fields and of programmes that have been particularly important during the SDPRP-PASDEP period – which is found in Annex Two.

Highlights of Government-donors macro level dialogue (2003-09)

3.3. Starting in the imperial period, Ethiopia had a well established tradition of national development planning well before the emergence of the PRS approach promoted by the WB, IMF and more broadly the ‘donor community’, in the late 1990s/early 2000s. Focusing here on the current regime’s period, the EPRDF-led government had developed a first and second National Development Programmes covering the 1995-2000 and 2001-2005 periods respectively. Regional States had started developing Regional Development Programmes as well, at least in the most capable Regions, in the late 1990s. Those Programmes were presented to the Federal and Regional elected bodies.

3.4. The development of the first Ethiopian PRS, called the Sustainable Development and Poverty Reduction Programme, was an ‘ex post’ process not well coordinated with the preparation of the 2001-2005 National Development Programme.²⁷ Among the reasons for this was the Ethio-Eritrean war during which relationships between the Government Of Ethiopia (GOE) and donors were at an all-time low. The GOE ‘put this right’ and the SDPRP (2002/3-2004/5) clearly states that already the Transitional Government of Ethiopia (TGE) had “initiated a broad spectrum of reform measures to address both the immediate need of economic recovery and reconstruction to jump start the economy as well as the long-term structural problem of under-development” (SDPRP:2) and that the SDPRP was simply taking these ongoing reforms forward.

3.5. The two planning processes have been reconciled since then. Planning timetable, content, and donor-linked and national endorsement processes were aligned so that the successor of the SDPRP, the PASDEP, covers the same period as that which would have been covered by the third National Development Programme (2005/6-2009/10, and replaces it. Table 3 below is a calendar of major milestones (in the form of planning documents) in the GOE-donor dialogue around national development planning.

²⁶ Annex One and the analysis in this chapter are largely based on a desk review of the relevant macro planning and progress report documents. However, this is substantially complimented by the author’s direct involvement in a number of the discussions between the government and donors over the period 2003-09.

²⁷ The SDPRP was preceded by a little-known ‘interim PRSP’ – a step also found in other countries where donors were keen to engage in a PRSP-type dialogue without further delay whilst at the same time, they thought that more time was needed to prepare a full-fledged PRSP to the required standards.

Table 3: Milestones in overall planning and dialogue

| | |
|----------------|---|
| March 2001 | Interim PRSP is submitted to Boards IMF and WB |
| August 2002 | SDPRP (dated July 2002) is submitted to Boards IMF and WB ²⁸ |
| | Joint Staff Assessment note (JSA 1) |
| December 2003 | Annual Progress Report 2002-3 |
| January 2004 | Joint Staff Assessment note on APR 2002-3 (JSA 2) |
| March 2005 | Annual Progress Report 2003-4 |
| May 2005 | Federal and Regional Elections |
| | Development Assistance Group (DAG) ²⁹ note of inputs for the formulation of SDPRP II – Final Draft |
| June 2005 | GOE letter to DAG reiterating timetable for SDPRP II (road map) |
| September 2005 | Civil Society Organisations' (CSOs') inputs for the formulation of SDPRP II |
| October 2005 | Joint Staff Assessment note on APR 2004-5 ^{30, 31} (JSA 3) |
| September 2006 | PASDEP 2005/6-2009/10 ³² |
| May 2007 | Comments from the DAG on the PASDEP ³³ |
| June 2007 | Annual Progress Report 2005-6 |
| August 2007 | Joint Staff Assessment note on PASDEP (JSA 4) |
| December 2007 | Annual Progress Report 2006-7 |
| March 2009 | Annual Progress Report 2007-8 (draft) ³⁴ |

3.6. The difficulties around the 2005 elections are visible in the disrupted sequence of steps but, as opposed to what had happened with the Ethio-Eritrean war, the dialogue was never totally ruptured. However, the story told by Annex One (the detailed review of the process outlined in the table above) and also Annex Two (the review of relevant policies and programmes) indicates that in terms of content the alignment between government and donor policy positions was at best partial, suggesting that their underlying development theories also remained only partly overlapping.

3.7. The dialogue over the macro level development planning framework is summarised in Table 4 below, and more fully presented in Annex One. We use the term 'Development Partner' (DP) to reflect the fact that, in principle, donors are not the only non-government actors that should be involved in the macro level development planning dialogue. One of the features of the PRSP-type of dialogue is

²⁸ The SDPRP was finalised following consultations in 117 *woredas*, all Regions and at Federal level.

²⁹ The Development Assistance Group (DAG) was established in 2001 (as part of the 'revival' of the GOE-donor dialogue following the formal end of the Ethio-Eritrean border conflict) "to foster information sharing, policy dialogue and harmonise donor support in order to enable the country to meet the MDGs. The DAG also assists in the preparation, monitoring and evaluation of the PRS. The DAG comprises 30 donor agencies providing development assistance to Ethiopia within the Paris Declaration principles of aid effectiveness and harmonization. It is supported by a number of Thematic Working Groups (see <http://www.dagethiopia.org/Pages/default.aspx>).

³⁰ The JSA puts the delay in GOE tabling the APR on lack of integration of the PRS process with the annual budget process. The JSA does not explain the delay in the response to the APR.

³¹ The Federal and Regional elections were held on 15th May 2005. Preliminary results were announced early June, triggering violence between the GOE security forces and opposition demonstrators and wider unrest in the country. A second wave of violence took place in November 2005 – at which time a number of high profile opposition leaders were also jailed. They were to be released in 2007.

³² As explained in the PASDEP "the Amharic version was debated extensively by Parliament over a period of two full weeks, and was finally adopted as a legal document, defining the national development plan for the 5-year period, 2005/06-2009/10". In contrast, the consultation process was restricted to regional and federal events.

³³ The JSA notes that the PASDEP was officially submitted to the IMF in May 2007.

³⁴ There does no longer seem to be JSA notes.

that a country's civil society should be represented on it. However, as explained in Annex Two the role of civil society in shaping the country's broad development trajectory is a point on which there is no consensus in Ethiopia at this moment, and this reflects on the way civil society actors have been involved in the SDPRP-PASDEP dialogue, among others. That is, their engagement has varied over the period concerned and the extent to which those actors from the civil society that have been involved at times represent the Ethiopian society as a whole has not been fully unpacked. Thus, most of the concerns and inputs said to be emanating from 'Development Partners' have in reality been donors' concerns. Where concerns have emanated from other actors, this is specifically mentioned in Table 4 and also Annex One.

3.8. The next sections of this chapter then provide a tentative analysis of government and donors' models based on the evidence in Annex One and also Annex Two. This is tentative because generally, at this point in our research, our analysis stops at the level of discourse i.e. what models appear to be like based on the discourse on them/the policies and programmes. We incorporate what is well known about practice wherever possible, but we expect to know a lot more on the actual (and as noted in chapter one, varying) practice through our investigation of how development interventions entered the rural communities that we are going to study in the forthcoming months. Our research will give us a clearer sense of the processes, translations and reinterpretations by which policy reaches the local level – and just what it looks like when it does get to the local level, as well as how the quality of the relationships between 'government' and the community influences this. This will then be reflected into a refined analysis of development models in the final report.

Table 4: Highlights of macro level Government-Development Partners (DP) development planning dialogue

| SDPRP & SDPRP period | DP inputs and concerns | PASDEP & PASDEP period | DP inputs and concerns |
|---|--|---|--|
| Poverty reduction = top priority (growth = means) | <ul style="list-style-type: none"> Link growth – PR: how? Ambition (targets, size of public spending vs. resources) | <ul style="list-style-type: none"> Pursue main SDPRP priorities + new ‘bold directions’ Analysis of poverty determinants (APR 2006/7) | <ul style="list-style-type: none"> Sources of growth? Role/size of public investment (‘expansionist fiscal stance’, Ethiopia-specific factors in inflation) |
| Agriculture and Rural Development | | | |
| ADLI <ul style="list-style-type: none"> ‘Betting on smallholders’ Extension: more and better (packages) Role of cooperatives (marketing, financial services) | <ul style="list-style-type: none"> Limited role of private sector generally and in RD Balance RD investment, attention to potential areas Conditions for ARD → growth are absent (land tenure security, labour mobility, local market development) (NGOs) | ADLI + <ul style="list-style-type: none"> Emphasis on commercialisation, strengthening rural-urban links, urban development Attention to marketing (govt agencies to ‘facilitate’; “short chains” bringing “closer producers and buyers”) Strengthening cooperatives Rural-urban migration “inevitable” (“move from saturated rural areas”) | <ul style="list-style-type: none"> Enabling framework for private sector (beyond coops and state-owned companies) Migration = economic opportunity ADLI + (WB CEM 2007) <ul style="list-style-type: none"> Add ‘unbalanced leg’: focus on potential areas Move from ‘control’ and top-down to adaptation and responsiveness to diversity and strong accountability |
| | PSD, support to MSE/informal sector | National Urban Development Policy | Limited job creation effectiveness of urban housing programmes |
| Food security | | | |
| <ul style="list-style-type: none"> Food security Government FSP being revised New Coalition for FS | <ul style="list-style-type: none"> New Coalition for FS: Address chronic nature of food insecurity Design PSNP | <ul style="list-style-type: none"> Equation OFSP+PSNP = graduation FSP includes resettlement OFSP = area-specific packages + government subsidized credit | <ul style="list-style-type: none"> Risk management, disaster preparedness Long term social protection strategy Redesign of HAB in FSP but... no agreement on how to strengthen rural credit markets |
| Governance | | | |
| Decentralisation & empowerment: woreda decentralization | <ul style="list-style-type: none"> Technocratic concerns over decentralization: weak capacity, lack of clear vision (NGOs): Tap all potentials through ‘education & democratisation’ | <ul style="list-style-type: none"> Long discussion (post election) over ‘governance matrix’ Emergence of, and emphasis on ‘good governance package’ Charities and Societies Proclamation (CSP) Media Law | <ul style="list-style-type: none"> Initial ‘outstanding governance, capacity, decentralization issues’ – including policy re: access to information and civil society Design of DIP (2007/9) PBS social accountability component Outstanding: Inclusive (“demand side of”) governance |
| Education | | | |
| ESDP II Start shift to post-primary | Quality of education Shift detrimental to primary | ESDP III Alternative Basic Education Post-primary expansion; TVET reform 2008: GEQIP (quality) | TVET reform failing ‘dropouts’ (ESDP JRM 2007) |
| Health | | | |
| Health: HSDP II – New focus: HEP | Human resources crisis | Focus on HEP | Exaggerated expectations from HEP (e.g. maternal health); Lack of attention to support systems (HSDP MTR 2008) |
| Others | | | |
| | POPULATION not addressed | Youth development | Gender: Include specific gender-focused affirmative |

| SDPRP & SDPRP period | DP inputs and concerns | PASDEP & PASDEP period | DP inputs and concerns |
|----------------------|------------------------|--|--------------------------|
| | | More details on population and gender equity | action (mainstreaming +) |

Government development model

3.9. The Transitional then EPRDF-led governments have portrayed themselves as in rupture with the preceding imperial and Derg regimes. The first economic policy document of the Transitional Government was explicitly condemning the “misguided policies of the previous regime” in which “State control of the economy was over-extended” and “the anti-democratic nature of the regime... had denied the people the opportunity to participate” which was a “major hindrance to economic growth”.³⁵ The TGE stated that new policies, that needed to be able to be pursued beyond the transition period, were henceforth adopted. This included a changed role for the State – though the State was still to “participate directly or through joint venture arrangements in activities that are considered as essential and in which the private sector is not willing to participate”, and “protect consumers and producers against price fluctuations and take regulatory measures to prevent shortages of basic commodities”. The document outlined the foundations of today’s land policy; priority was given to smallholder agriculture though modern private farms should not be ignored; participation of ‘peasants’ was essential and therefore cooperatives would be promoted.

3.10. The TGE economic policy was also outlining the principle of a departure from the “policy of centralisation” adopted by the previous government, which had prevented “voluntary popular participation”. This principle was further elaborated and gave rise to the full recognition of ethnic identities and the establishment of Ethiopia as a Federation, enshrined in the 1995 Constitution. Several progressive policies were also issued in the mid- to late 1990s (education, health, women’s equity, population etc.). One major source of inspiration was the TPLF-in-Tigray model, including for instance: the re-creation of local *kebeles* on the model of the Tigray *baitos*; upholding to ‘revolutionary democracy’ presumed on convergence of interests among all groups, hence on reaching consensus over policy; the centrality of agricultural development in economic policies; the importance of food security programmes to improve peasants’ lot.

3.11. Yet, there also have been elements of continuity with both earlier models and practice.³⁶ State’s land ownership is an obvious element of continuity with the Derg’s model. Also, at the level of practice there is evidence that the TPLF local governance model was somewhat ‘lost in translation’ and became implemented from the top down, with insufficient attention to local contexts.³⁷ The top-down approach contradicts the conviction inherited from the TPLF-in-Tigray period that mobilisation works best ‘from within’; but it justifies that power should remain vested with those who know what is best for the country. Thus, mobilisation from within also lost against the ‘campaign’ mode of policy implementation, which has remained to this day one of the characteristics of the way government agencies act. The revolutionary democracy consensual model also does not cope well (as has been shown in recent years) with the political pluralism that is supposed to have been adopted by the EPRDF-led government.

3.12. At the discourse level there have been some shifts in the latter period – with for instance, the good governance package, supposed to prevent campaigns from ‘enforcing’ people. However (even without analysing the practice as admittedly, it may take some time for principles to percolate at the local level), the discourse itself remains ambiguous, still very much stressing the need to reach consensus and using conviction and models to do so (see Annex Two).³⁸ This suggests that the change in government model is ‘incomplete’, as noted for instance in the World Bank Country Economic

³⁵ Ethiopia’s economic policy during the transitional period, An Official Translation, The Transitional Government of Ethiopia, Nov 1991

³⁶ Both the Derg and to an extent the EPRDF under the TPLF lead, made use of external socialist models (Stalin for the Derg and Hoxha for the TPLF).

³⁷ This may also be due to the fact that even though officials may have genuinely wanted something different, top-down development was the model learned by the people at local level under the Derg.

³⁸ See more on the good governance package in Annex Two.

Memorandum (2007).³⁹ Fundamentally, there is a tension between listening – which the government says it is willing to do - and prompting people’s support by whatever means to keep power – including because one is convinced that this is the best thing which can happen for the country.

3.13. This tension (between listening and convincing to reach consensus) is also perceptible in the new ‘developmental state’ discourse adopted at a more political level in the past few years. This other shift, prompted by an unofficially published memorandum from the Prime Minister, is also quite explicit about the fact that some parts of the neoliberal agenda will not be pursued any time soon in Ethiopia. Selected extracts and key points are in Box 1 below.

Box 1: PM Meles – “African Development: Dead Ends and New Beginnings”, 2006

Building social capital is critical both as a goal in itself and a means to build equitable and sustainable economic development. Social capital is therefore a public good, and one of the primary ‘raison d’être’ of a strong (developmental) state is to do build social capital through undermining patronage networks and promoting fairness and equity.

A developmental state, development, and democracy all three require the same basis, trust, and consensus on the main directions so that there is political stability ("stable long-term coalitions which stay in power for a long period but do so by democratic means"... "Technically policy stability and continuity could be achieved even when parties replace each other in governing the country. But this can be so only when such a solid consensus among politicians and the population on fundamental policy has been achieved...").

Hence, a developmental state can be democratic – it is a democracy built on a broad and stable coalition, rooted in consensus between the developmental state and its primary constituents that is, the rural population ("The rural population can therefore be the solid base for a stable developmental coalition in a developing country... The activities of a developmental state will thus not only be consistent with the interests of the **peasants** but also with their transformation into a force of democracy").

Economic neo-liberal reforms have failed African countries and led them to a dead end. They failed to bring what was most needed that is, public goods: social capital, technology, equitable distribution of rural assets (rather than single-minded liberalisation of agricultural prices), and strengthening of rural institutions supporting small farmers. "The private sector involved in agricultural marketing is weak and dispersed at the bottom end and oligopolistic at the top."

3.14. The added emphasis (in bold in the text above) highlights that while economically people are ‘farmers’ (as is found in government development documentation), politically they are ‘peasants’.

3.15. From the government’s model (including in its recent shifts) emanates a peculiar perspective on ‘participation’ – which has to be restricted to organizations that ‘represent’ people (the ‘membership-based organizations’). (It also explains the recent concern of the EPRDF of broadening its membership thus trying to, on one hand, reach out to community leaders, model farmers and opinion leaders; and on the other hand, also reach out to the youth, including the educated young generation). The model also explains the persistence of government’s emphasis on cooperatives as a primary means of ‘supporting small farmers’.

3.16. These issues are somewhat ‘exemplars’ of a larger set of bones of contention between government and donors. One of them in particular may be worth mentioning here, revolving around the way in which the government conceives of and talks about its policy to overcome food insecurity and generally address the vulnerability of segments of the country’s population. Both the discourse and practice are underpinned by a strongly stated will to avoid ‘creating dependency’ – which leads to privileging the developmental dimension of various interventions over their ‘protection’ dimension. Thus, until recently there was a strong reluctance, on the government’s side, to speak in ‘social

³⁹ However, the CEM tends to stress the important of ‘political realities’ to explain the ‘incomplete transition’, whereas we believe that the underpinning ‘ideological preferences’ may be critically important root cause factors – but are presumably more difficult to handle for the donor community.

protection' terms. At the discourse level this is changing. It is not clear whether this is indeed a step in the direction of donors' insistence on the need for a long term social protection strategy for the country. This is further analysed in Annex Two in relation to the Food Security Programme and the social protection policy field.

Donor development model

3.17. The development model of donors is a 'mixed bag'. One first pillar is **economic neo-liberalism**, stressing market-/private sector-led economic growth and the privatisation of major economic sectors (e.g. telecommunication). However, donors have stopped short of overtly pushing issues that they know will not be acceptable/accepted (e.g. private land tenure, insisting instead on tenure security). Donors have also recognised the relevance of a strong role for government. However, this recognition has become more reluctant over time as it also has become clearer that government had a perspective on just how strong this role needed to be, which donors thought was detrimental.⁴⁰

3.18. The pillar of the donors' model in relation to social policy/development is built on the **MDG human right-based approach**. There is something of a lack of connection between this pillar and that applying in the economic sphere, which reflects the way in which, beyond Ethiopia, the poverty reduction approach and the MDGs failed to pay attention to economic development. This leaves donors in Ethiopia without a clearly articulated common position on issues such as the role of Information and Communication Technology in education and the importance of TVET and higher education - except to worry that development in these areas would be at the expense of basic services.⁴¹ Social protection is one policy area over which donors have been at odd with the government's position – and as noted above it remains to be seen how much closer positions will become in the future.

3.19. Somehow linked to each of the other two pillars, the third pillar of donors' model could be said to be '**participation**'. This should be enhanced in at least three spheres:

- a) Economically, in line with the first pillar, the 'real' private sector needs to participate more in economic processes (individual entrepreneurs, private firms and companies) (economic sphere)
- b) 'Civil society' should be given greater opportunities to participate in policy-making and monitoring processes related to basic services (technocratic sphere)⁴²
- c) Political participation in a pluralist system should be a basic political right of all citizens (political sphere).

How do government and donor models fit?

3.20. How does the government see the donor model? Government does not have issues with the MDGs. But there are broader issues in relation to social policy (e.g. tensions between protection and developmental role of PSNP), all revolving around the government's concern of avoiding inducing

⁴⁰ See for instance the difference (spelled out in Annex Two) between the August 2002 Joint Staff Assessment (JSA) of the SDPRP and the much stronger stance in favour of private sector development and the need for government to commit to it, in donors' inputs to the PASDEP preparation (e.g. the DAG inputs, May 2005, and the DAG comments and JSA on the PASDEP itself, in May and June 2007 respectively).

⁴¹ Some donors do have a clear position on these issues (e.g. Germany on TVET, see Annex Two for more on this) but it is not a 'joint donor position' to the same extent as, for instance, the concern with general education quality. In the same vein, donor position in relation to ICT is articulated in so far as donors would wish to see a much greater role for the private sector in telecommunications. Exactly how this (greater role for the private sector) would contribute (better than the current government proactive role in this) not only to economic but also to social development is however, not fully spelled out.

⁴² An example of this is the PBS social accountability component. See Annex Two for more on this.

‘dependency’. As said just above, at the discourse level the government is reasonably content with certain aspects of neo-liberalism – but this has never been, and there is no sign that it would gradually budge toward, a full embrace (there has been continuous reluctance in implementing major elements of the neoliberal economic policies such as privatisation of telecom; emphasis on cooperatives persists; also see the recent heightened emphasis on the necessity of a ‘developmental state’, and the recent strong campaign against ‘rent-seekers’ of all kinds). The government is sternly opposed to donors’ meddling with issues of political participation. It may let donors influence what is happening in terms of technocratic participation (through e.g. the PBS social accountability component) though it has over time taken additional measures to ensure that this remains strictly separated from the political sphere.⁴³

3.21. Finally, the government is regularly expressing discontent when donors do indeed not buy its policies wholesale. The government also blames donors who, even though they have endorsed the PASDEP, do not bridge the financing gap between PASDEP plans and existing resources. This, the government argues, represents a failure of donors to fulfil the pledge made in various international fora that they would provide adequate and timely funding to governments seriously committed to reach the MDGs – even though the same donors acknowledge the commitment of the Government of Ethiopia.⁴⁴

3.22. Taking now the donor side, at the macro level, donors have had a number of enduring concerns with government model-in-practice. While this is never said explicitly, it is likely that these concerns and government’s reluctance to addressing them is indeed, one of the factors (but by no means the only one) curtailing donors’ willingness to ‘scale up aid’. In summary:

- Donors have been concerned about government’s uncertain/insufficient commitment to economic liberalization all along (role and size of ‘real’ private sector, private sector involvement in agriculture markets, and domination of state-owned companies and lack of level playing field).
- Linked to this is a concern with the size and nature of public sector role and investment. Donors have regularly expressed that they were unsure of the impact of government’s strongly interventionist role in sectors elsewhere left to private sector, and worried about the consequent large public spending, and the nature/content of the public investment programme.⁴⁵
- From 2006/7 onward donors have stated more explicitly their concern with the need for government to be more genuinely committed to developing urban-rural linkage, promoting/facilitating mobility, encouraging diversification outside of farming/agriculture (promoting non-/off-farm activities including in rural areas).
- Donors’ initially more technocratic concern with decentralisation (capacity deficit, complexity etc.) has shifted (post-2005) towards broader governance and accountability concerns (restricted view of civil society’s role etc.)
- Finally, donors have become increasingly concerned with the relatively limited government action in relation to population (this arose around 2007 only, i.e. later than the concerns mentioned above).

⁴³ The recent CSO law (Charities and Societies Proclamation, CSP, 2009) is a clear illustration of this point (see Annex Two). The fact that donors have not been privy to the rollout of the good governance package (except ‘ex post’) is another instance of where the government draws the line in how far donors can go in talking about and supporting their (donor) model of participation.

⁴⁴ The government budget has been called Africa’s most pro-poor budget (DFID 2009). Recent analysis also suggests that: (i) service expansion has benefited the poor particularly; and (ii) the decentralised model of service delivery contributed significantly to the improvements in outcomes (Project Appraisal Document for Protecting Basic Services 2, WB, 2009 – WB PAD PBS 2 2009).

⁴⁵ As noted in chapter two, the IMF somewhat alludes to the fact that government’s expansionist fiscal stance may have contributed to high inflation.

3.23. Both government and donors have contributed to a very significant increase in public spending on 'poverty-oriented sectors', thus converging on this, although as noted above, the government estimates that donors do not live up to their promises – and government and donors also do not fully agree on the composition of this very large public spending. In 2007/08 budget allocations to the poverty-oriented sectors represented 14.6% of GDP or 60% of the government budget (WB CAS 2008). In all of these sectors public spending had more than doubled in real terms over the period 2002/3-2008/9. Aid flows have significantly increased as well - from US\$ 0.3 billion in 1999/00 (an admittedly difficult year in the relationship between government and donors owing to the Ethio-Eritrean war) to US\$ 1.7 billion in 2007/8 and this is continuing to increase.

3.24. The analysis above suggests some convergence between the 'meta level' theories of change (and associated theories of empowerment) underpinning government and donor models, respectively. But it also suggests that there might be a fundamental divergence with regard to where change ought to lead to. This is outlined in Table 5 below.

Table 5: Government and donors' theories of change⁴⁶

| Theory of change: society changes | Government's and donors' position | Theory of empowerment |
|--|--|---|
| Through unintended consequence of aggregate action of individuals seeking to achieve their own happiness | <i>Donors: Yes (neo-liberalism) Government: Must be checked to protect the poor/avoid unacceptable inequalities</i> | Creating an environment enabling all individuals to pursue their life choices |
| Through technological development | <i>Yes for both – but very different ways of thinking about how to operationalise this (e.g. donors unconvinced by government promotion of ICT-based education at the same time as restricted access to information)</i> | Encouraging access to technological progress for all |
| Through transformed beliefs, ideas and values | <i>Yes for both – but differing on how beliefs, ideas and values should be transformed (toward what)?</i> | Influencing/transforming ideas and values in society |
| Through purposive collective action | <i>Yes for both – but differing about who mobilises who and to do what/ change toward what?</i> | Supporting the mobilisation of poor and marginalised people |
| Society changes through contestation and negotiations between different interest groups | <i>Government: consensus must prevail Yes for donors, and insistence on the 'devil they know' (electoral democracy)</i> | Supporting changing power relations and structures |

3.25. It certainly is important to recognise that neither 'government' nor 'the donors' are homogeneous entities always speaking with one voice. Thus, the above is very much a stylised representation which hides variations among government and donor agencies. For instance:

- There are regional variations with regard to how graduation to food security, a key national priority, is being measured but also how strongly regional officials push for graduation targets to be established and reached. There are also significant differences in how different Regions deal with the provision of credit in rural areas. Different Regions have different policies with regard to the medium of instruction in primary schools, and increasingly different regulatory frameworks to manage land.⁴⁷ Last but not least, there is some evidence that Regions vastly differ in their political set-up, including in how the Regional Council positions itself in relation to the Regional executive.⁴⁸
- Among donor agencies and to cite just two examples, there are large differences in the way agencies understand the main focus of the PSNP (more about social protection for some whilst others insist on its developmental dimension) and in the way they address governance issues (including whether to remain engaged at all with the government even in cases of severe problems – like most agencies have done to this day – or not – like a few agencies do).

3.26. The extent to which government and donors (dis-)agree is also variable across sectors, and within sectors, across different policy areas – as is further analysed in Annex Two. However, notwithstanding these nuances there are disagreements between government and donors that are well established and this is likely to be an influential factor in the ways in which policies and

⁴⁶ Author's adaptation from various papers from Overseas Development Institute (ODI), Institute for Development Studies (IDS), and the Governance and Social Development Resource Centre (GSDRC), UK

⁴⁷ See Annex Two for more on national policies. Regional variations are not fully outlined in this paper – mainly because we expect to know a lot more on them at the end of Stage One and this will be reflected in the final report.

⁴⁸ Again, it is premature to fully unpack this point in this paper as we expect to have more evidence at the end of Stage One of the research. The statement above is based on fieldwork carried out at Regional, woreda and community level in 2007. By then there certainly were clear differences in the operation of Regional Councils in Amhara and Tigray, the former having to account for the fact that it included members from opposition parties while the latter was still entirely composed of TPLF members.

programmes 'enter' specific communities (that is, how specific development interventions are translated into local practice).

3.27. In the next chapter we turn to outlining one of the key perspectives we are going to adopt in this research to investigate how policies and programmes entered rural communities in the period 2003-09.

4. How Policies and Programmes ‘Enter’ Rural Communities

Policies and programmes and community structures and dynamics

4.1 From the overview of the government-donor dialogue in the previous chapter a number of policies (along with associated programmes) emerge as potentially important in having ‘entered’ rural communities with the aim of transforming them, in the period 2003-09. However, policies and programmes did not enter a mere recipient, but varied dynamic open complex social systems, with their specific structures and past trajectories – the twenty communities that we are going to research.

4.2 In the companion background paper on our methodology⁴⁹ we outline a number of interlinked and complementary perspectives on communities’ structures and dynamics, which help one to visualise these complex systems. Among others, the paper explains that communities are characterised by deep **structures of inequality** – that is, things that take a long time to change – including structures in terms of class, status (wealth, income, poverty and extreme poverty), gender and inter-generational lines, ethnicity and religion, occupation and in some communities, clanship/lineage. The paper also identifies five overlapping and interpenetrating **domains of power and fields of action** which structure community agents’ activities and interactions (within the community and with the broader systems that the community belongs to).

4.3 In this paper we propose that macro level policies and programmes, which are usually aimed at achieving well-specified objectives, therefore aim to ‘enter’ a community (the local level) in a particular field/domain and/or to tackle particular inequalities. We use these community level structural factors to organise our review of the potentially important macro policies and programmes.

4.4 Thus, entering the field of **community management** are the following policies and programmes: the (government-led) decentralisation policy; the (government-led) National Capacity Building Programme⁵⁰ and its ‘flagship programme’ PSCAP (Public Sector Capacity-building Programme); the (donor-promoted and government-accepted) Democratic Institutions Programme (DIP); the (comparatively more controversial) development of and support to civil society, and various initiatives aimed to strengthen transparency and accountability, including the relevant components of the Protecting Basic Services (PBS).

4.5 Entering the field of **livelihoods** are the Protecting Basic Services programme (donor-financed though mainly co-financing pre-existing government mechanisms and programmes – with the exception of the donor-promoted transparency and accountability components); the (joint though with internal controversies) Food in-/security policy, the Productive Safety Net Programme (PSNP) and the Food Security Programme (FSP); the (joint and emerging) Rural Economic Development/ Food Security (RED/FS) agenda and the planned (donor-financed) Agricultural Growth Programme (AGP); policies and programmes related to extension, input/output agricultural market, off-/non-farm opportunities, access to credit, land, irrigation and water management, and livestock – with partly overlapping partly diverging government and donors’ positions.

4.6 Entering the field of **human re/pro/duction** are the education policy and the Education Sector Development Programme (ESDP); the health policy, the Health Sector Development Programme

⁴⁹ See “Methodological approach and fieldwork plan”, Philippa Bevan, December 2009 (WIDE3 2009 (b))

⁵⁰ The capacitation of the (ruling party-led) state has been considered as a key development intervention by the EPRDF-led government ever since it came to power. Formal programmes like the National Capacity Building Programme (NCBP) and PSCAP are only one of the manifestations of this concern. Others are of a more political nature, such as the establishment, in 2001, of super-ministries with structures cascading down to regional then *woreda* levels, which also coincided (perhaps not by chance) with the establishment of a clearer demarcation line (in principle) in the respective roles and functions of executive and legislative/representative bodies at Federal and Regional levels, followed by the same move at *woreda* level a couple of years later.

(HSDP) and selected sub-policies/strategies; policies and programmes related to the water and sanitation sector (watsan) – all of these with comparatively consensual positions between the government and donors; and the nascent attention to social protection (initially donor-promoted, now with government's greater acknowledgement).

4.7 In recent years there have not been many policies and programmes deliberately targeted to make changes in, or interact with, local fields of **social re/pro/duction** – which include local social institutions/practices, networks and organisations. With regard to institutions there are laws and programmes aimed at abolishing early marriage, female circumcision, and other 'harmful traditional practices'. In our consultations with donors we found some interest in customary social security institutions, networks and organisations and the possible impact on them of government food security programmes. However, the relative policy neglect of this domain of power means that it does not figure much in this paper, although it will be a key topic in the final report. The baselines contain a wealth of information on community institutions, networks and organisations in 2003 and earlier, and one focus of the new fieldwork will be on the ways in which local social re/pro/duction mechanisms have affected the implementation of development interventions.

4.8 There are policies and programmes **cross-cutting** all these fields/domains such as roads and other infrastructure developments (e.g. telecommunication). Also, policies and programmes aimed at gender equity (relatively consensual between government and donors) and youth (government-led) are cross-cutting and, in relation to the research theoretical framework, they aim at changing some of the existing **inequality structures** of communities.

4.9 The field of **ideas** is critically important. Communities have access to a number of interlinked, partially overlapping and partially diverging and competing, repertoires of ideas – including the government modernisation and the donor/NGO liberalisation and human rights repertoires (through which they express their respective models) which are variably translated and accommodated with the other repertoires available. In entering a community, each development intervention (in the form of both the way it is implemented in practice and what the community hears about it through various channels) expand the community's access to the government and donor and NGO repertoires. Thus, all development interventions have an effect in the field of ideas and conversely, they are affected by the initial shape of the field of ideas in each community. Beyond overt interventions, both the government and other external actors (donors, NGOs) have ways of transmitting the ideology behind their models (e.g. through meetings, discourses at national or regional events, and other mass consultations for the government; through the media for other actors).⁵¹

4.10 The aim of changing ideas may be, but most often is not *explicitly* identified in government and donor/NGO interventions. Among the policies and programmes mentioned above, the objective of changing communities' ideas is most explicit in relation to gender issues (the policy and programmes promote a different idea of the role of women in society and intends to change established practices based on 'traditional ideas' such as early marriage etc.). It is also fairly explicit in the rollout of the Health Extension Package (the package promotes different ideas about family planning, hygiene etc.). It is less explicit in other sectors, like agriculture, though it is not totally absent (the aim of much of the extension service is to make farmers adopt new technologies, moving away from some of the traditional ideas such as replacing free-grazing through cut-an-carry livestock feeding and protected enclosures).

⁵¹ For instance, the creation of the Peoples, Nations and Nationalities' Day a few years ago is in itself a message to the Ethiopian society. From one year to the next the key message from the event is slightly shifting, reflecting high level political concerns of the day. Last year's message was that the differences between Ethiopian Peoples, Nations and Nationalities were one of the contries' strength. This year's message is that these differences cannot represent gaps, there is need for unity.

4.11 We recognise that in any community these domains of power and fields of action are interlinked, and therefore expect to find that this has an effect in how policies and programmes unfold in communities in practice. That is, development interventions are designed to introduce changes in one of the community fields of action; but will affect and be affected by social inter-actions involving all the community action fields. Moreover, development interventions interact with each other. And, planned development interventions are not the only ‘things’ entering the community. Other events (e.g. drought) and interventions (some planned, others not - e.g. religious influences) matter too.

4.12 For this reason, we advocate research which cuts across sectors, programmes, and action fields; and which explores all interventions found within a community and the connections between them – in an integrated manner. Thus, and unlike what is being done in the context of, for instance, monitoring the effects of the Protecting Basic Service programme (in terms of social service outcomes and governance outcomes) or of the Productive Safety Net and Other Food Security programmes (in terms of enhanced food security/ households’ graduation), in this research we do not start from a programmatic/sectoral point of view. There is no pre-determined expectation about the actual outcomes found in communities, or about the mechanisms that have led to these outcomes. The research does not focus on one single sector, programme logic, development dimension, or community field of action – but on all and how they interact.

4.13 However, to construct this integrated perspective we are going to investigate policy interfaces for the different policies, programmes and fields/domains in a disaggregate manner, but looking at links, coincidences and divergences in calendars etc.

Policy calendars

4.14 Thus, the other important idea is that time matters. To that effect, our review of policies and programme is as much as possible organised in the form of calendars recording when particular shifts, new interventions etc. occurred and showing how policies evolved in the period studied.

Perspective on how development interventions enter rural communities

4.15 We have taken these two dimensions into account (how communities are structured and the time dimension) to draw one of the perspectives that we will adopt in investigating how development interventions enter rural communities. This is stylised in Figure 9 below, and then applied in Figure 10 in the form of a much summarised calendar of the policies and programmes having potentially entered rural communities in the period 2003-09. The calendar is subdivided into two main periods corresponding to the SDPRP and PASDEP implementation, respectively – reflecting the fact that the PASDEP encapsulates a number of important (stated) policy shifts. The start of the second period also coincided with the emergence of two major donor-financed programmes, the PBS and the PSNP. We review the policies and programmes recorded in Figure 10 in more detail in Annex Two.⁵²

⁵² At this stage we have not investigated the crosscutting policies and programmes such as roads construction and rural electrification. This will be taken up in the final report as required.

Figure 9: One perspective on how development interventions enter rural communities


| Events | Macro level Policies/Programs 'entering' | | Community level inequality structures | | | | | |
|----------------|--|--|--|--|---|--|---|--|
| | | | Gender equality, youth policies | | | | | |
| | | | Community Power domains/ Fields of action | | | | | |
| | | | Livelihoods | Human Re/pro/duction | Community management | Field of ideas | | |
| Drought | SDPRP |  | ADLI (packages, extension, credit) → | Education | Woreda decentralisation | Each intervention expands community's access to government, donor and NGO 'modern repertoire' (through the 'models' underpinning policies and programmes). This is locally interpreted but affects the field of ideas The aim of changing ideas may be explicit; more often it is implicit (e.g. repeated meetings to convince people etc.) | | |
| Elections | ESDP II | | ADLI+ (same + commercialisation, diversification etc.) | Health | PSCAP (service delivery, result orientation etc.) | | | |
| | HSDP II | | Land, irrigation and water management | Population | Good governance package | | | |
| | PSCAP | | | Emergency food aid/PSNP | Civil society development and participation | | | |
| Inflation | PASDEP | | | Food security (emergency → PSNP+OFSP = graduation; resettlement) | Water and sanitation | | Strengthening transparency and accountability | |
| Inflation peak | ESDP III | | Urban-rural links | Social protection | | | | |
| Drought? | HDSP III | | Urban development | | | | | |
| | PBS | | Private sector in agriculture & RD | | | | | |
| | PSNP | | | | | | | |
| | | | Roads; Telecommunication; Infrastructure development | | | | | |

Figure 10: Summarised calendar of macro level policies and programmes 'entering' rural communities in 2003-09

| | | POLICIES AND PROGRAMMES AIMED AT THE LIVELIHOOD DOMAIN/FIELD | | | | | | | | | |
|------|---|--|--|---|---|---|--|--|--|---|---|
| | Events | Modernising smallholder agriculture | Private agric investment | Food Security | Extension | Inputs/ Outputs Markets | Rural financial services | Land | Irrigation, water mngrt, NRM | Rural-urban linkages | Off-farm business and employment |
| 2002 | SDPRP | ADLI Fertiliser, improved seeds, service coops, credit Water harvesting & irrigation Livestock development | Land for commercial farming Land lease procedures Safeguarding farmers' interests Investors start flower farms for export | Extension, research, conservation-based agriculture, packages (FSP) Resettlement EGS and FFW New Food Security Coalition ➔ PSNP design/ launch (2005) | Better designed packages (36 rolled out); more training Deployment of better qualified DAs at kebele level, FTCs... | Improved marketing opportunities but little effect Emphasis on cooperatives | Govt-guaranteed credit for seasonal inputs – Issues with repayment MFIs = group-based lending FSP: subsidised individual credit for packages | Proclamation 1997; regional laws with restrictions on land rental and mobility New Federal Proclamation (2005) Land tenure security: certification programme | Irrigation under Water Resources Management Policy (1999) Lack of continuity in policy and practice re: small-scale schemes, water harvesting etc. | Rural-urban migration seen as negative Urban development policy approved 2005 | MSE as part of Food Security Strategy But not implemented |
| 2003 | Drought Food aid for 13 million Decline in coffee price | | | | | | | | | | |
| 2004 | | | | | | | | | | | |
| 2005 | Elections Productive Safety Net Programme | | | | | | | | | | |
| 2006 | PASDEP Protecting Basic Services Programme | ADLI+: Greater emphasis on development paths compatible with different agro-economic zones, specialisation (e.g. growth corridors), diversification (recent discourse = demand-driven extension approach), commercialisation (effective agricultural marketing systems); Continued focus on cooperatives (increase shares of input/output markets; RUSACCOs = envisaged main rural finance providers); OFSP+PSNP = graduation. Strengthen human resource capacity and use. Prudent allocation and use of land. More detail on livestock, agricultural research & extension. | | | | | | | | | |
| 2007 | Inflation | 2007: WB CEM, RED/FS group Focus resources in 'growth potential' areas; Integrated extension-marketing/production-commercialisation approach (lessons from small-scale donor | New large-scale land lease and investment schemes (new MOARD Directorate) | Address roots causes of chronic food insecurity: PSNP (predictable transfers) + OFSP (credit-based household packages) 2009: FSP re-design (demand-driven extension, gradual approach for vulnerable hhs etc.) + Greater emphasis on full family targeting | Limited effects (undivisible package, top-down etc.) Need reform (recognised in FSP and 'growth' programs): demand-driven extension, link with marketing, better | Govt marketing agencies (incl woreda level) Seed supply system needs reform Emerging emphasis on development of 'locally appropriate value chains' Emphasis on private sector (donors) vs. | Growth in MFIs & RUSACCOs But still less than 20% hhs served, failing to reach poorest, weak sector Emphasis on professional services (donors) vs govt-supported | New Regional Proclamations : increasing regional variations re: land rental but still usually constraining mobility (less so in Amhara) Certification programme ongoing; planned acceleration | Watershed planning and management supposed to be adopted everywhere (PSNP, SLM) No progress in tackling institutional instability in irrigation/ water management (different Regions, | Increased emphasis on urban-rural linkages and urban development (small towns as growth poles); urban development packages Rural-urban migration: inevitable | Attention to non-agric income (strategy for food insecurity) But no link to urban/youth development MSE agencies (incl woreda level) but urban focus Redesigned FSP (2009) supposed to |
| 2008 | 35% food inflation | | | | | | | | | | |
| 2009 | Additional (to PSNP) 'food aid' needed for 5-6 million people | | | | | | | | | | |

| | | | | | | | | | | | |
|--|--|--------------------------|--|----------------|--------------------|---------------------|-----------------|---------------------------------|--------------------------|---|-------------------------|
| | | programs → emerging AGP) | | and graduation | equipped FTCs etc. | cooperatives (govt) | RUSACCOs (govt) | Peri-urban areas often an issue | different organisations) | (govt) vs economic opportunity (donors) | link to MSE development |
|--|--|--------------------------|--|----------------|--------------------|---------------------|-----------------|---------------------------------|--------------------------|---|-------------------------|

| | | POLICIES AND PROGRAMMES AIMED AT THE COMMUNITY MANAGEMENT DOMAIN/FIELD | | | | |
|------|---|---|---|--|---|---|
| | Events | Federal decentralisation | Public Sector Capacity Building | ‘New democratic infrastructure’ | Civil Society | Transparency & accountability |
| 2002 | SDPRP | Region/ <i>woreda</i> / <i>kebele</i> : three govt branches 2001: clearer demarcation, Councils supposed to check executive (Cabinets) 2002/3: launch of <i>woreda</i> -level decentralisation (planning/ delivery of basic services, block grants) – Aim: empowerment, greater service responsiveness | 2001: Super-Ministries (incl MCB); National CB Program 2003/4: PSCAP – Aim = attitudinal change, effective & accountable public service Six key components: justice system reform, civil service reform, tax reform, urban management, ICT, District Level Decentralisation Program | | Fragmented support Donor discussion about multi-donor financed program | PSCAP, DLDP |
| 2003 | Drought Food aid for 13 million Decline in coffee price | | | | | |
| 2004 | | | | | | |
| 2005 | Elections PSNP | Opposition in Regional Councils (not in Tigray) | | | | |
| 2006 | PASDEP PBS program | PBS transparency and accountability: <ul style="list-style-type: none"> Supply side: <i>woredas</i> to provide budget and service delivery performance info Demand side: small-scale piloting of ‘social accountability’ projects However, increasing proportion of <i>woreda</i> budgets = salaries of both frontline service workers (teachers, DAs, HEWs – expansion of services) and <i>woreda</i> administration (better qualified staff for greater effectiveness); Little/nothing left for operations and capital investment → Relevance of <i>woreda</i> budgets for local level? Little engagement of communities/ <i>kebeles</i> | Post-2005 ‘good governance’ package: Stop ‘enforcing’ people; ‘Models’ + increased participation to reach consensus Larger <i>woreda</i> / <i>kebele</i> Councils (very few opposition seats) Membership-based associations (MBAs) to represent community (e.g. at Council meetings) Deployment of ‘ <i>kebele</i> managers’ | Strengthening ‘democratic institutions’ (DIP): focus on federal institutions, but supposed to reach out (e.g. Ethics and Anti-Corruption, Human Rights Commission, Ombudsman) + component on | Post-election discussions on CSO legitimacy, government emphasis on MBAs | PBS transparency and accountability components Good governance package |
| 2007 | Inflation 35% food inflation | | | | PBS Social Accountability component launch | |
| 2008 | Additional ‘food aid’ needed for 5-6 million people | | | | Design of multi-donor support program halted with Charities/ Societies Proclamation (CSP) Government ‘White Paper’ on civil society, campaign against ‘rent-seeking’ | Woreda/City Benchmarking Survey II (under PSCAP) Financial Transparency and Accountability Survey (FTAPS, under PBS) |
| 2009 | | | | | CSP Jan 2009: CSOs with more than 10% foreign funding cannot engage in human/civic | African Union APRM process |

| | | | | | | |
|--|--|--------------|--|---------------------------------|---|--|
| | | (99 woredas) | Client Information, Complaint handling mechanisms etc. including at woreda level | strengthening Regional Councils | rights promotion activities Donor 'post-law strategy' (Adaptation Facility, CSP implementation M&E Facility under design; multi-donor program under re-design) Interest in development potential of 'non-threatening' CSOs' ('traditional organisations') | Govt takes lead in Woreda/City Benchmarking Survey process |
|--|--|--------------|--|---------------------------------|---|--|

| | | POLICIES AND PROGRAMMES AIMED AT HUMAN REPRODUCTION DOMAIN/FIELD | | | | AT STRUCTURAL INEQUALITIES | |
|------|---|---|---|---|--|--|---|
| | Events | Education | Health | Water and Sanitation | Social Protection | Gender | Youth |
| 2002 | SDPRP | Big expansion in primary | Focus on primary health care | Water Resource Management Policy (1999) covering watsan, irrigation, hydropower production etc. | 1996 Developmental Social Welfare policy: emphasising access to social services for vulnerable groups but lacking focus on social assistance | Establishment of Women Affairs Office in Prime Minister Office | National Youth policy (2004) |
| 2003 | Drought Food aid for 13 million Decline in coffee price | <ul style="list-style-type: none"> 8 years → better farmers Local language, variations across Regions Emphasis on formal system 'Fee free' but 'voluntary' contributions Enforced enrolment until 2004/5 | Reform of referral system: health post- health centre- district hospital – reference hospital | Ambitious Water Sector Development Program (2002-2015) | Emphasis on self-reliance, anti-dependency campaign | New Family Law (2000), revised Penal Code (2005) addressing rape, abduction, FGMs etc. | |
| 2004 | | Reform of secondary (general, preparatory) | Launch of Health Extension Package; Training & deployment of two female HEWs in each kebele; Focus on prevention, sanitation, hygiene etc.; Hhs 'graduation' | Priority supposed to be on community-led water supply development to meet human basic needs – but funding at variance with this | | However, Constitution recognises customary and religious laws in personal relations + Regional family codes? | |
| 2005 | Elections PSNP | Adoption of Alternative Basic Education as policy | Number of key strategies relying on HEWs: child survival, reproductive health, nutrition (community nutrition action plan, health 'promoters'), malaria prevention etc. | New planning framework focusing on watsan incl hygiene (Universal Access Plan, WASH protocol - health, education and water sectors): Community-based woreda WASH plans, WASH committees at all levels | PSNP 'Direct Support' – issue around graduation... | Strengthening of 'women affair machinery': separate Ministry, Region/woreda Cabinet membership | Youth Development Package (2005) |
| 2006 | PASDEP PBS program | Govt also prioritises higher education (target 33 universities) | Donor concerns: | Accelerated expansion of coverage but issues: | Increasing number/ scope of 'social assistance' schemes | National Action Plan (2006) 'replaced' by consultative, govt-owned Women Devt & Change Package: mainstreaming through 'affirmative actions' in each sector (e.g. women access to extension and | Focus on disaffected urban youth |
| 2007 | Inflation | TVET reform – but focus on formal, post-grade 10 system in practice → Fails to meet needs of large number of pre-grade 10 'dropouts' especially in rural areas | <ul style="list-style-type: none"> Human Resource issues not adequately addressed (brain drain, low motivation etc.); Critical weaknesses in coordination and support systems (drug/commodity supply, supervision | • Weak community empowerment, lack of clarity on roles re: operations/ maintenance (water user committees, woreda office) | No overall policy/ strategy | | Youth issues not systematically addressed in existing programmes, especially in |
| 2008 | 35% food inflation | Stop enforcement | | | Recognition that most vulnerable PSNP hhs will not graduate → Need to shift to long-term entitlement-based social protection | | |
| 2009 | Additional 'food aid' needed for 5-6 million people | Concerns over quality → General Education Quality Improvement Program (GEQIP): School | | | IGAD, African Union social protection | | |

| | | | | | | | |
|--|--|---|--|---|--|--|--|
| | | Improvement planning, school block grant | <p>systems) → Coverage expansion but lack of progress in e.g. maternal health indicators</p> <ul style="list-style-type: none"> • Health care affordability – Fee waiving, community-based insurance – slow development | <ul style="list-style-type: none"> • Lack of standards, weak private sector involvement → Among others, difficult access to spare parts • → Low sustainability of existing water points | <p>framework → Govt commitment to devt of comprehensive strategy</p> <p>Review of MOLSA 1996 policy on going</p> | <p>credit services, quotas in political bodies etc.)</p> <p>No systematic gender equity monitoring</p> <p>Lack of disaggregation of category 'women'</p> | <p>rural areas</p> <p>Lack of disaggregation of category 'youth'</p> |
| | | <p>Increasing proportion of woreda budgets = salaries of both frontline service workers (teachers, DAs, HEWs – expansion of services) and woreda administration (better qualified staff for greater effectiveness); Little/nothing left for operations and capital investment → Quality of services? Relevance of woreda budgets for local level?</p> | | | | | |

5. How the perspective will be used

5.1. In this paper we have thus far (i) acknowledged macro level trends and variations in development outcomes, the importance of looking into finer variations and understanding their causes and the link or lack thereof with government and donor development interventions – and why we contend that the community level is particularly relevant in doing so; (ii) documented and analysed government and donor development models (based on a review of their macro level development planning dialogue over the period 2003-09) and found that they partly overlapped and partly diverged in a number of important respects (chapter four, and Annex Two in further detail, show that government and donor models diverge particularly in the domains of community management and ideas and in specific areas in the livelihoods domain); (iii) explained how we will look at how development interventions (emanating from macro level policies and programmes) enter rural communities, through a perspective which links macro policies/ programmes' objectives, important structural factors at the community level, and time.

5.2. In this final chapter of the paper we further outline how this perspective will be used, by providing examples of how it allows us to think about things that we already know about the communities that we are going to study.

The research communities and preliminary typologies

5.3. One important aim of the research is to 'typologise' communities and propose typological explanation of community development trajectories that is, why certain communities sharing certain characteristics may be found to have similar trajectories in certain respects, due to similarities in key processes at play in the communities entered by the development interventions. We intend to develop a set of typologies which can be nested in different ways to suit the particular policy issue(s) at stake. Through analysis of the data that we already have on the research communities we have identified five useful typologies for grouping them: Region; livelihood system; whether or not in the PSNP programme; urban linkages – to markets, services and information; community cultural mix. The way the different communities feature in these typologies is summarised in the companion paper on methodology.⁵³

The research communities and different intervention mixes

5.4. We also know that different intervention mixes are likely to be found in the different communities, depending among others on the *woreda* in which they are located. Indeed, a good number of the development interventions reviewed in Annex Two focus on only a number of *woredas* in the country (e.g. the Food Security Programme, the Local Investment Grant component of the PBS, nutrition interventions etc.). What we know about the intervention mixes in the *woredas* to which the research communities belong is summarised in Table 6 below. This will be further elaborated in the final report.

⁵³ See "Methodological Approach and Fieldwork Plan", Philippa Bevan, Mokoro Ltd, December 2009 (WIDE 3 2009 (b))

Table 6: Intervention mixes in the research woredas

| | Site ⁵⁴ | Woreda | Region | PSNP | FTAPS ⁵⁵ | WCBS ⁵⁶ | AGP ⁵⁷ | LIG PBS Pilot ⁵⁸ | Other RED/FS programs ⁵⁹ | Nutrition programs ⁶⁰ | Malaria targeted woredas |
|-----------------------|--------------------|------------------------|--------|-------------------|---------------------|--------------------|--------------------|-----------------------------------|---|-------------------------------------|--------------------------------|
| ERHS sites | | | | | | | | | | | |
| 16 | Sirbana Godeti | Ada'a | Oromia | No | | | Yes (teff-wheat) | | | | |
| 6 | Debre Berhan | Debre Berhan Zuria | Amhara | No | | Yes | | | | | |
| 20 | Yetmen | Enemay | Amhara | No | | Yes | Yes (teff-wheat) | Yes | | | |
| 19 | Turufe Kecheme | Shashemene | Oromia | No | | Yes | | | | | |
| 7 | Dinki | Ankober | Amhara | No | | | | | | | |
| 1 | Adado | Bule | SNNP | No | | Yes | Yes (coffee+enset) | | WB FSP ? | | |
| 12 | Imdibir Haya Gasha | Cheha | SNNP | No | Yes | | | | | | |
| 15 | Shumsheha | Bugna | Amhara | Yes ⁶¹ | | Yes | | | | | |
| 8 | Do'omaa | Dera Malo | SNNP | Yes | | | | | | | |
| 4 | Aze Debo'a | Kedida Gamela | SNNP | Yes | | Yes | | | | | |
| 11 | Harresaw | Atsbi | Tigray | Yes | | Yes | | | | | |
| 10 | Geblen | Saeisa Ts/Emb | Tigray | Yes | | | | | | | |
| 14 | Korodegaga | Dodota Sire | Oromia | Yes | | Yes | | | | | |
| 9 | Gara Godo | Bolosso Sore | SNNP | Yes | | | | | | | |
| 2 | Adele Keke | Kersa | Oromia | Yes | Yes | Yes | | | | | |
| Not ERHS sites | | | | | | | | | | | |
| 18 | Luqa | Hamer Benne | SNNP | Yes | | Yes | | | | | |
| 13 | Gelcha | Fentale | Oromia | Yes | Yes | | | Yes | | | |
| 17 | Somodo | Mana | Oromia | No | | Yes | | | ELAP (land) | | |

⁵⁴ Sustainable Land Management: a multi-donor funded programme active in a number of woredas (PSNP and non-PSNP), aimed at rolling out the watershed development approach across the country. None of the woredas are under the WB-funded SLM project (WB PAD SLM 2008). Other donor programmes may have started since then in non-WB woredas.

⁵⁵ Financial Transparency and Accountability Perception Survey (MOFED, June 2009), carried out as a PBS activity (component 3) – This will be followed up.

⁵⁶ Woreda/City Benchmarking Survey (WCBS): Round I was carried out in 2006, Round II in 2008. Round III is being planned (undertaken under PSCAP)

⁵⁷ Agricultural Growth Programme: being designed as a multi-donor programme likely to focus on a “small number of high potential woredas”.

⁵⁸ Local Investment Grant: A new component of PBS, piloted in 99 woredas across the country, aimed to give woredas funding for capital investment, un-earmarked to any sector.

⁵⁹ For instance, Rural CB Programme, or CIDA IMPS programme etc. This will be followed up.

⁶⁰ Including EOS/TSF (Enhanced Outreach Strategy/Targeted Supplement Food) active in 325 woredas (264 of them also TSF); USAID-financed Essential Nutrition Action; component focused on under-2 child growth in 50 woredas under WB FSP (separate from government FSP, phased out in 2010). This will be followed up.

⁶¹ As part of the regular PSNP monitoring a qualitative assessment of PSNP effects was carried out twice in eight woredas, in 2006 and 2008. Bugna is one of those.

| | | | | | | | | | | | |
|---|-----------|-----------|--------|----|--|--|--|-----|-------------|--|--|
| 3 | Odadawata | Tiyo | Oromia | No | | | | Yes | ELAP (land) | | |
| 5 | Oda Haro | Bako Tibe | Oromia | No | | | | Yes | | | |

Illustrations of the use of the perspective

5.5. Bringing everything together, we conclude this paper by giving two examples of how we will investigate how development interventions, underpinned by partially overlapping/diverging models, enter differently different (types of) communities (at times that may be different too) to produce different outcomes.

5.6. The first example is drawn from the **livelihoods field**. In both chronically food insecure areas and areas with high agricultural growth potential, interventions promoting diversification, specialization and commercialization are thought to be critically important (to enhance food security in the former and enable growth in the latter). These, in turn, require that communities and households within them have access to (i) reliable and professional rural financial services; (ii) inputs and outputs markets. This is acknowledged in the government-donor framework for rural development that is, the scaling up of rural financial services and greater attention to market development have been taken up as priorities under the PASDEP (more clearly than used to be the case under the SDPRP).

5.7. However, Government and donor models diverge in how to do this. True to its overall position the government mainly emphasizes the role of farmers' cooperatives in both agricultural input/output marketing (e.g. the PASDEP foresees that the cooperatives' market shares should rise over the PASDEP period) and the provision of rural financial services (with the rapid creation of Rural Savings and Credit Cooperatives/RUSACCOs all over the country, and the use of government budget machinery to provide them with 'seed capital'). On their side donors have continuously insisted (to limited avail thus far) on the need to go beyond cooperatives in thinking about agricultural marketing. With regard to the provision of rural credit donors have tried to promote the role and potential of professional Micro-Finance Institutions and insist on the necessity of delinking the provision of rural finance from government operations – again with limited success.

5.8. One question is, therefore, how these partly overlapping partly diverging macro models for marketing and rural financial services effectively entered the different communities that is: when they did appear (e.g. we expect to find that the provision of rural credit *for diversification*⁶² was paid attention earlier in the chronically food insecure areas than in the growth potential areas, reflecting the earlier development of the food security agenda compared to the agricultural growth agenda); what forms market/financial service-related interventions did effectively take; what happened when they were proposed/imposed onto the community/different people in it; what results this did produce for different people in the different communities. We expect that we will find fairly different situations in the six communities that we will study in Stage One in relation to how much buy in there was and what the results were – just looking at selected livelihoods characteristics of these communities as follows:

- Geblen: Tigray, drought prone (PSNP), vulnerable cereal growing, remote
- Korodegaga: Oromia, drought prone (PSNP), vulnerable cereal growing, irrigation but constrained access to market
- Turufe: Oromia, cash food crop growing, good access to market (Shashemene)
- Dinki: Amhara, drought prone (non-PSNP), vulnerable cereal growing, remote
- Yetmen: Amhara, cash food crop growing, good access to market
- Indibir: SNNP, highly populated enset growing, relatively good access to market

5.9. We do know, from previous analysis of the wealth trajectories of the twenty research communities between 1994 and 2004, that on average the 'cash food crop growing' communities did better and the 'highly populated enset growing' communities worse than the other types of

⁶² As opposed to the regular seasonal loans for fertiliser and seeds

communities.⁶³ We will design research instruments to investigate key processes that could contribute to explain such types of differences. Whether or not rural financial services and linkages to markets have improved and the way this has affected differently different communities (depending on the broader environment and local dynamics) are expected to feature among these processes.

5.10. The second example relates to the **community management field/domain**. For both government and donors, participation is critical to prompt improved local governance. However, government and donors do not have the same understanding of what participation and improved local governance should look like. For donors the ultimate objective is to empower citizens to demand accountability from local government bodies (notably for basic service delivery) and this is done through mobilizing and capacitating civil society (broadly defined) including through tools such as participatory budgeting, Community Score Cards and Citizen Report Cards (as promoted by the social accountability of PBS) and through transparently competitive politics.

5.11. In contrast, government concept of participation is encapsulated in the ‘good governance package’. Participation is a way of reaching consensus on government policies. Greater participation is both direct (with the much larger Councils established in 2008 at *woreda* and *kebele* levels, many more people participate directly to the debates and ‘decision-making’ at these levels) and indirectly (through representatives of membership-based associations attending the Councils’ meetings, as another channel to, in principle, relay people’s voice). This is accompanied by the used of ‘models’ that will convince people of the relevance of the government policies. The aim is to have more people more convinced of government policies and programmes. *Kebele/tabia* ‘managers’ are deployed to, among others, facilitate people’s participation by ensuring that information flows are improved and cases brought by community members and requiring local government’s intervention are swiftly resolved.

5.12. These overlapping/diverging models ‘enter’ differently and produce different outcomes in different communities. We have examples of this from what we already know about the communities – and here are just two such examples - fieldwork carried out in November-December 2007.

5.13. In Geblen (Tigray): the newly deployed *tabia* **secretary** (she was not called a manager) was a Grade 10 woman from the community, selected as such (against the regional directive that those people should have a Certificate level education at least) because she would be “acceptable to the community”, and accountable to the *tabia* leadership. There were regular *tabia* Council meetings, and the quarterly *woreda* Council meetings were attended by delegations of ten to twelve people from the *tabia* in addition to the *woreda* Councillors elected for the *tabia* as a constituency. These representation mechanisms appeared to have some effect: for instance, the *tabia* Council rejected the *woreda* proposal (following regional directives to that effect) that children attending grade 7 and 8 at the *tabia* school should ‘benefit’ from a longer shift. This would have been unpractical as households need the children’s labour on the farm. The *woreda* was forced to drop this proposal.

5.14. In Dinki (Amhara): the newly deployed *kebele* **manager** (as he was called) was a (Certificate-holder) outsider recruited by and expected to be accountable to the *woreda* administration. *Kebele* manager and *kebele* leader were expected to cooperate but it was not very clear who would have pre-eminence in case they would disagree. There was no operational *kebele* Council (it had not met for a year or so). The *kebele* leader was occasionally invited to attend *woreda* Council meetings but this appeared to be rare. *Woreda* Councillors representing the *kebele* were not living in the *kebele* and were rarely seen there. The mechanisms supposed to relay the priorities of the community appeared to have very limited influence over decisions made at the *woreda* level or higher up. As an

⁶³ See Bevan and Pankhurst, 2008 (IAG paper). In this analysis wealth is measured by the average per adult equivalent consumption level. Data is from the Ethiopian Rural Household Survey.

example (bitterly recalled by the community), in 2003/4 the *kebele* clinic was due to be upgraded into a health centre and people were asked to and did contribute labour to that effect. However, the health policy then changed and the supposed-to-be health centre was finally 'downgraded' into a health post. As a result, as people note, "we have a huge building for a very small purpose"...

5.15. In our research we will investigate the key processes that lead to so different outcomes in terms of participation and local governance.

Annex One: Historical review of Government – donor macro policy dialogue

Government - SDPRP 2002/3-2004/5 (August 2002)

A1.1. In the context of the Highly-Indebted and Poor Country (HIPC) debt relief initiative, the country launched the SDPRP in 2002/3, following wide-ranging public consultations at *woreda*, regional and federal levels held in 2001. The focus on poverty reduction is emphatically stated as follows: “For some countries, economic growth is the primary policy goal, and poverty reduction is to be achieved through measures complementary to growth. This is not the approach of the Ethiopian government. Poverty reduction is the core objective of the Ethiopian government. Economic growth is the principal, but not the only, means to this objective.” (SDPRP:i). In line with a trend observed elsewhere in the PRS processes, in the SDPRP the government identified a number of ‘**poverty oriented sectors**’ – to which it commits to pay particular attention including in terms of resource allocation. These sectors were (and have remained since then): agriculture, water, roads, education and health.

A1.2. The SDPRP states the “fundamental objectives” of the government as follows: Ensuring Rapid and Sustainable Economic Growth; Enhancing the Benefits of the People; Minimizing Dependency on Foreign Aid – in this order. The strategy focuses on improving human and rural development, food security, and capacity building through four pillars:

- Agricultural Development Led Industrialization (ADLI) – a broad rural development policy and strategy issued by the government in the mid 1990s¹ and refined in a major document issued in 2001 (“Policies, Strategies and approaches to rural development”, Ministry of Information)
- Justice system reform and civil service reform
- Decentralization and empowerment
- Capacity building in public and private sector².

A1.3. Major emphasis is given to ADLI as the agricultural sector is said to be the source of the country's livelihood and the “government gives overriding primacy to the welfare of the rural populace” (SDPRP: i). In addition, the sector is said to have the potential to generate primary surplus to fuel the growth of other sectors of the economy, specifically the industrial sector.

A1.4. In line with ADLI the SDPRP makes it clear that the government’s **rural development** strategy is one of “betting on the smallholder”, with greater weight given to crop production than other aspects of the peasant economy, and an emphasis on the use of “labour using but land augmenting” technologies (e.g. fertiliser, improved seeds and “other cultural practices”)³. As domestic demand is said to likely be a critical constraint, part of the production must be competitive for exports (which in turn, would require more intensive farming, an increasing proportion of marketable output, greater market interaction on the part of farmers, and extension of credit to farmers). Cooperatives would “play important roles in facilitating input and output marketing as well as in promoting the provision of rural finance”. The non- peasant private sector is expected to play a key role, strongly facilitated by the federal government in collaboration with regions (allocating land for commercial farming, ensuring adequate infrastructure facilities, streamlining efficient land lease procedures, working out

¹ There does not seem to be one document encapsulating the ADLI policy/strategy. References to ADLI call it variably a policy framework, a policy, or a strategy (see Annex Two for more on ADLI).

² In the summary of the major thrust of the SDPRP, education is strongly emphasised – seen as an investment to develop stronger capacity to fight poverty - but health is not mentioned at all.

³ Quotations are from the “Digest of Ethiopia’s National Policies, Strategies and Programs”, edited by Taye Assefa and published by the Forum for Social Studies in 2008 (in the “Part II: Agricultural Policy Review” chapter). The Digest will be referred to as ‘Policy Digest FSS 2008’ elsewhere in this paper.

an efficient arrangement safeguarding the interests of all parties concerned, for those who want to rent land from farmers). But agricultural commercialisation is also presented as a thing for the longer term.

A1.5. Key measures in the SDPRP agricultural development programme include: increased extension services (particularly better designed extension packages); more investment in agricultural training (Development Agents/DAs and farmers); increased efforts at water harvesting and irrigation; improved marketing opportunities; restructuring peasant cooperatives and support to micro-finance institutions. Livestock development is one of ten “priority areas of actions in agriculture and rural development” (SDPRP: 61) and does not attract a detailed treatment, although it also is the costliest activity in the sector “program costs” – representing just less than 30% of the total costs. Agricultural Technical and Vocational Education and Training (Ag TVET) represents an almost as large outlay, reflecting the priority given to strengthening capacities of farmers and of extension agents, with ambitious plans for training and deploying more and better qualified Development Agents in all *kebeles*⁴.

A1.6. The SDPRP, prepared before the severe drought of 2002/3, nonetheless acknowledges the challenge of reaching **food security** for the “four million people” who needed food aid year on year. This was to be addressed through the Food Security Strategy (FSS, 1996), revised in 2002 and from 2000/01 onward, implemented through a specific programme with a dedicated budget line in the government budget⁵. The SDPRP explains that whilst ADLI focuses on food self-sufficiency for the country as a whole, the FSS focuses on food security at the household level. This was supposed to be achieved through measures aimed to: (i) increase households’ domestic food production (through extension, research, conservation-based agriculture, irrigation and resettlement); (ii) raise their access to food (promotion of and support to Micro and Small Enterprises (MSEs); improved food marketing through infrastructure and the “role of parastatals in stabilising prices”; implementation of Employment Generation Scheme and Food-For-Work as coping mechanisms); (iii) strengthen the country’s emergency response capacity.

A1.7. **Education and health** plans in the SDPRP are fully aligned with those of the Education and Health Sector Development Programs (ESDP and HSDP) which had been put in place in the late 1990s, to implement national policies issued by the TGE (see section 4). In both sectors the major emphasis is on expanding services and in particular, primary education and basic health care services. However in education, the ESDP II (2002/3-2004/5) already reflects a shift toward greater attention to post-primary sub-sectors – following what is presented as the success of ESDP I in significantly raising primary school enrolment. In health, the SDPRP also coincides with a shift in policy – somewhat ‘in the other direction’: the ‘health extension package’, with a focus on preventative health and health awareness, is emerging as a priority. It is described as a new “innovative community-based health care delivery system” included in the HSDP II. The policy envisages that a new cadre of health extension workers was going to be trained (focusing on preventative health, health awareness, hygiene etc.) and deployed in the country (two health extension workers in each *kebele*).

⁴ The total costs for the agricultural sector include food security – though not ‘emergency food aid’ which was still the only way of directly transferring resources to households affected by food shortages. Rural roads, electrification and telecommunication are costed elsewhere. The sector costs include a very small “pastoralist development” component. The total amounts to birrs 9.9 billion over three years i.e. 18% of the total program costs for the ‘poverty oriented sectors’.

⁵ The budget line was created so that the government could show how budget allocations were redirected from defence to food security, and also to reflect ‘budget support’ provided by the EC for food security. The food security budget line was meant to finance the expansion in all concerned Regions of a ‘food security package’ approach developed and piloted in Tigray. The EC programme was ended in 2004/5 as the PSNP ‘took off’.

A1.8. Donors were also concerned that the SDPRP was too costly and there was a gap between the programme costs for the poverty oriented sectors (birrs 52.5 billion over the three year period of the SDPRP) and the resources that government estimated would be available for them (birrs 37.4 billion). The GOE did not indicate how targets would be adjusted and actions prioritised, if it failed to raise the additional resources required to bridge the financing gap. In addition to there being a gap between estimated costs and estimated resources, the assumptions concerning growth rate and external funding underpinning the resource trends were also more optimistic than those endorsed by the FMI and WB in their macroeconomic discussions with the Government. In other words, in the donor perspective the gap was even more significant than suggested in the SDPRP. This concern (of a wide gap between government's ambition and the resources available) has been a permanent one since then.

Donors (WB & IMF) - JSA on SDPRP (August 2002)

A1.9. This first Joint Staff Assessment note (JSA 1) highlights the strong ownership and consultation process that underpin the SDPRP. Although the process was limited to getting feedback on GOE's policies and not involving stakeholders in policy formulation, this is recognised as a first ever move in Ethiopia. The JSA also endorses the broad thrust of the SDPRP, including the comparatively strongly interventionist role of GOE which, it is said, is justified by a number of deep structural challenges faced by Ethiopia⁶.

A1.10. However, the JSA expresses a number of concerns, notably over:

- The rather shallow understanding of the links between growth and poverty reduction
- The size of the development programme and ambition of targets considering that costs exceed available resources
- The lack of specificity in a number of critical policy areas, mostly to do with liberalisation of the economic environment and opening up to the private sector – including in relation to agriculture. Areas requiring attention were, notably: a clear statement of fertilizer policy and of other measures to improve the functioning of agricultural input markets; measures to overcome implementation constraints on irrigation; a streamlining of the land lease policy; measures to enhance the rural credit system, including its separation from the extension system and elimination of the state guarantee⁷
- The inadequate attention to education quality issues, and to the burden of specific diseases in health
- The 'complexity' introduced by the 'next step' in decentralisation which the GOE launched in 2002/3 with the devolution of greater responsibilities to *woredas*.

Government - APR 2002/3 (December 2003)

A1.11. The first Annual Progress Report on the SDPRP, covering the year 2002/3, was issued in the midst of the very severe food crisis provoked by severe and large-scale drought, and which had necessitated food aid for thirteen million people. Growth performance was drastically off target, but in spite of this GOE managed to increase spending on the 'poverty oriented sectors'.

⁶ Notably: the necessity of redressing a historical legacy of neglect of the rural poor; the "almost unparalleled" scale of the challenge; and the overriding concern for food security.

⁷ It is noteworthy that seven years later, and in spite of extensive and detailed government-donor discussion over the past few months in the course of the preparation of the new Food Security Program (August 2009), the separation of extension and credit that donors were calling for in 2002/3 remains an outstanding issue. The compromise finally found for the FSP makes it unlikely that complete separation will be achieved any time soon (financial services are meant to be provided primarily by specialised Rural Savings and Credit Cooperatives, the RUSACCOs, which can under certain circumstances attract funding from GOE as 'start up capital' and with these funds flowing through the government budgetary channels). See Annex Two for more on this.

A1.12. A number of specific actions that were 'expected' by donors (as indicated in the JSA 1) were reported to have taken place, such as social impact assessments of the introduction of the Value Added Tax and of the decline in the price of coffee on the international market; and the elaboration of alternative macroeconomic scenarios and their implications in terms of spending.

A1.13. Progress appeared to be quite slow with e.g. the move away from government's guaranteeing agricultural credit and opening up input markets to private operators. In the agriculture sector progress was more tangible on the extension side, with the development and rollout of 36 menu-based integrated packages and the initiation of the reform of Ag TVET. Concerns with regard to education seemed to be related mainly with low construction/expansion capacity. On the health side there were concerns over a general resource shortfall, and the weak Human Resource (HR) basis of the sector. The APR also reports on the implementation of the population policy – which seemed to be, in practice, left to health and agriculture extension workers but without specific guidance for this.

Donors (WB & IMF) - JSA on APR 2002/3 (January 2004)

A1.14. The JSA indeed notes slow progress with private sector (and financial sector) development. It repeats the concern that as it stands the SDPRP is not 'financeable', and the alternative macroeconomic scenarios that the government developed do not help as they are not accompanied by prioritisation scenarios. The JSA also notes that the participation process has been "slow to take roots during implementation". It indicates that donors would expect the second APR to include: more specific measures to support the development of the private and financial sectors; a report on progress made with and impact of GOE programmes in rural development, food security, population, and land reform; further work on matching costs and available resources; and a clearer vision for decentralisation.

Government - APR 2003/4 (March 2005)

A1.15. The second APR on the implementation of the SDPRP highlights a number of positive elements, notably: a return to high economic growth rate; the finalisation of a Fiscal Decentralisation Strategy; the start of a move toward a productive safety net (PSNP) to replace the annual emergency appeal process for chronically food insecure areas and households in these areas, a much bigger budget for the complementary GOE-financed FSP and the intention to establish strong links between the PSNP and the FSP; good progress made with the expansion of services in agriculture and education, and in health the deployment of the first batch of the newly trained health extension workers. The APR also notes that the government has adopted a privatisation strategy and highlights what turned out to be the beginning of a 'success story' with investors starting flower farms for export.

A1.16. However the report also highlights challenges, notably: the necessity of faster growth of the private sector to create employment and raise incomes; continued weak administrative/implementation capacity; the huge requirements linked to the rollout of the PSNP; the need to accelerate the transformation of the agricultural sector and; the shortfall of resources compared to what would be required for Ethiopia to achieve the MDGs.

Donors (WB & IMF) - JSA on APR 2003/4 (October 2005)

A1.17. The JSA was issued in a period of unresolved political tension and whilst in spite of this, the process of preparing the 'SDPRP II' (eventually called PASDEP) was going on, with the government insisting for a tight timetable to complete it. Donors, in contrast, had started insisting on a longer timeframe already before the elections, arguing that a number of policy areas needed further

elaboration hence analytical work, and that there was not enough time in GOE's timetable to integrate findings from ongoing work⁸. The post-election climate continued to be very tense for a while, so that in the end the GOE's timetable was not adhered to (the PASDEP was presented to Parliament in August 2006) and some of the work that the donors were keen on took place and was able to influence the PASDEP 'discourse' to some extent.

A1.18. In the meantime, this JSA expresses (more strongly than in previous such documents) a number of concerns which it expects the government to address in preparing the SDPRP II (PASDEP). Notably:

- The government should consider and specify key structural reforms needed to accelerate growth
- Most needed are measures to accelerate private and financial sector development. The JSA notes that: "Production increases in 2003-05 mostly reflect land expansion, favourable weather conditions, and expansion of rural services. Neither per capita food production nor land productivity has increased, and labour productivity has declined... Delivery systems have limited impact, are not readily responsive to demand, and over-emphasize delivery of inputs over advice. The new marketing strategy does not adequately address competition and private sector investment, especially in input markets, and is overly reliant on the promotion of cooperatives... the authorities should... strengthen agriculture input markets (seeds and fertilizers), making them more competitive with greater private sector involvement...". And elsewhere: "the contribution of the private sector to the economy remains limited."
- The government should develop alternative macroeconomic scenarios reflecting the actual volatility in both, economic growth and aid flows
- Measures to strengthen administrative capacity and especially, to ensure that decentralisation was beneficial are said to be critical. The JSA highlights "erratic resource flows and poor incentives to perform in the intergovernmental fiscal system" and "lack of clarity in the roles of the political leadership and technical staff across the public administration" - something that a number of political analysts had outlined in donor-financed analyses in 2002/3 already⁹, but which by then presumably had not been seen as such a salient issue.

A1.19. In addition to the JSA and in spite of the difficulties linked to the political context, both the DAG and certain NGOs provided written inputs to the government for the formulation of the 'SDPRP II' before the end of the year 2005.

Donors - DAG inputs for SDPRP II (May 2005)

A1.20. The DAG had prepared draft inputs for the formulation of the SDPRP II in May 2005¹⁰. It is not certain that the note from the DAG was ever sent to the government, as it is unlikely that it would have been sent after the June post-election events. However, the points that the note raises had been regular topics for discussion (e.g. in the Direct Budget Support dialogue) and as such, the government knew the donors' position¹¹. The key points raised by the DAG resonate with the points

⁸ This included the Household Income Consumption and Expenditure Survey (HICES) 2004/5, a Participatory Poverty Assessment (PPA) also launched by government, both in 2005, and analytical work carried out by the WB on 'Well Being and Poverty in Ethiopia: The Role of Agriculture and Agency' (2005) and the potential of the agriculture sector.

⁹ See e.g. Vaughan & Tronvoll 2003

¹⁰ That is, before the government's letter on the "Roadmap for SDPRP II Formulation and Schedule of Consultation" inviting them to do so - dated June 2005.

¹¹ From 2002/3 onward a group of donors had started providing Direct Budget Support in support to the SDPRP. The 'policy dialogue' around DBS was an opportunity for the donors involved and others to air their concerns over a number of issues, more frequently and regularly than through the APR process.

made in the JSA note analysed above, although they are made somewhat more ‘directly’, and the specific and strong emphasis on the challenge of population growth is also not found in the JSA.

A1.21. The DAG’s main concerns are over:

- The “**role of the private sector** in overall growth strategy”: The DAG recognises certain progress but calls for, notably, “clearer property rights” with regard to land – which “would promote private sector participation in all economic activities” – and the elimination of market distortions and in particular, expediting the liberalisation of the input and output (agricultural) market, the liberalisation of the financial and telecommunication markets, and generally the establishment of a “fair playing field and absence of any preferential treatment of particular actors, the party-owned companies in particular”. There is also a strong call for the government to support the informal micro-enterprise sector (including women in this sector).
- The need for “a **fundamental rethink of rural development strategies**”, which would imply better appreciation of the trade-offs between investments in high potential versus low potential areas, and a variety of public investment strategies going “beyond entitlement programs and policies designed to increase the productivity of subsistence farmers”. This – which sounds like a call to avoid an exclusive focus on the ‘chronically food insecure areas’ - also brings the DAG back to the point about greater involvement of the private sector in agriculture. The DAG also stresses the necessity to strengthen rural-urban linkages and accelerating the development of urban centres as growth poles.
- The necessity to address the **greatest challenge** of all, **population growth**, in a much more aggressive manner¹². This requires an implementation action plan for reproductive health, and addressing issues of continued low capacity of health staff (linked to lack of attention of the Civil Service Reform to issues of recruitment, promotion and retention of skilled professionals) and of poor logistics management in the supply of contraceptives.

A1.22. The DAG also raises questions about the nature and form that an SDPRP II should have considering the federal decentralised arrangements. It suggests ways in which the SDPRP II should be translated into adequate service delivery performance indicators and well-defined, realistic, and monitored expectations of performance from the Regions and *woredas*. There should also be budget reforms at all levels and across the country so that the SDPRP II targets and regional (and *woreda*) plans are linked to ‘nested’ multi-annual financial plans and annual budgets¹³.

NGOs – Policy Considerations Proposed for SDPRP II (September 2005)

A1.23. The note submitted to the government was authored by NGOs members of two consortia: the Christian Relief and Development Association (CRDA) established as a follow-up to a meeting of the churches at the onset of the famine in 1973, and the Poverty Action Network (of CSOs) in Ethiopia (PANE), more recently established to institutionalise the ‘NGO PRSP Task Force’ that had been created in the process of preparing the SDPRP¹⁴.

¹² The DAG notes that “ten years after the promulgation of the National Population Policy, modern contraceptive use increased only slightly, from 4% among currently married women in 1990 to about 6.3% in 2000.”

¹³ At the time, the Decentralisation Support Activity (DSA) project, working on budget reforms with MOFED and regional BOFEDs, was piloting the development of regional multi-annual Public Expenditure Programmes (PEPs) which were to be ‘embedded’ into the federal level multi-annual macroeconomic and fiscal framework (MEFF). This does not seem to have been pursued beyond the pilot phase.

¹⁴ In 1973 the CRDA had 13 members. As of February 2009 it had over 350 member agencies (72% local NGOs and 28% international NGOs). PANE was officially registered in 2005. It has 90 member organisations “representing various sectors and spheres” and including local NGOs/CSOs; networks (e.g. women’s groups,

A1.24. In this note the starting point of the NGOs is an emphasis on the many potentials of Ethiopia which, they argue, are not fully tapped into. Education and “democratisation”¹⁵ are said to be indispensable ways of ensuring that potentials are exploited to the fullest possible extent.

A1.25. Beyond this ‘philosophical’ standpoint, the note’s clearest point resonates with the concern of donors over the prevailing rural development strategy. The NGOs too call for revisiting the ADLI strategy and instead, “pursuing a comprehensive approach to development” which would give due consideration to off-farm activities and to the linkage and interdependence between rural and urban economies and between agriculture and industry. The paper calls for greater understanding of the conditions that would enable agriculture to contribute to growth. These conditions would include tenure security, access to land for investors, labour mobility, and local market opportunities and support to the informal sector, all of which, the NGOs argue, had not been present thus far. The government should “consider an independent review of the ADLI” and clearly “promote urbanisation”¹⁶.

Government – PASDEP (September 2006)

A1.26. In the event the ‘consultation process’ underpinning the PASDEP turned out to be much longer than what GOE had stated it would want it to be in the letter sent to various stakeholders in June 2005. Compared to the SDPRP, and as recognised in the PASDEP, there was little consultation ‘at the grassroots level’. This was justified as: (i) people’s preferences were unlikely to have changed much in the course of the three years of the SDPRP implementation; (ii) there had been a number of other consultation processes such as the PPA commissioned by MOFED, a Citizen Report Card (CRC) exercise carried out by PANE, and the consultations held in the context of the federal and regional elections (the main highlights of the PPA and the CRC are indeed reported in the PASDEP). The consultation process at federal level is explained in more detail. It is emphasised that the PASDEP was approved by the Council of Ministers and discussed by Parliament and finally adopted as law guiding the development of the country for the next five years, in October 2006.

A1.27. The PASDEP is dated September 2006. Yet, official comments in the form of a note from the DAG and the WB-IMF JSA did not come until mid-2007 (see below). The main reasons for this delay were linked to the difficult political climate. In particular, there were protracted discussions on the ‘governance matrix’ which was supposed to be agreed between GOE and the donors¹⁷ and would record the government’s commitments in this area. The final version of the PASDEP was submitted to the IMF only in May 2007 (see JSA note), almost one year after the Ethiopian Parliament’s approval, and it did not yet include an agreed policy matrix.

A1.28. In terms of priorities, the PASDEP is said to both pursue the main priorities undertaken with the SDPRP, and contain some “bold new directions”. A comparison of the topics addressed by the two documents (see Appendix 1.1) shows indeed a mix of continuation¹⁸ and of change, in the form of either greater emphasis in the PASDEP on themes which were treated much more summarily in

HIV/AIDS groups, pastoralists); international NGOs; research organizations; faith-based organizations; professional associations; Community-Based Organizations (CBOs); regional Women & Youth Associations etc.

¹⁵ The note does not explain what is meant by this.

¹⁶ The section on promoting urbanisation appears to have been cut out i.e. there is a heading without text associated to it.

¹⁷ The ‘governance matrix’ is part of the overall PASDEP matrix, a jointly agreed overall monitoring and evaluation (M&E) tool for the government-donor policy dialogue.

¹⁸ Appendix 1.1 shows that many headings are found in the table of content of two documents, though they appear in a different order and slightly differing wordings may be used.

the SDPRP, such as, in particular, urban development and population growth, or themes that are completely new in the PASDEP, such as youth development.

A1.29. The PASDEP reflects a twin pressure on the government to, on the one hand, focus more tightly its priorities towards the pursuit of the MDGs and on the other hand, redouble effort to accelerate economic growth and structural change. These need not be contradictory objectives: the challenge, though, is to ensure that economic growth is shaped in such a way that it effectively reduces poverty. While the MDGs suggest where attention needs to be focused in the social sectors (through targets for MDGs 2 to 7), there is no specific recipe for economic growth. In Ethiopia, the challenge of inducing a trend of high growth sustained over the long term, and ensuring that growth is broad-based, is said to be particularly difficult. Moreover, the analysis above suggests that at the onset of the PASDEP, GOE and donors did not agree on all the aspects of how to do this. However, this lack of agreement is not explicitly stated in the PASDEP.

A1.30. With regard to **rural development**, the main objectives of the PASDEP are: strengthening of human resource capacity and its effective utilization; ensuring prudent allocation and use of existing land; adoption of development path compatible with different agro-ecological zones; specialization, diversification and commercialization of agricultural production; integrating development activities with other sectors; and, establishment of an effective agricultural marketing system. There is little new in this. The SDPRP already stated the importance of a diversified development strategy which would be responsive to agro-ecological zones. However, the PASDEP brings a little more detail and for instance, introduces the idea of identifying and developing “growth corridors”¹⁹ – in contrast, there is no longer any reference to labour intensive technologies in PASDEP.

A1.31. It is often said that the main difference between the two plans is PASDEP’s greater emphasis on agricultural commercialisation and on strengthening rural-urban links, as well as greater attention to urban development - including the development of small towns as growth/service poles in rural areas. This is true although there are important nuances to this picture. The section on agricultural marketing is very much about the new government agencies established to ‘facilitate’ marketing, and about the strengthening of farmers’ cooperatives, with very little about the ‘private sector’ in the way most donors would mean it (see below). Thus for instance, strengthening opportunities for farmers to get involved with the domestic market is a matter of “short chains” bringing “closer producers and buyers”. Typically, one of the targets is to increase the cooperatives’ shares of the agricultural inputs and outputs markets over the PASDEP period (from 70% to 90% and from 10% to 60% for inputs and outputs respectively). Rural-urban migration, though it is no longer described exclusively as a negative factor affecting urban development as was the case in the SDPRP, is now considered as “inevitable”, as “people move from saturated rural areas”, hence to be addressed in implementing the National Urban Development Policy approved by the Council of Ministers in 2005.

A1.32. In relation to rural development, other notable differences are the much greater detail, in PASDEP, on livestock development and animal health services, natural resource conservation and management, and agricultural research and extension.

A1.33. In relation to **food security**, PASDEP presents a summary of the programs that had been expanded or developed under the lead of the joint New Coalition for Food Security following the 2002/3 drought that is: the (government-financed) ‘Household Asset Building’ and ‘Resettlement’ programs (better known as FSP) and the donor-financed PSNP. The PASDEP also pays attention to non-agricultural income as a strategy for addressing food insecurity, but there is very little detail on this, and no explicit link with the activities envisaged for urban development or the youth. Issues of “youth and development” get a separate section – which refers to the new National Youth Policy

¹⁹ The concept of growth corridors is used in the context of the section on the “fundamentals” of the Agricultural Development Strategy, which among others discusses “specification, diversification and commercialisation”.

approved in 2004 and emphasises the link with the TVET expansion/reform programme (under the ESDP III) and the role of micro and small enterprises development.

A1.34. Beyond rural development, the PASDEP also includes a more detailed treatment of the key topic of “**population** and development”. Following various analyses (in which it is stated again that large family size appears to be associated with poverty) and a brief overview of the National Population Policy goals²⁰, the measures outlined focus on: greater priority to raising girls’ and women’s education; rapid rollout of the HEP/HEW approach in health, with emphasis on family planning; implementation of a newly prepared Reproductive Health (RH) strategy (see section 4 for a review of the HEP and RH); and strengthening awareness-raising, advocacy, and monitoring activities.

Donors (DAG) – Comments from the DAG (May 2007)

A1.35. The DAG’s objective in tabling this note is said to be about facilitating PASDEP’s implementation and not launching “a new debate on its content”. Somewhat in spite of this, the note is generally about suggestions for further ‘dialogue’ in areas in which the DAG believes that the government should go further. Overall, three main such areas are outlined – arising from donors’ concern that the PASDEP is (as was the SDPRP) over-ambitious compared to the resources available: (i) the GOE’s vision for the sources of growth, (ii) the role of public investment, and (iii) the enabling **framework for private sector-led growth**. On the latter, donors highlight the need for government to both address the policy and investment climate obstacles faced by the private sector ‘across the board’, and focus on “more pro-poor and employment generating sectors” (such as dairy, honey, tourism and the informal sector). In relation to agriculture they stress that the role of the private sector in achieving growth should go beyond attention to the cooperative sector, and that the dialogue on these issues should involve regional authorities as well as the federal government.

A1.36. Other points raised by the DAG include:

- The fact that a number of key policy issues remain outstanding in relation to **governance, capacity building and decentralisation** (beyond the government-donor agreement on the PASDEP governance matrix), e.g. governance of the security sector, policy toward civil society and access to information, strengthening of the effectiveness of democratic institutions... The DAG stresses the need for discussions to continue on these issues, and insists that civil society as well as private sector should be welcomed to participate in the task of monitoring PASDEP’s implementation – in particular, in relation to governance issues²¹.
- In education there are concerns over the declining share of education in the allocation of government’s resources, rising funding for tertiary and that this should not be made at the

²⁰ The population policy goals include a reduction of fertility to 4 children per woman in 2015 – this was against 7.7 in 1990, reported to have decreased to 5.4 in the DHS 2005. Another quantified target is to increase the use of contraceptives from 4% in 1990 to 44% in 2015. Other goals are related to maternal and child health, education, improved agricultural productivity and employment, awareness-raising of the benefits of smaller families, and ‘balanced’ demographic distribution

²¹ In preparatory and most likely internal work the DAG had been more explicit about its disappointment, noting that donors did not succeed in addressing a number of weaknesses including: the acceptance of international standards for use as a benchmark in a number of areas; the use of externally sourced indicators (of particular importance to human rights monitoring); establishing a strategic, integrated approach to justice sector reform informed by the Base Line study; gaps in the Press and Media section... The most significant failure was lack of influence on the approach to the role of civil society. The concept of civil society expressed in the PASDEP text and the matrix, from the narrow perspective of membership based organizations, implies that citizen’s voice can only be heard through MBOs. This was noted to be ‘a clear departure from a widely agreed understanding of civil society, and contrary to the NEPAD principles’.

expense of primary education, and a need to further focus attention on the quality of education.

Donors (WB & IMF) – JSA on PASDEP (August 2007)

A1.37. The JSA draws attention on macroeconomic risks arising from what it calls PASDEP's **expansionary fiscal stance**. Development targets allow "little margin for policy slippages" whilst "adverse weather and external financing shortages may recur" and in addition, a number of structural strains emerge (high inflation due to strong domestic demand, not matched by the country's export capacity). The medium term outlook is said to be "subject to considerable downside risks."

A1.38. Generally the JSA applauds the new directions of the PASDEP such as the two-pronged emphasis on market-based development of agriculture and private sector development, the attention to specific areas of opportunity with the development of growth poles and corridors, and the dual approach of attention to targeted value chains whilst also focusing on removing cross-cutting impediments to growth. However, there are concerns that targets for growth in agricultural production are "exceedingly ambitious". The JSA encourages the government to open up dialogue with other stakeholders and institutionalise "a joint capacity to monitor and evaluate, learn and solve successive (private) sector development challenges over time" and highlights that in a number of sectors there is scope for much more decisive action to involve the private sector (e.g. in roads, energy and telecommunications).

A1.39. The JSA would like to see clearer links between employment creation and private-sector led growth. On the basis of international experience the JSA challenges the effectiveness of government's preferred urban employment creation strategy based on state-subsidised labour-intensive urban works. In relation to urban development the JSA notes that the prevailing lack of clarity, with overlapping federal, regional and municipal responsibilities, needs to be addressed.

A1.40. The JSA also outlines a number of concerns related to social development and among others that:

- Little/no attention is paid to the critical issue of incentives for and supervision of the health extension workers deployed in all *kebeles*;
- The implicit financing strategy in education, which is to pass most capital and some recurrent costs to local communities, is problematic as it may not be affordable in poorer areas;
- Government should move ahead and develop a "comprehensive long-term social protection strategy" which would favour labour mobility and diversification into non-agricultural activities and would help balancing growth and strengthening rural-urban links.

A1.41. In an unusual manner, the JSA stresses the need to address **governance** issues beyond the economic and administrative spheres. It notes that the PASDEP aims to address a comprehensive governance agenda yet, "the reforms envisaged may not be sufficient to achieve the necessary transformation. Whereas the coverage of governance would often be expected to include human rights, civil society and conflict management, in the PASDEP, the traditional prominence of the administrative dimensions of reforms remains". The JSA also highlights "important decentralisation processes and innovations to open new spaces for accountability" (presumably referring to e.g. the social accountability component of the Protecting Basic Services programme) that would need to be reflected in the way PASDEP addresses governance issues, thus going beyond its narrow civil service agenda.

Government - APR 2005/6 (June 2007)

A1.42. The first APR on the implementation of the PASDEP was produced late, though not much later than the finalisation of the PASDEP version 'for donor consumption' and the JSA and DAG comments. It includes a (fairly succinct) section on current status and prospects on the reduction of both, income and non-income poverty, an innovation compared to previous APRs and following the distinction which had been introduced in the PASDEP. However, as the HICES results had already been used in the PASDEP this APR does not bring much news on income poverty. The analysis of non-income poverty is limited to reporting on progress made in relation to the main MDG goal indicators (thus focusing on nutrition, health and education).

A1.43. In relation to **rural development**, it is noteworthy that the government feels the need to clarify the articulation between the new focus on growth corridors and centres, and ADLI, which it does as follows: "Growth corridors/centres are in no way an alternative approach to the ADLI strategy. As understood by the Government, growth corridors/centres are fully consistent with ADLI and are conceived as vehicles to enhance the implementation of the ADLI strategy. It complements, enhances and sustains the growth impulse that emanates from greater commercialization of smallholder agriculture."

A1.44. The APR highlights fairly good results in terms of total crop production but also yields. Although the report recognises that favourable weather conditions is one of the factors explaining these results, there is no attempt to analyse the respective contribution of the good weather vis-à-vis the government policies. However, the APR reports the results of an analysis of the poverty reduction impact of GOE's policy promoting the use of modern inputs. The analysis, based on data from the Welfare Monitoring Survey (WMS) 2004, is not particularly conclusive except for a very strong gender bias i.e. female-headed households are much less likely to use modern inputs than male-headed households. The data also suggest some wealth and regional inequality but the factor of distance from an input supplier is much more significant.

A1.45. With regard to **food security** the report provides some details on the Productive Safety Net Programme which was launched across the country in 2005. There is little emphasis on the implementation of the government-financed FSP. This is not surprising considering that by June 2007 donors knew still rather little about what was actually financed through the FSP budget line, and the issue of better integrating the PSNP and the FSP (including in their targeting) had yet to arise²².

A1.46. The APR also presents the result of an analysis of the determinants of dropout in primary **education**, also based on the WMS 2004 data. It was found that with regard to the possible effect of cultural differences the dropout rate was higher in the Southern region. Dropouts were also less frequent in households where the father and/or the mother had had some exposure to education and much more frequent in households with agricultural livelihoods. Girls were found more likely than boys to drop out, but children from female-headed households were not dropping out more significantly than those from male-headed households. Children enrolled in the last four grades were less likely to drop out than those enrolled in the first four grades. The main challenges are reported to be the increasing pressure to expand secondary education opportunities, issues with teacher qualification and number, high dropout and poor attendance resulting in low educational achievements, and regional inequality in access to education. The policy of expansion of Alternative Basic Education is presented as a solution to address regional inequality and high dropout rate issues.

A1.47. There is no such analysis in the **health** sector. 'In the field' the main focus continued to be on the deployment of HEWs with a focus on prevention and hygiene. Whilst already in the CRC issues were raised with regard to continued poor access to medical treatment (and this was noted in the

²² As the FSP was entirely financed by the government there was no joint government-donor dialogue on the programme and reporting was scarce. The first hints that donors gathered and the emphasis on better PSNP/FSP arose as a result of a first series of donor-financed studies reviewing the implementation of the PSNP. The findings of these were available by mid-2007.

PASDEP), this is not picked up in the APR which, on the contrary, reports on the health extension policy as pretty much of a success story. The APR highlights a number of ongoing sector management reforms, notably: the preparation of a Harmonisation Manual for better coordination of donor activities and alignment with GOE's policies, the development of an Health Management Information System (HMIS) and M&E framework and the reform of the system of provision of drugs and health commodities – through the establishment of a Drug Revolving Fund centrally managed by the parastatal PHARMID. Challenges continued to revolve around HR issues and weak managerial capacity at *woreda* and health facility level.

A1.48. With regard to **telecommunication** there is no change in the government's firm intention to keep the backbone infrastructure in the public domain, under the auspices of ETC, while "the private sector is encouraged to become increasingly involved in downstream activities and service". This in spite of the fact that for instance, with regard to mobile telephone subscription the APR recognises that "Ethiopia needs to work harder towards reaching even the level of sub Saharan African countries", and data suggests a very large gap in access to telecommunication services of all kinds, between urban and rural areas, in all Regions.

A1.49. In the new policy fields of **urban development** and **youth development** little else is reported beyond the preparation of detailed plans for the "Urban and Industrial Development Package", comprising the Integrated Housing Development Program, Small and Micro Enterprise Development Program and Youth-Oriented Local Development Program. The most advanced and only programme in which tangible activities have started is the housing programme. There is no mention of any particular activity with regard to the development of small rural towns, except to say that 6,000 such towns are planned to be electrified during the PASDEP period. The report is extremely succinct on **gender**, and there is no specific section reporting on the implementation of the **Population** policy.

A1.50. With regard to **governance**, beyond succinct reports on the CSR and the justice sector reform, the APR innovates in including a section on non-economic and non-administrative governance aspects in which it reports progress made in strengthening a number of "democratic institutions" - as agreed in the PASDEP governance matrix. Efforts thus far appeared to have been concentrated on the House of People's Representatives and the official establishment and very first steps taken in actually deploying an Ombudsman Office and a Human Rights Commission. There is very little on decentralisation.

A1.51. There is no comprehensive reporting on achievements against the PASDEP matrix – which is understandable considering that it had just been finalised.

Government - APR 2006/7 (December 2007)

A1.52. The main highlight of this APR is detailed information on the determinants of **poverty and welfare** as well as its dynamics and their policy implication drawn from a disaggregated analysis based on the 2004/05 HICES and WMS data sets. Salient points are summarised in Box 2 below²³.

Box 2: Trends in Growth, Poverty and Wellbeing as reported in the APR 2006/7

- Considerable growth in per capita adult equivalent real consumption between 1996 and 2005 though significantly higher in urban areas (growth by 17.4% nationally, 33.5% in urban areas and 13.8% in rural areas)²⁴
- Poverty headcount decrease by 7%, from 45.5% to 38.7%; and faster in rural areas (from 47.5% to 39.3%)

²³ Note that there was a similar analysis in the SDPRP itself, based on the HICES 1999/00, and it would be worthwhile comparing the main findings of the two analyses.

²⁴ Note that the much frugal Ethiopian poverty line is set at the equivalent of 0.5 US\$/day in 1994 birr terms.

- No marked change in income inequality in rural areas, but significant increase of the Gini coefficient in urban areas (from 0.338 to 0.436)
- Nationally, all quintiles experience some growth (measured in terms of per capita adult equivalent real consumption). In rural areas growth has been higher for the poorest quintile whereas in urban areas growth was very high for the very wealthy group (fifth quintile). Thus, in urban areas the poverty reduction effect of the significant growth observed was offset by the increase in inequality
- Poverty headcount increases with family size
- Poverty decreases with the household head's education level (from 41.2% headcount for no education to 10.3% for certificate education). Completion of primary education is associated to poverty headcount nearly 8% lower than the national average. Each grade of schooling is associated with a 2% increase in per capita adult equivalent consumption
- Poverty is found to be lesser among female-headed households nationally, and in urban and rural areas – However, female-headed households have a lower consumption (by 7.3%) than male-headed households
- Ownership of assets is associated with higher consumption and lower poverty (e.g. ownership of a plough animal and cattle by a rural household reduces the likelihood that it is poor by 20.3%)
- Shocks have a significant negative effect on households' consumption and increase the likelihood of households falling into poverty. Shocks are widely prevailing: about a third of all households were affected by illness or death of a household member and a fourth by food shortage²⁵.
- Stunting declined considerably, from about 66% in 1996 to 47 % in 2004. It remains higher in rural than in urban areas for all years. On average, stunting has been lower among females than males. The poorest segment of the population have fared less for all measures (wasting, stunting and underweight).

A1.53. The APR stresses that these findings are two years old and positive trends have continued since then including high growth rates (of over 11% annually for the past three years). One should thus expect the current situation to be even more positive. The significant decline in rural poverty is said to be “clearly attributed to the wide-ranging and multi-faceted pro-poor programs” implemented by the government and in particular, the rural development activities. The rising inequality in urban areas should be tackled; one important avenue to do so is “the provision of quality education... and enhanced job creation through the coordinated development of small and medium enterprises and strengthening their linkages and synergies with Technical and Vocational Education and Training programs.”

A1.54. In relation to **agriculture and rural development** the message is the same as in the APR 2005/6: higher production volume and yields, attributed mainly to government policies (provision of updated marketing information; identification of suitable agro ecological zones focused on specialization and diversification; emphasis given to pastoral and agro-pastoral farming communities and to addressing their critical problems mainly on moisture harvesting techniques; appropriate agricultural technologies generated, identified and delivered to specific agro-ecologies, Development Agents(DAs) trained and deployed to the farming communities; and increased utilization of agricultural inputs particularly fertilizer and improved seeds).

A1.55. The APR also reports that the PSNP is being implemented and that the provision of tailored extension services and access to technologies through credit under the government-financed Household Asset Building of the FSP has made progress beyond the planned targets, but does not provide any information on the actual effects of the programmes in relation to **food security** of the concerned households. Nothing of the debates going on in the PSNP/FSP ‘circle’ about e.g. targeting and the necessity of better linking PSNP and FSP transpires in the APR. The APR provides some

²⁵ The APR does in fact not say the period over which households were asked to recall the shocks they had faced.

information on the implementation of the resettlement programme though this focuses on activities and numbers of households resettled without attempting to report on food security outcomes.

A1.56. In the same way as in the APR 2005/6 the reporting on **irrigation** focuses exclusively on medium and large-scale projects; there is no mention of progress made in small-scale/community-based irrigation development, in spite of the emphasis put on this strategy in the PASDEP. The report deplores the lack of investment in irrigation/water-related activities at woreda level without addressing the issue of lack of capital budget at this level – in spite of the fact that this had started to emerge as a regular discussion topic in the government-donor Protecting Basic Services (PBS) dialogue.

A1.57. The report on **education** is un-informative and brief (highlighting continued expansion at all levels though deploring continued high dropout and repetition rates in primary education). In **health** one major achievement is the deployment of 59% of the required 30,000 Health Extension Workers across the country, and training continues to deploy the complement. However, the report also recognises difficulties in institutionalising the HEP/HEW approach in the health regional and *woreda* structures hence a problematic lack of supervision. Progress in harmonisation and in the establishment of the reformed drugs and health commodities provision facility has also been uneven. Again, these sections hardly reflect the government-donor discussions going on in these sectors through both the annual Joint Review Missions/Annual Review Meetings of the Sector Development Programs (ESDP and HSDP) and the dialogue around the PBS.

A1.58. The section on Trade and Industry and Private Sector Development is unrelated to rural development. In relation to **Urban Development** it is increasingly clear that the driver is the housing programme. The creation of MSEs and employment in general is revolving around the construction of housing complexes in large cities (thus suggesting that the government did not take notice of the WB/IMF views about the lack of long term effectiveness of such strategies in terms of employment creation). Greater emphasis is given in this APR to the ('software') Urban Governance Package which complements the ('hardware') Urban and Industrial Development Package on which the APR 2005/6 had started giving details.

A1.59. The reporting on **governance** gives more detail on decentralisation, outlining the preparation and dissemination of the "*woreda* and *kebele* good governance package", designed to "attain the principles and elements of participatory process, consensus building, responsiveness, transparency, accountability, equity and inclusiveness, rule of law, efficiency, effectiveness and avoid bad or poor governance." This included large-scale consultations, drafting of manuals and guidelines and large-scale training. Emphasis is given to the objective of increasing participation, and this is being done through "provision of training and (development of) organizational structure for participation of membership-based civil society". The APR thus overlooks the discussion under way between government and donors (e.g. through the PBS dialogue again) over what each party meant by participation and the fact that for donors this could not be restricted to membership-based organisations.

A1.60. In this APR there is a section reporting on **Gender** and Development and highlighting the fact that the National Action Plan for Gender Equality was being implemented. The report gives insights on how gender is being mainstreamed in other sector development programmes (e.g. priority given to access of female-headed households to credit and extension services, registration of land under two spouses' names, special focus on girls' schooling and involvement of all local Parent-Teacher Associations in promoting this), but does not have any quantified measure of progress.

A1.61. In the same way as in the APR 2005/6, there is no reporting on the PASDEP matrix.

Government - APR 2007/8 (March 2009)

A1.62. Rapid **growth** continued (with an annual average growth rate of over 11% for the past five years). The economy is said to begin to show signs of a structural shift away from the agriculture towards the “modern productive sector (industry) and services.” However, agriculture remains the most significant contribution to the GDP (44.6%, against 13.1% and 43.4% for industry and services, respectively). See section 5 for further discussion of the growth trends.

A1.63. Macroeconomic challenges have emerged. Inflationary pressure built up and **inflation** reached a peak of 25.3% on an annual basis (35% food inflation i.e. three times government’s target)²⁶. The APR reports that government has “made effort to curb inflationary pressure and its impact on the poor, particularly the urban poor”. Measures taken include macroeconomic/fiscal actions, and other economic policy measures such as banning of food crops export; improving the marketing system through establishing consumer associations; lifting custom duty taxes for critical products and VAT for main staple food; as well as distribution of basic consumption goods at subsidised prices to the urban lower income groups. These measures are said to “have helped to stabilize prices”. However, they are recognised as being short term solution, and “increasing production and productivity are believed to be the way out in tackling food inflation in the medium and long term.”

A1.64. There is no discussion in the APR of the effects of inflation on the rural population. This is odd as this had been a regular discussion topic between government and donors in various fora – based on analytical work such as that found in various IMF reports²⁷. Donors had also expressed their concerns over some of the measures taken by the government, the more so that inflation was subsiding more slowly than the government’s upbeat forecasts.

A1.65. As already highlighted in the previous APRs, this APR reports a continued increase in the proportion of the (growing) government budget allocated to the poverty oriented sectors. This went up from 43% in 2001/2 to 64% in 2007/8, as shown in Table 7 below. The table also shows that much of the increase (share-wise) took place in the agriculture and Food Security, and roads sectors²⁸. In absolute terms funding volumes for the poverty oriented sectors have tremendously increased over the SDPRP-PASDEP period.

Table 7: Trends in Poverty Oriented Sector Funding in Government Budget

| | 2001/2 | 2002/3 | 2003/4 | 2004/5 | 2005/6 | 2006/7 | 2007/8 |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Education | 14.2 | 16.1 | 20.6 | 19.8 | 21.8 | 23.7 | 21.3 |
| Health | 5.9 | 5.1 | 4.3 | 4.9 | 4.6 | 6.6 | 7.3 |
| Agriculture & FS | 9.2 | 7.2 | 12.2 | 15.0 | 15.2 | 12.9 | 11.7 |
| Roads | 10.7 | 10.3 | 9.7 | 11.3 | 12.4 | 14.1 | 17.7 |
| Watsan | 2.8 | 4.1 | 3.3 | 6.0 | 6.1 | 5.7 | 6.1 |
| TOTAL | 42.8 | 42.8 | 50.1 | 57.0 | 60.1 | 63.0 | 64.1 |

Source: APR 2007/8 except for 2001/2 (taken from APR 2006/7)

A1.66. Table 8 below shows that, depending on the sector, the budget planned for 2008/9 is three to five times larger than what was spent in 2002/3. These are current (not real) price figures hence the actual value of the increase has been lower, but it certainly still is very significant

Table 8: Volumes of funding for poverty oriented sectors

²⁶ With regard to the Balance of Payment the reserve position got as low as one month import coverage only.

²⁷ The IMF Country Report No. 08/259, July 2008, focusing on “selected issues”, devotes a whole section to inflation. Inflation has continued since then to be a topic discussed in all IMF reports.

²⁸ It is important to note that part of the spending previously counted as emergency aid, not budgeted for and not fully reported on, is now captured ‘on budget’ as PSNP within the increased budget for agriculture and FS.

| | 2002/3 Pre-actual | 2008/9 Budget | |
|------------------|------------------------------|--------------------------|------|
| Education | 3,174.8 | 13,519.0 | 326% |
| Health | 913.9 | 4,954.0 | 442% |
| Agriculture & FS | 1,453.3 | 9,237.0 | 536% |
| Roads | 1,899.7 | 10,526.0 | 454% |
| Watsan | 585.9 | 3,373.0 | 476% |
| TOTAL | 8,027.6 | 41,609.0 | |

Source: APR 2007/8 except for 2001/2 (taken from APR 2006/7)

A1.67. The APR also highlights a very significant increase in Official Development Assistance (from around US\$ 300 million in 1999/00 to US\$ 1,700 million in 2007/8)²⁹ and that a large part of this is linked to the start of large programmes such as PBS. But, it also explains, aid continues to be unpredictable and insufficient to match the requirements of the PASDEP, themselves aligned with the MDG goals.

A1.68. The report is limited to outlining quantitative progress in sectors like **agriculture** (e.g. numbers of Farmer Training Centres/FTCs built and farmers trained), **food security** (e.g. number of households resettled), **education** (report on ESDP key indicators) and **health** (report on HSDP key indicators), with little analysis. The report on **urban development** does not indicate any change in the reliance on the housing development scheme to drive the other programmes, and in particular, the job creation/support to MSEs.

A1.69. There is a little more detail on selected **governance** issues. The APR reports on progress and difficulties in the broad CSR process and in particular, in carrying out the planned “transformational and total system change” in the civil service, which is supposed to happen through activities such as rolling out a Result Oriented Performance Appraisal System – in turn requiring all government institutions at all levels to first carry out Business Process Reengineering (BPR) of their core processes. Reportedly, progress is slow and there is resistance, is said to be due in the first instance to “top management’s myopic perception of change as merely a technical and routine affair” and cases of “weak stance” of the leadership. The APR notes that there are issues of lack of incentives as well³⁰, but does not propose to address these in any way. Progress is reported in a rather scattered manner on the strengthening of democratic institutions, now also including the House of Federation, the Federal Ethics and Anti-Corruption Commission and the National Ethiopian Board of Election in addition to the House of People’s Representatives, the Ombudsman and the HR Commission. In all cases the same challenge is noted, related to the lack of skilled manpower. This APR is silent on decentralisation while one might have expected some reporting on the first effects of the rollout of the ‘good governance package’.

A1.70. Reporting on **gender** is a little more complete than in earlier APRs and this includes attempts at providing some quantification of activities, though this is patchy and does not start from any known/indicated baseline.

²⁹ There was a dip in ODA in 2002/3 (it is not clear why; it may have been linked to the necessary upsurge in humanitarian aid) and a plateau in the upward trend in 2005/6 (explained by the post-election political and dialogue difficulties). Total ODA is presumably higher than those figures as it is notoriously difficult to capture all donor aid fund flows on the government budget.

³⁰ On one hand there is no employment or safety net scheme for those whom the BPR exercises will make redundant. On the other hand there is delay in designing and implementing the payment and incentive scheme which was supposed to be established to attract and retain the new, better qualified recruits at all levels.

Donors – DAG Issues Paper on PASDEP 2 (draft, Nov 2009)³¹

A1.71. This note is presented as an early input into the process of preparing the PASDEP 2, triggered by the government having recently tabled the APR 2007/8, which donors are appreciative of. The note focuses on issues considered “important for continuing and accelerating progress in Ethiopia”, most of which are not new in the government-donor dialogue. Notably, it is said to be important³²:

- To emphasise private sector growth as it is the private sector in which “most job and export creation will occur, as a critical factor in the pathway that Ethiopia needs to map out towards a changed economic structure in which labour is pulled away from agriculture; for this, migration needs to be recognised as an economic opportunity; state-linked companies’ domination should be ended; financial, telecommunication and transport sectors must be made to perform much better
- To strengthen inclusive governance, including a stronger emphasis on the demand side of governance (efforts to increase participation of citizens); there also needs to be a strong government-donor dialogue on governance, supported by close monitoring of agreed outcome indicators
- To address more radically the continued high level of chronic food insecurity: this requires scaled-up efforts to raise agricultural food crop production (through better extension and agricultural marketing system as well as expansion of small-scale irrigation), priority to strengthening rural credit markets, and more effort into disaster risk management (including finalisation of the Disaster Risk Management Policy)
- To make continued efforts in tackling gender inequality: this requires much deeper understanding of social, cultural and economic dynamics perpetuating gender bias, and to reflect such understanding in the design of gender-focused interventions. There needs to be specific and affirmative measures to remove cultural and attitudinal barriers in addition to gender mainstreaming.

³¹ We are not sure of the status of this document. We were readily given access to it by one of the donor representatives we contacted in the context of this policy background paper, even though we had earlier been told that the feedback from the DAG to the latest APR had been prepared “for DAG internal use only”.

³² The other issues raised by the DAG are: climate change (which is new); the need for a sound macroeconomic framework and raising domestic revenue; the importance of a well-structured government-donor dialogue during the preparation of PASDEP 2; the necessity of considerably streamlining and strengthening the PASDEP M&E framework.

Annex Two: A review of Government and Government-donor policies and programmes ‘entering’ rural communities in the period 2003-9

A2.1. This Annex reviews in some detail the Government’s and joint Government-donor policies and programmes likely to have ‘entered’ at some point in the period 2003-09 the communities that we are going to study. In this way it substantiates the summarised calendar in Figure 10 in chapter 4. The review is organised along the domains/fields that structure rural communities in Ethiopia.

- Community management: the decentralisation policy; the National Capacity Building Programme and its ‘flagship programme’ PSCAP (Public Sector Capacity-building Programme); the Democratic Institutions Programme (DIP); the development of and support to civil society
- Livelihoods: the Protecting Basic Services programme; Food in-/security policy, Productive Safety Net Programme (PSNP) and Food Security Programme (FSP); the Rural Economic Development/ Food Security (RED/FS) agenda and emerging Agricultural Growth Programme (AGP); policies and programmes related to extension, input/output agricultural market, off-/non-farm opportunities, access to credit, land, irrigation and water management, and livestock
- Social and human development: the education policy and the Education Sector Development Programme (ESDP); the health policy, the Health Sector Development Programme (HSDP) and selected sub-policies/strategies; policies and programmes related to the water and sanitation sector (watsan); and the emerging social protection framework.
- Gender and youth policies/programmes aim to change the communities’ inequality structures and in that sense, are cross-cutting all domains/fields.

A2.2. Many important programmes are de facto co-financed by the Government and the donors. The way in which the co-financing is organised differs, reflecting among others differing extents of donor influence in different policy areas. But all programmes take place in an overarching framework shaped by the decentralisation policy. We therefore start this review by the decentralisation policy followed by other policies and programmes aimed to enter the community management domain/field. This is followed by a review of policies and programmes in the livelihoods domain/field then human and social re/pro/duction domain/field¹.

A2.1 Community management domain

Decentralisation

A2.3. The decentralisation policy initiated in 2002/3 is of major importance for our research. It took place not even a decade after the constitution of Ethiopia as a Federal state of nine Regional States and two City Administrations, which was presented as a radical departure from the centralised governance set up of the Ethiopian state hitherto. Moreover and in contrast with some other initiatives, the woreda-level decentralisation started very much as a government-alone policy that is, it was decided with little if any donor influence. As will be seen in other sections below, the rollout of the Protecting Basic Services programme has somewhat enhanced donor influence over the decentralisation policy – particularly through the service delivery transparency and accountability components – but this remains fairly strictly confined to more technocratic aspects of the process (as opposed to political ones), and donor influence also stops at the woreda level.

¹ Appendix 2.1 provides a list of donors active in the various programmes reviewed (tentative at this stage)

A2.4. In this section we review the EPRDF regionalisation and decentralisation policies, against a brief history of the forms of sub-national governance before 1991.

Sub-national governance before 1991

A2.5. The history of sub-national governance in Ethiopia before the EPRDF era is summarised in Box 3 below – drawing from Beyene (1987) except where indicated otherwise (in turn, drawing quite liberally from Donham et al, 2002).

Box 3: Evolution of sub-national governance structures in Ethiopia until 1991

In pre-modern times regional autonomy with fluctuating central control prevailed.

Menilek introduced an unknown number of *awraja* and *woreda* administrative divisions, ruled by semi-hereditary princes and chiefs in the core area (*Mehal Ager*, mostly Tigray and Amhara today) and by centrally appointed governors in the periphery (*Dar Ager*, newly conquered).

Haile Selassie, before the Italian occupation, had divided the country in 32 *Gizats*. The Italians divided Ethiopia, Eritrea and Somalia into six much larger Regions following nationality lines (fairly similar to today's subdivisions for Amhara, Oromia and Tigray – though the southern part of the country was not subdivided as it now is).

Upon his return Haile Selassie made all the governors to be centrally appointed and paid a salary, and (through legislation in 1942 then 1946) rationalised the administrative divisions into 12 *Teklai Ghizats* (14 when Eritrea was reintegrated), 87 *awrajas* and 387 *woredas* (a sub-*woreda* level first present was abolished in 1960). Nationality was hardly considered in carving these areas. There were numerous restructuring of *awrajas* and *woredas* usually for political motives (splitting or reunion of nationalities; scramble for additional territories among governors). In 1963 Haile Selassie attempted to set up *awraja* self-administration on an experimental basis. Parliament, strongly opposed to the project, blocked the required finance bill so that the attempt failed. The criteria to select the 17 *awrajas* in which it was planned to start show a concern for developmental objectives.

The Derg made little change to the imperial era's administrative divisions. Thus in 1987 there were 14 *Keflehagers*, 102 *awrajas* and 577 *woredas*. The regime introduced the Peasant Association in rural areas and *kebele* in urban areas, a "dramatic innovation". Initially these had development purposes but they rapidly became the outermost level of a centralised hierarchy bent to safeguard the achievements of the revolution (Vaughan 2003). In any event the PA, initially supposed to represent the peasants, became the main means of carrying out the Derg's encadrement project, thus transformed into a "Janus-faced organisation". The regime also tried to quell armed insurgencies through granting regional autonomy to the areas concerned but this was rejected as too little too late, and not implemented. In 1982 the Derg created seven regional planning offices under the National Committee for Central Planning, but regional planning never really took off, in spite of the substantial body of knowledge built by the Institute for the Study of Ethiopian Nationalities established in 1983.

In the liberated areas of Tigray the TPLF put in place the *baitos*, in effect local governments operating through an elected council and standing committees, a framework of grassroots, area-specific laws and courts, and local militias. They were actively involved in the TPLF-led land redistribution, famine relief, development undertakings and local decision-making, and linked-up with TPLF policy-making (Young 1997). "The role of the peasantry in their own administration ... most clearly distinguished the TPLF project from the authoritarian regimes of Haile-Selassie and the Derg" (Milas & Latif 2000).

A2.6. Thus with the exception of the *baitos* in Tigray, until 1991 all other policies concerning sub-national levels were adopted for reasons of administrative and political expediency. Even those initiated with local developmental and/or empowerment objectives failed to deliver in this respect,

as political expediency always won over. There was little policy consistency both during and between eras, and territorial divisions kept changing. The *woreda* level was never used other than for deconcentrating limited administrative functions (mainly related to taxation, justice and security). During the Derg era *woredas* were much less important than *awrajas* (Assefa & Gebre-Egziabher 2007). Sub-national structures had extensively been used for control and coercive purposes. This is the context in which the EPRDF-led government introduced the regional autonomy and *woreda* decentralisation policies.

Regional autonomy and decentralisation under the EPRDF

A2.7. The decisions of establishing autonomous Regional States² as composing the Federal Democratic Republic of Ethiopia took effect in 1994/5. This was one of the major policy decisions enshrined in the new Constitution. This and the decisions of granting self-determination rights to Ethiopia's "nations, nationalities and peoples" (which do not correspond to the Regional States) and of maintaining state ownership of land have been regularly challenged from within and without Ethiopia. To this day they remain the cornerstones of the EPRDF-led government policy framework.

A2.8. The establishment of the Regions was followed by the decentralisation policy, launched in the Amhara, Oromia, Southern Nations, Nationalities and Peoples (SNNP), and Tigray Regions in 2002/3.³ These policies have administrative, fiscal and political dimensions. The current political and administrative division into Regional States and Chartered Cities, *woredas*, and *kebeles* (*tabias* in Tigray) was fixed during the transition period⁴. There also is a zonal level which in most Regions is an administrative subdivision of the Region. Over time there have been a number of reorganisations at the *woreda* and *kebele* levels. Recent years have seen a steady rise in the number of *woredas* (which are now over 700). This is said to respond to people seeking greater government service proximity following the expansion of basic services across the country. Some analyses suggest that there are incentives for local elites too, as *woredas* have direct access to state resources (particularly, in the Regions where fiscal decentralisation is being implemented). Following a process of regrouping, today's *Kebeles/tabias* are larger than the Derg's Peasant Associations – but there are usually also smaller sub-divisions which are expected to support the *kebele/tabia* to mobilise communities for development purposes (e.g. *gots* and *garis* in Oromia, *kushets* in Tigray).

A2.9. At all three levels (Regions, *woredas* and *kebeles*) there are local government structures (although *kebeles* are not formally recognised as local governments) with executive, representative/legislative and judicial branches relating to each other. This is shown in Figure 11 below which summarises the government's 'model' for decentralisation. As for the federal level, executive bodies are formed following a winner-take-all electoral system. Several recent studies (including e.g. Pankhurst 2008, Dom and Mussa 2006a and 2006b) suggest that at the *woreda* and *kebele* levels, executive bodies clearly dominate. Regional Councils have progressively become stronger and better able to play a challenge function, especially since a revision of the relationship between executive and legislative bodies in 2001. Following the 2005 elections the Regional Councils in Amhara, Oromia and SNNP Regions have relatively significant numbers of members from opposition parties. In Amhara Regional Council, opposition parties won 36% of the seats; in Oromia, the opposition gained

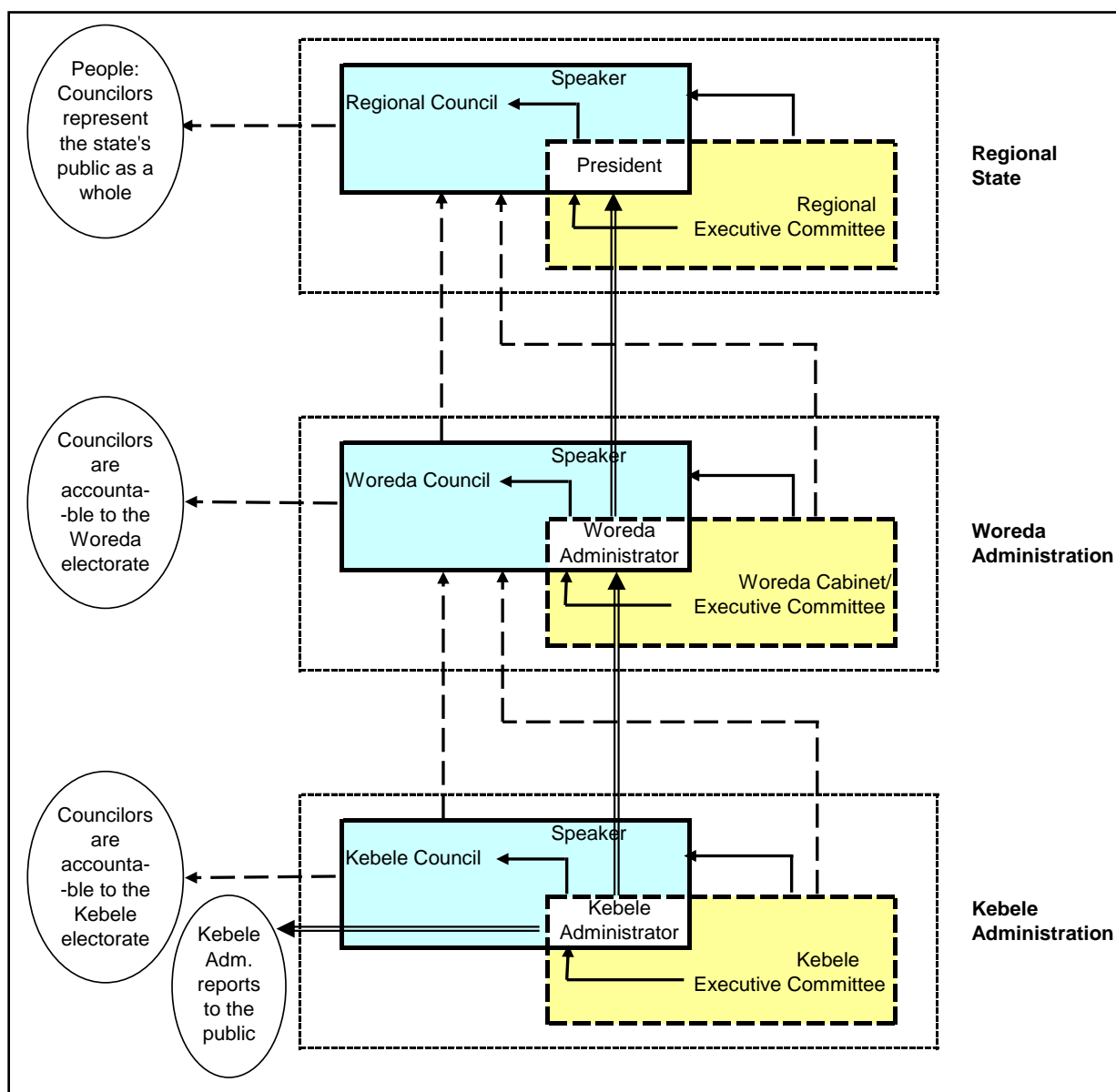
² Government official documents use the full expression of Regional States and Regional State Governments to reflect the Regions' constitutional political as well as administrative status. The word 'Regions' is nonetheless increasingly used, as an abbreviation. In some donor analyses the establishment of the Regions is called 'regionalisation'. Government officials avoid using this expression, explaining that there is a qualitative difference between the establishment of autonomous Regions with a constitutional status, and the decentralisation which is a policy. In this note the term 'regionalisation' is not used.

³ These are the so-called 'advanced' (sometime also called 'established') Regions.

⁴ A Boundary Commission was established by the Transitional Government of Ethiopia, which used quite extensively the studies carried out by the Derg's Institute for the Study of Ethiopian Nationalities.

nearly 28% of the seats and in SNNPR, the opposition holds 22% of the seats. In contrast, the opposition succeeded to secure only a handful of the three million seats competed for in the 2008 local (*woreda* and *kebele*) elections. How these political developments influence regional and local decision-making is little known.

Figure 11: Regional, woreda and kebele structures in the EPRDF era



A2.10. Regional States' constitutional powers are all those that are "not given expressly to the Federal Government alone, or concurrently to the Federal Government and the States". This includes law-making, policy-making, strategic development planning, own revenue collection, budgeting, and management of the State's own civil service and police force. Yet the Federal Government has the constitutional power to "formulate and implement the country's policies, strategies and plans in respect of overall economic, social and development matters". This makes policy-making a grey area between Federal and Regional governments, with wide-ranging implications.

A2.11. With regard to decentralisation, in principle it is a constitutional mandate of Regional States to establish "administrations that best advances self-government" (as expressed in the Federal Constitution). This could therefore, have taken different forms in different Regions. In practice, decentralisation is a federal policy. The same politico-administrative two-tier *woreda* and *kebele* structure exist everywhere in the country. Their mandate differs across Regional States since 2002/3, date at which the *woredas* in Amhara, Oromia, SNNPR and Tigray Regional States have been granted the responsibility of planning and budgeting autonomously for the delivery of basic education,

health, and agricultural development and water supply services. To this day this has been formally legislated only in Tigray.

A2.12. Decentralisation is presented as an “instrument for deepening and strengthening democracy and good governance in Ethiopia” (SDPRP) and a “centre piece of the Ethiopia’s strategy for ending poverty both to improve responsiveness and flexibility in service delivery, but also to increase local participation and democratisation of decision-making” (PASDEP). The literature on the Ethiopian decentralisation policy⁵ highlights issues of limited capacity (e.g. Assefa and Gebre-Egziabher 2007) and of limited fiscal autonomy as the bulk of revenue for both Regions and *woredas* is made of fiscal transfers from the Federal and Regional budgets respectively. Although these are mostly un-earmarked, this pattern is said to prevent the development of local accountability (e.g. Aalen 2007, Fisseha in Turton 2006) and to restrict sub-national levels’ autonomy. Decentralisation is said to have potential of delivering better services under certain conditions. However, a number of analyses highlight that this potential is undermined by a continued top-down approach to policy-making and implementation (e.g. Dom & Mussa 2006a and 2006b, WB CEM 2007, WB CAS 2008). However the result, for some analysts, amounts to decentralisation within centralisation (e.g. Vaughan 2003). Other stronger and more political criticism highlight the primary role of control of local government structures, and that this has never subsided and has, on the contrary, become even more prominent since 2005 (e.g. Aalen 2008).

Public Sector Capacity Building

A2.13. The concern of building the country’s institutional capacity to “act as a spur to development” is very much ‘home grown’. There is a view that ‘state capacitation’ should even be seen as the most important intervention in the development model of the EPRDF leadership, because it would underpin all other interventions. Donors have actively engaged in this area but as for the decentralisation policy the more political dimensions are outside of the donor zone of influence – as we shall see below.

A2.14. The government launched a comprehensive *Civil Service Reform Program* (CSRP) in 1996, seeking to “build a fair, transparent, efficient, effective, and ethical civil service primarily by creating enabling legislation, developing operating systems, and training staff in five areas: (i) Expenditure Control and Management, (ii) Human Resource Management, (iii) Service Delivery, (iv) Top Management Systems, and (v) Ethics. Successful efforts at the federal level were intended to provide *prototypes* for regional authorities” (FSS Digest 2009). The results of these efforts were mixed, owing notably to government’s attention directed at the Ethio-Eritrean war. Donor support was also relatively limited and fragmented.

A2.15. Building on the CSRP and following political reforms the government launched a comprehensive multi-sectoral and home-grown *National Capacity Building Program* (NCBP) in 2001. The Ministry of Capacity Building was established to provide policy direction, coordination amongst other partner institutions as well as monitoring and oversight of capacity building efforts. It is noteworthy that this coincided with other political changes such as the decision to more clearly separate party and government structures. In some ways, the MCB was established as a government structure which could, and did, relay the party’s inputs throughout government at all levels (this was acknowledged in e.g. the PSCAP independent review in 2006, see below). In operational terms, along

⁵ The literature includes political analyses of local elections, analyses of policy implementation by academics and aid donors, and sociological analyses providing glimpses on intended and unintended effects of the policies. Much of the case-based research focusing on both, service delivery and empowerment dimensions of decentralisation is based on fieldwork done either before or very soon after the new steps taken in 2002/3 and is therefore, at least in part, outdated. More recent case-based or variable-based work (e.g. Dom & Mussa 2006a and 2006b for the former and World Bank 2008 for the latter) has limited coverage.

with counterpart regional bureaus and *woreda* offices the MCB was tasked with programming and financing fourteen sub-programs of the CCBP, in support to “the dual SDPRP goals of state and structural transformation” (PSCAP PAD 2004).

A2.16. Donors showed some reluctance to embrace the agenda of the NCBP as a whole, at once. Following a comprehensive programme of analytical work led by the WB and carried out in the 1999-2003 the Bank and other donors decided to support the first six components of the NCBP, namely:

- 1) Civil service reform
- 2) Justice reform
- 3) Tax reform
- 4) District-level decentralization
- 5) Urban management
- 6) Information and communication technology.

A2.17. These ‘core components’ came to constitute the Public Sector Capacity building Programme (PSCAP).⁶ As government officials explain, PSCAP is therefore not a donor programme. The government started implementing it on its own resources from 2001/2 onwards. A number of donors then pooled their effort to support the government, from 2004 onwards, whilst other donors continued to support the PSCAP agenda outside of the pooled funding arrangements⁷. PSCAP was expected to last five years, from 2004 to 2009. However, reportedly due to a shortfall in financial resources, the programme of activities could not be completed within the five year period. Government and donors are in the process of developing the next phase of PSCAP, with pretty much the same objectives as for the phase coming to an end.

A2.18. In recent donor documentation preparing for the next (due to be final?) phase, PSCAP is said to have seen significant progress, as summarised in Box 4 below⁸.

Box 4: An account of PSCAP achievements by 2008/9

PSCAP improved the scale, efficiency and responsiveness of **service delivery** at all levels, notably through the Business Process Re-engineering which “has been instrumental in bringing about attitudinal change across the public service and embedding a strong focus on effective and accountable public service”; the Woreda-net which “is becoming instrumental in tackling the problem of information exchange” across government levels; the Justice System Reform which uses a “wide range of IT products to improve access, efficiency and transparency of the judiciary.”

PSCAP **empowered citizens** to participate more effectively in shaping their own development: The main tool in doing this was the *woreda* and *kebele* Good Governance Package (see below). Other measures include the establishment of “Multi-Purpose Community Tele-Centres” (80 are operational, 300 more are planned to be established) and generally, measures aimed to provide greater access for people to government information.

PSCAP promoted **good governance and accountability**: Again the Good Governance Package was key in this. There has been “progress in the extent of readiness of local administrators to listen to the public”.

⁶ The other NCBP components were: Cooperatives; Private sector; Textiles and garments; Construction sector; Agricultural training of vocational and technical; Industrial training of vocational and technical level; Higher education; Civil Society. In some of these areas donors have engaged separately with government (e.g. WB and other donors’ support to higher education, Germany’s support to TVET). In others donors have engaged ‘outside of government’ (though government may be associated), like in programmes supporting civil society (see more on this below). In yet other areas, the government is carrying out activities pretty much out of its own resources – e.g. support to cooperatives.

⁷ Appendix 2.1 includes a section showing how donor activities complement those of the donor pooled funding.

⁸ This is extracted from the World Bank Project Information Document for the next phase of PSCAP (undated, circa end 2009; the PSCAP Phase 2 is expected to go to the WB Board by mid-December 2009 for approval).

The majority of *woreda* Council meetings are said to be open to the public, and the existence of institutional focal points where suggestions and complaints can be made is also widely known. The government has established 430 Client Information Counters across the three government levels in the country, and deployed over 3000 information/case officers.

A2.19. This is an upbeat account. It is important to note, in the first instance, that many if not all of the measures reported to have contributed to achievements are far from being completed, and there is a need for further evidence of the effectiveness of many of them (e.g. BPR, Client Information Counters). Also, the risk of ‘fatigue change’ noted in this documentation is more than a risk but a reality according to other analyses. The immediate reasons for this have to do with the multitude of allegedly poorly coordinated, sequenced and communicated, top-down ‘change’ initiatives which create an “environment of uncertainty and complexity” (FSS Policy Digest 2009).⁹

A2.20. Generally, a more qualified assessment was given by an independent review undertaken in 2006/7. The review gave a sense of what needed to be addressed - and to our knowledge remains to be addressed to this day. The team noted that while PSCAP had successfully helped build a large-scale foundation of capacity, systems and service delivery improvements it needed to transform itself into a programme supporting local priorities decided locally. In particular, the District Level Decentralisation Programme (DLDP) had to refocus its role on promoting a clear overall vision and policy for decentralisation and helping establish an institutionalised *woreda* performance monitoring system, taking over from donor-organised activities poorly owned by the Regions. Better performance monitoring would also enable the Federal Government and the Regions to effectively grant more decision-making power to *woredas* – which in reality, had to this day remained heavily constrained (e.g. structures decided by Regions and numerous changes, *woreda* budgets consumed by salaries).

A2.21. More fundamentally, incentive structures in the civil service and government at large have remained unclear and even contradictory. Earlier moves to better demarcate political and administrative functions appear to have stalled¹⁰. In 2007 the independent review of PSCAP saw “the drive from the majority party” as a positive element as it was said to ensure a clear political leadership around a mainstream transformation agenda across most regions and levels of government, and a well developed system of political and administrative coordination. The rollout of the good governance package was given as a clear example of how PSCAP supported this mainstream transformation agenda¹¹. But the review failed to raise the question of whether strong political leadership and transformation of the civil service in a neutral body had been compatible, and were likely to be so in the future.

A2.22. Box 5 below proposes an alternative reading of the ‘good governance package’ process¹².

⁹ Change management tools that have been rolled out to various extents and successively include: Strategic Planning and Management, Quick Wins, Management by Objective, Performance Management and Appraisal System, Business Process Re-engineering and Balance Score Card, all introduced over the past five years, with no clear overall ‘architecture’ showing how these tools ‘fit’.

¹⁰ This had started in 2001 with reforms aimed at clarifying the roles of executive and legislative bodies, respectively, at all levels. There also were discussions about the creation of a layer of senior civil servants who would not be political appointees (like Permanent Secretaries, a position existing in many other countries). To this day this has not been taken forward. At *woreda* and *kebele* levels there are contradictory pushes and pulls. The desire to professionalise the executive (especially at *woreda* level) leads to requiring higher academic qualifications. This would, at least initially, demand relatively high mobility in this professional ‘cadre’. At the same time, the fact that top executives might not be locally elected is often perceived as a difficulty.

¹¹ In a draft version of the independent review this was called party-owned agenda.

¹² It is noteworthy that a full section of the ‘Rural Development Policies, Strategies and Instruments’, written in 2001 (GOE RD 2001), reads very much like the good governance package. The 2001 discourse was already

Box 5: The woreda and kebele good governance package

Following the 2005 election a wide-ranging process of consultation took place right from the *kebele* level, in which the EPRDF 'listened to people' and found out that people had voted against the EPRDF not because of its policies but because of the approach that had been used. This was, therefore, a governance issue.¹³ Further consultations identified the main issues and a series of 'good governance manuals' was prepared.

The main thrust of the 'good governance package' is that people should not be 'enforced' any longer. This does not work. They need to be convinced. All work must be based on willingness and consensus reaching. People can be convinced through 'models' and participation, which must be 'continuous and broad'. All possible fora (including *kebele* Councils) should be used to reach consensus. People should be free to express alternative ideas and feel encouraged to do so. If people cannot accept an idea, the leadership should not impose it; its implementation should be postponed 'until people can accept it'.¹⁴

In the course of 2006/7 (and facilitated by PSCAP funding) large-scale training took place for officials at all levels of government to make sure everyone knew about the new way policies were to be implemented, away from enforcement and based on conviction and 'models'.

The rollout of the package was accompanied by a number of measures aimed to operationalise its principles. For instance, at the *woreda* and *kebele* level Councils were to be significantly enlarged to give more opportunities for people to participate to decision-making or at least to raise issues and influence decision-making.¹⁵ *Woreda* Cabinets (the executive) were to be enlarged too, to include all heads of office so that they would be more directly held to account for performance in their sector.

Other measures aimed to 'professionalise' *kebele/tabia* and *woreda* administrations. In this vein, one notable development is the recruitment of '*kebele* managers' (called 'secretaries' in some places) who are full-time government employees serving at *kebele* level. Before this and apart from the education, health and agriculture professionals, *kebele/tabia* officials sitting on the *kebele* Cabinet were not government employees. Some of them were compensated for the time they spent away from farming. In contrast, *kebele* managers are formal government employees, contracted by the *woreda*. Various interpretations seem to exist as to their exact role and reporting lines.

These measures are all illustrations of the link between political drive and 'technocratic' effectiveness and how the discourse on the latter may conceal change or lack of it in the political dimensions of governance. Thus, for instance, the list of criteria for an individual or a *kebele* to become a 'model' and the list of areas in which one can (must?) participate still reads very much like a list of prescriptions. Similarly, when people cannot accept an idea it is clearly expected that the leadership should continue to try and convince them... One government official explained that they (civil servants) were now 'enforced not to enforce people' (and left wondering whether this would 'work' for them, who still have 'targets' to deliver). Under the current circumstances larger Councils can easily represent more effective vehicles for the executive to 'convince the community' about government/party policies (and to control it too). On the executive side the drive towards a professional civil service is likely to be 'confused' by the continued lack of clarity in the relationship between party and government administration.

about participation (as both an instrument for rural development and a good thing 'per se') and how, for this to happen, people need to be convinced, hence the importance of pioneer farmers, participation forum including *kebele* councils, and enlightened leadership (thus council members should be among the hard working and convinced farmers).

¹³ This was expressed, among others, by the PM Meles in an interview given to Fortune on 22nd July 2007.

¹⁴ This is based on an unofficial translation of the good governance manual for *woredas* and *kebeles*.

¹⁵ Thus, the 2008 local elections were organised for much larger Councils (more than 3 million seats for *woreda* and *kebele* Councils were being contested for across the whole country). In addition non-voting members are to be invited to attend Council meetings to raise issues from the community. They are supposed to represent specific socio-economic groups such as women, youth, farmers (and representatives for those groups would be from the existing membership-based Women, Youth and Farmers' Associations), businessmen, traders etc.

A2.23. Implicitly, donors appear to have taken a fairly apolitical stance in the way they look at the design of the next phase of PSCAP. Judged by the studies carried out to improve “the pace and success of PSCAP II implementation”¹⁶, attention is being paid to strengthening PSCAP’s impact in the ‘developing Regions’¹⁷, improving monitoring and evaluation, better delivering the ICT sub-programme and enhancing the effectiveness of training interventions, improving performance in relation to gender, and strengthening the Justice System Reform sub-programme.

Strengthening Democratic Institutions

A2.24. The Democratic Institutions Programme (DIP) emerged following the 2005 elections and ensuing government-donor discussions on governance. It is a five-year, multi-donor program in support of the PASDEP theme goal to develop “... a fully operational democratic, accountable and responsive constitutional federalism, ensuring citizens’ empowerment and participation”. The purpose is to support the development of key organisations that together play a role in strengthening institutional frameworks of democratic governance in Ethiopia, viz. 1) Promoting human rights and good governance; 2) Enhancing the capacity of democratic institutions to be effective, sufficient and responsive in promoting and protecting the rights of citizens; 3) Empowering citizens to be active and effective participants in the democratic process as well as respect for the rights of others.” To achieve these objectives the DIP will work with the National Electoral Board of Ethiopia, the Ethiopian Human Rights Commission, the Ethiopian Institute of the Ombudsman, the Ethics and Anti-Corruption Commission, the House of Peoples’ Representatives (HoPR) and Regional State Councils, and the House of Federation (HoF) (DIP overall programme document, June 2007).

A2.25. Separate and more specific programme documents have been finalised for several of these institutions, in the course of 2008/9, and implementation has just started. The DIP is therefore at a too early stage to have had any significant impact ‘on the ground’. However, it reveals government and donors’ thinking, that was formalised in the DIP, but pre-existing. It is also a fairly macro level programme. However, there are expectations that this new accountability architecture (in the words of the donors supporting the programme) ultimately should have a impact on rural communities – notably because organisations such as the Ethics and Anti-Corruption Commission, the Human Rights Commission and the Institute of the Ombudsman should have branches at least at the regional level which should make them more accessible to people. A very first effect would be whether people know about the existence and supposed role of these institutions.

A2.26. Here we briefly review the programmes of the HoPR and Regional Councils and of the HoF as they may have relatively more direct effects on community management.¹⁸

A2.27. For the **House of Federation**: The programme will focus on strengthening the fairly new Secretariat¹⁹, and equip the House (and the Secretariat in supporting it) to better fulfil its core tasks. These are the setting up of the formula to share the federal subsidy allocated to the Regions²⁰, the resolution of conflicts and the settlement of questions of constitutionality of laws adopted by the HoPR – with the Council of Constitutional Inquiry. The HoF also needs to be better able to engage with other institutions and have the physical means to do so (including IT).

¹⁶ This is the title of a note prepared by DFID earlier in 2009.

¹⁷ The ‘developing Regions’ are sometime also called ‘emerging Regions’: Afar, Benishangul-Gumuz, Gambella and Somali. They very much represent the ‘periphery’ of Ethiopia.

¹⁸ The DIP total resource envelope is planned to be just over US\$ 50 millions. In this, the HoPR sub-programme has a 12 million budget and the HoF a 4 million budget.

¹⁹ Until fairly recently the HoF was sharing the same Secretariat as the HoPR.

²⁰ In practice the HoF also took up this function very recently. Until 2006 setting the federal subsidy formula had been done by MOFED.

A2.28. For the **House of People's Representatives and Regional Councils**: The programme has been developed in an environment in which "opposition parties are, for the first time in modern Ethiopian history, a political force to be reckoned with" (extract from the programme document).²¹ The strategic objectives of this programme are as follows:

- Strengthen the multi-party system by promoting inter-party dialogue, greater tolerance for different views, and consensus building (seminars, workshops, conferences, policy discussions etc., and adherence to Rules of Parliamentary Procedures)
- Strengthen the legislative function by building the knowledge base and expertise of MPs and committee staff and strengthening processes to enhance their effectiveness as lawmakers and watchdogs
- Enhance the effectiveness and sustainability of parliamentary support mechanisms (improved terms of service and working conditions for MPs and Staff, institutional development for staff etc.)
- Foster formal and sustainable linkages and enhance capacity of the institutions to increase the level of Civil Society/NGO/Public contribution to law making and oversight process
- Strengthen the representative function of the institutions by enhancing MPs' capacity to perform constituency outreach (including e.g. a 'fund' for field visits); increasing citizens' understanding of the parliamentary functions and interaction between MPs and citizenry.

A2.29. Among other activities Regional Councils will get a small budget (of 360,000 US\$ annually for all nine Regions) for activities aimed to share the knowledge acquired by the Regional Councils with *woreda* Councils. This needs to be elaborated so as to avoid duplication of the Councils' training provided under the PSCAP justice system reform component.

A2.30. The programme document is explicit about the risk that the programme would become or would be seen to be aligned with the majority party²². A number of measures are designed to try and prevent this. Thus for instance, in addition to funding donor representatives the opposition must be represented in all structures in charge of steering the programme and coordinating its implementation including across Regions. The project document stipulates that the leadership of the HoPR and Regional Councils must "allow for a proportionally representative number of opposition party members and women parliamentarians to participate in donor supported constituency outreach programmes, attending international conferences, educational and training opportunities, study visits abroad, etc."

Civil Society (development of/support to)

A2.31. As highlighted in chapter three of this paper, the development of and support to 'civil society' and more fundamentally, the nature of civil society and of its role in shaping the trajectory of the country has been a permanent point of contention between Government and donors – and between Government and at least segments of the 'civil society' itself. This has come to a head with the recent adoption of a Charities and Societies Proclamation (January 2009) which is seen by many –

²¹ The HoPR's speaker as well as all chairpersons and deputy chairpersons of the standing committees are from the ruling party but each standing committee contains opposition members. The opposition in the HoPR went from 2% in the previous legislature to 33%. Similarly in Amhara Regional Council, opposition parties won 36% of the seats; in Oromia, the opposition gained nearly 28% of the seats and in SNNPR, the opposition holds 22% of the seats.

²² The programme document notes, for instance, that "currently, opposition views staff of parliament as loyal to ruling party. This perception is supported by the fact that the Secretary General and a number of key staff department heads are former ruling party MPs"...

including in international circles - as severely restricting the space for civil society to contribute to the country's development.²³

Pre-2005 and pre-CSP overview

A2.32. It has been well documented that while civil society in its socio-political sense is a recent development in Ethiopia, diverse groups of informal community-based self-help and social welfare organisations have been in existence since time immemorial.²⁴ The formal and non traditional CSOs (mainly NGOs) in Ethiopia started emerging during the 1950's: their numbers increased exponentially in the 70's when a large number of welfare type NGOs and faith-based organisations were established and played a leading role in providing emergency relief services to communities mostly affected by the famine. In the 1980's, more International NGOs (INGOs) started operating, primarily in the rehabilitation of communities affected by recurrent droughts. Following the downfall of the Derg in 1991 and the corresponding relaxation of registration processes, the country witnessed the emergence and establishment of more diverse groups of non-governmental and civic associations and organisations. The past 15 years have witnessed the growth of a third generation of associations that are aimed to addressing the country's development needs.

A2.33. However, the sector is still characterised by the predominance of customary organisations – even though until recently (see below) they have rarely been acknowledged in the development discourse. The CSOs of the modern variety have been very much dependent on donor funding and less embedded in the society. There has also been little trust between 'modern CSOs' and government agencies. It has been quite easy for the Government to stress what are known weaknesses of this still nascent sector that is, weak systems of governance and of internal and external accountability and weak level of engagement with different stakeholders. The Government has frequently contrasted this with the way membership-based associations (such as the women's and youth associations, launched under the Derg and maintained by the EPRDF-led government) have much greater legitimacy as they are said to have strong representation and accountability mechanisms. Formally, women's associations, youth associations and farmers' associations are supposed to have severed the strong links they had with the ruling party and instead, to stand to fulfil their members' interests regardless of political affiliation.

A2.34. While there was a period of relative optimism with respect to government and civil society relations in the early 2000s this was severely disrupted with the 2005 election. Some CSOs have been seen to overtly support the political opposition and this has affected the credibility of the sector as a whole – in a context in which the role of political opposition remains contested. Recently the Government has issued the Charities and Societies Proclamation allegedly to better regulate the sector. This was preceded by what were said to be wide-ranging consultation on the meaning of civil society in Ethiopia which is said to have highlighted that most Ethiopians supported the Government's characterisation of 'modern CSOs' as 'rent-seeking organisations', just interested in mobilising external funding of which a large part is never channelled to the supposed beneficiaries.

The Charities and Societies Proclamation

A2.35. The Proclamation states two main objectives: *(i) to aid and facilitate the role of Charities and Societies in the overall development of Ethiopian peoples and (ii) to ensure the realization of*

²³ See e.g. www.civicus.org May 2009. In November 2009 the Centre for International Human Rights of the Northwestern University School of Law issued a report which concludes that the CSP is inspired by the most repressive such laws around the world, including Zimbabwe, Russia and Singapore.

²⁴ See e.g. Dessalegn 2002. For a recent overview, see 'Community-Initiated Associations and Customary Institutions in Ethiopia: Categorisation, Characteristics, Comparisons, and Potential for Involvement in Development and Social Accountability' by Alula Pankhurst, August 2008 (Pankhurst 2008b).

citizens' rights to association enshrined in the Constitution of the Federal Democratic of Ethiopia. It establishes a number of key definitions and categories of Charities/Societies and restricts the activities of certain categories. Most notably, to be eligible to register as an Ethiopian Charity/Society the concerned organisation must be 90% locally financed. All other organisations are either Foreign or Ethiopian Resident Charities/Societies and as such, are prohibited from engaging in human, democratic and generally civic rights promotion and advocacy.²⁵ They are de facto restricted to service delivery activities. Even activities promoting accountability and transparency on the demand side could raise issues.

A2.36. The CSP also provides for the establishment of a Charities and Societies Agency (CSA) with extensive powers to intervene in the day-to-day administrative affairs of CSOs, and for the potential application of heavy criminal sanctions for arguably minor administrative irregularities, such as failure to prepare and submit accurate accounts on time. Right of appeal against the CSA's decisions is limited.

A2.37. The CSP recognises 'Member-based Societies' (such as professional associations, the already cited women's and youth associations, and other similar "Ethiopian" Societies) – which it is not entirely clear whether there can be Foreign or Ethiopian Resident ones. But the CSP makes it clear that only **Ethiopian** mass-based organization can actively participate in the process of democratization and election. For all other purposes, Mass-Based Societies are treated by the CSP exactly the same way as charities and societies. Entities that are excluded from the application of the CSP include religious organizations; organizations operating under bilateral or multilateral agreements, cultural and religious associations; and societies governed by other laws. The CSP does not define these organisations except for the religious ones. The CSP also provides for exemption to be granted to specific CSOs or programmes and this is something that has been explored by the donors wishing to support civil society in today's considerably reshaped environment. However, the criteria on which exemptions would be granted have not been defined.

Donor support to civil society

A2.38. Donor support to civil society prior to the 2005 election was relatively fragmented – with a number of donors engaging with Government in doing so (e.g. the EC, as this is compulsory under the Cotonou Agreement²⁶) whilst others were managing this support directly and outside of Government (e.g. SIDA). Just before the elections the idea of a multi-donor Civil Society Support Programme had been aired. The election and post-election developments halted this.

A2.39. The first post-2005 election initiative to emerge was the development of the Social Accountability (SA) component of the PBS ('demand side' of accountability) – meant to complement the strengthening of local governments' mechanisms and systems for transparency and accountability for service delivery ('supply side' of accountability) undertaken through another PBS component²⁷. Since the 2005 election the legitimacy of various forms of CSOs has been a recurrent topic for discussion between Government and donors, and this has been one of the issues slowing

²⁵ The CSP specifically restricts Foreign and Ethiopian Resident NGOs from engaging in: the advancement of human and democratic rights; the promotion of equality of nations, nationalities and peoples and that of gender and religion; the promotion of the rights of the disabled and children's rights; the promotion of conflict resolution or reconciliation; and the promotion of the efficiency of the justice and law enforcement services.

²⁶ The Cotonou Agreement is the policy framework regulating the relationships between the EU and the African, Caribbean and Pacific countries.

²⁷ As reviewed elsewhere in this paper the largest volume of PBS (donor) funding co-finances the government un-earmarked transfers to Regions and woredas for service delivery under their mandates. The transparency and accountability components (supply- and demand-side) were parts of the package that government had to agree with in order to get service delivery funding. The SA component was by far the hardest to negotiate.

down the design and implementation of the PBS SA component. However by the end of 2007/8 the PBS donors could draw some optimism from the fact that the tri-partite Steering Committee put in place to oversee the component (Government, civil society and donor representatives) had finally agreed modalities for its own functioning. A number of pilot SA projects were launched in the course of 2007/8 and recently reviewed in the context of preparing for the following phase of PBS as a whole. Box 6 below highlights a few key points from the review.²⁸

²⁸ Based on “Piloting Social Accountability in Ethiopia: Analytical report with case studies”, PBS SA Component Four, GTZ, June 2009 (PBS SA 2009)

Box 6: PBS SA component – Progress review by mid 2009

Twelve lead CSOs were selected. With their partners they represented a total of 50 CSOs involved and operating in 80 woredas across the country. Amongst the twelve lead CSOs, six would be seen by many as having strong links with the government (e.g. REST, Tigray WAT, ADA etc.).

The pilot SA projects aimed to pilot and lead to adopting best practices of social accountability, and create learning initiatives. Social accountability is envisaged as a “constructive dialogue which brings ordinary citizens, CSOs, LG organisations and public service providers towards a common vision” (of service delivery)

Most projects focused on education followed by health then watsan. Nearly all CSOs adopted the Community Score Cards (CSC), a large number adopted also the budget literacy and expenditure tracking tools, and some CSOs also piloted the Citizen Report Cards (CRC), often in parallel with the CSC. Most projects followed an objective of strengthening “local community based organisations” (ranging from idirs to youth associations and school girl clubs).

Collaboration with LG structures was variable, initially weak because the SA initiative had not been effectively communicated in spite of its official launch. It often strengthened over time, but persistent problems led to the relocation of projects in three cases. In many cases a steering committee was established and the woreda was formally represented on it. Most CSOs are said to have developed strategies to sustain the initiative after the SA project phases out (e.g. “creating a council or committee”).

Community expectations were also found to be a challenge – as based on former experiences of NGO activities communities anticipated the construction of various physical facilities.

The envisaged change is going to be the result of a long term process – considering the “deep rooted community mind set of ‘too much respect’ for public service providers” and the lack of a “culture of demanding transparency and accountability or participation”.

A2.40. In parallel, the idea of a multi-donor programme of support to civil society was taken up again and a Civil Society Support Programme (CSSP) was designed in the course of 2007/8 – with the acknowledgement of the Government. However, in May 2008 the Government unveiled the preparation of the “Charities and Societies Proclamation” which was likely to have important implications for the CSSP focus. The launch of the CSSP was therefore suspended while intense discussions were held on the draft CSP. These resulted in a number of changes, though admittedly relatively insignificant.

A2.41. Following the adoption of the CSP the DAG has adopted a post-law strategy²⁹ which includes setting up an Adaptation Facility and a CSP implementation monitoring Facility. The Adaptation Facility is conceived to support civil society actors’ adaptation and compliance with the Charities and Societies proclamation (CSP) and to provide assistance to civil society in order to strengthen and build their financial and technical capacity in a changed environment. The objective of establishing a system for monitoring the enforcement and impact of the CSP is to provide a robust evidence base on how its application is affecting the existence, aims and objectives, and operations of civil society organisations, both positively and negatively, while the longer term objective is to influence the implementation framework. Work is ongoing on these two fronts, and ‘acknowledged’ by Government.

A2.42. There has also been some work done on redesigning the CSSP in the new context. However, it is likely that for an initial period of one to two years the CSSP would adopt a ‘holding strategy’, whilst the effects of the CSP implementation become clearer. This would also allow bridging beyond the forthcoming national and regional elections of 2010.

²⁹ Also referred to as the Civil Society Sub-Group’s (CSSG) post-passage Engagement Strategy

‘Traditional organisations’

A2.43. Another recent development is the increasing attention reported to be paid to the developmental potential of what some call ‘traditional organisations’ – in areas such as local justice and conflict resolution but also more broadly. For instance, this has recently been brought to the attention of the PSCAP donor group through a report prepared in the context of designing the next phase of PSCAP.³⁰ There is a view that greater engagement of those organisations in development activities would be seen as non-threatening by the government (in contrast with the involvement of the ‘modern CSOs’, dubbed to be urban and rent-seeking as noted above). However this, in turn, raises some concerns about the risk of such organisations being co-opted (including possibly as control mechanisms) rather than continuing to respond to their members’ interests and priorities. These are presumably very early days and it is uncertain how such ideas will evolve, not least due to the climate of uncertainty about what is allowed to whom in the CSP environment.

A2.44. It is not clear that the review of ‘community-initiated associations and customary institutions’ mentioned above (Pankhurst 2008b) has been drawn to the attention of the stakeholders in the current discussions. Appendix 2.2 provides a more complete summary of the characteristics and potential for development of different kinds of such ‘customary and community-initiated’ organisations as outlined in the review. Box 7 outlines the rationale underpinning the categorisation proposed in that study compared to others commonly used in Ethiopia.

Box 7: Categories of community-initiated associations and customary institutions

A range of associations and institutions are initiated by community members. They are often referred to as Civil Society Organisations, Non-Government Organisations, Community-Based Organisations, Membership-Based Organisations or Faith-Based Organisations. However, the study does not favour this categorisation because: a) *Civil Society Organisation* tends to be used very broadly often focusing on formalised nationwide organisations such as trade unions and professional associations, b) *Non-Government Organisations* often include ones that are not locally based or community-initiated and may even be international, c) *Community-Based Organisations* tends to include those that are set up or organised by government or non-government organisations, d) *Membership-Based Organisations* are only a sub-group and also include those that are externally-induced, and e) *Faith-Based Organisations* are only a sub-group, related to religion.

Another categorisation uses the following five adjectives: a) informal, b) traditional, c) indigenous, d) grass-roots, e) local. The study also does not favour this because: a) *Informal* characterises them in negative terms, and many have become increasingly formal, b) *Traditional* gives an impression that they are ancient and unchanging when in fact many are the product of modernisation and monetisation and all are flexible and have been responsive to changing conditions; c) *Indigenous* gives an impression that they have not been subject to outside influences and wider processes whereas some are responses to external influences and urbanisation, d) *Grass-roots* gives an impression that they are fixed when some are even the product of migration, and e) *Local* has a geographical rather than a social connotation.

Instead the study highlights three main types of organisations that are community-initiated in the Ethiopian context: a) *Membership-Based Community-Initiated Associations* (see below); b) *Customary Institutions* (such as conflict resolution institutions) and c) *Resource-Sharing Institutions* (e.g. labour-sharing). There is some overlap between these types.

The category of Membership-Based Community-Initiated Associations has four sub-types which can be differentiated by their primary function: a) *Funeral Associations*, commonly known as *Iddir*

³⁰ See “Strengthening the impact of the Public Sector Capacity Building Programme in the Developing Regional States of Ethiopia”, report to the Task Team Leader of PSCAP, by Klaus Kirchmann and Dereje Feiyessa Addis Ababa, Ethiopia. 20 August 2009

in most parts of the country, known as *Qire* in Wello, b) *Rotating Credit Associations*, known as *iqqub* in much of the country, c) *Socio-religious Rotating Faith and Membership-Based Associations*, known as *mehaber* which are mainly formed by Orthodox Christian friends within localities, and d) *Migrants Associations*, known as *meredaja mebaher*, which are self-help groupings of migrants coming from the same area.

Other developments related to the strengthening of accountability mechanisms

A2.45. Simultaneously to the developments outlined above, the government has undertaken to strengthen a number of supply-side accountability mechanisms. This responds to a combination of external and internal pressure/incentive factors – and it is early days to see whether and how such developments will contribute to strengthen civil society. Notably:

A2.46. The government has signed up to the NEPAD African Peer Review Mechanism (APRM) process. A ‘country self-assessment report’ was issued in January 2009. The report does not hide the lack of agreement between the government and certain segments of the society on a number of sensitive issues, mostly related to the conduct and aftermath of the 2005 election and the broader political set-up. However, the self-assessment process supposed to be carried out based on the report has been criticized as insufficiently involving civil society, which goes against the NEPAD APRM core principles.³¹

A2.47. The government has recently decided to take the lead in implementing the Woreda/City Benchmarking Survey (WCBS), an exercise which was initiated as part of mandatory PSCAP achievements and, in its first two rounds (2006 and 2008), led by donors with minimal government engagement. Reportedly, the reason for government’s change of attitude vis-à-vis the survey was the realization, brought home by the preparation of the APRM report, that there was very little information available at the federal level on many of the service delivery related governance issues to be addressed in the APRM, and that those could be covered by the WCBS. The third round of the WCBS is currently being planned, and field work is scheduled to take place in the first quarter of 2010. The WCBS III Action Plan states that the WCBS is due to become “the key instrument to monitor future Government programmes” (thus going beyond the monitoring of the effects of PSCAP which had been the main focus of the previous two rounds). It is planned that it will involve further service delivery areas such as policing and local courts. The demand-side survey (based on a Citizen Report Card methodology and focused on the household level) will be better linked to the supply-side survey (based on information provided by woredas’ and cities’ officials and complemented by focus group discussions and key informants’ interviews) and will be representative at the woreda/city level – which was not the case for the first and second round.

A2.48. The government has also issued the final report of a first ‘Financial Transparency and Accountability Survey’ (FTAPS) (June 2009) undertaken as part of the PBS mandatory activities under the ‘supply-side transparency and accountability component’. The process was slow and there was a lot of discussion on the content of the report. However, the report was finally issued under MOFED cover. It is quite candid about the fact that there is a long way to go to ensure that the supply-side transparency and accountability measures promoted by PBS (e.g. posting of woreda budgets in ‘lay person formats’) and the good governance package (reviewed elsewhere) (e.g. the creation and staffing of Information, Customer and Complaint Handling Desks at woreda level) would be fully effective in terms of empowering citizens.³²

³¹ See APRM Monitor no.7, June 2009

³² E.g. “the overwhelming majority of the respondents have no knowledge of the budget and of the budget process and they are not engaged in decisions regarding the delivery of basic services... Some citizens, albeit a

A2.2. Livelihoods domain

Protecting Basic Services

A2.49. The Protecting Basic Services (PBS) programme is a multi-donor programme launched in 2005/6 – when donors made clear that they would not continue to provide Direct Budget Support (see Appendix 2.3 for more detail on the sequence of events which led to PBS). The PBS is active across the whole country through its main component co-financing the Federal Government's fiscal transfers to Regions, and from Regions to *woredas*. Other PBS components are (i) a Ministry of Health centrally-managed fund delivering specific health commodities in kind to Regions and *woredas*; (ii) support for developing local accountability processes and mechanisms. PBS 2 has just been designed and major financing approved by e.g. the WB and the EC.³³

A2.50. In the Component 1, PBS funding is used in the same way as government funds to finance the provision of basic services by the Regions and *woredas* as per their constitutional and policy mandates. In this way the PBS is a direct and significant support to government's PASDEP priorities in the education, health, water and agriculture sectors, for all programmes under the Regions and *woredas*' mandates. PBS Component 1 typically amounted to one third of the government fiscal transfers to Regions.³⁴

A2.51. In spite of the size of donor financing, as a donor-financed programme PBS has had thus far relatively little influence on the content of policies in the sectors concerned, including education, health, water and agriculture. In these sectors government-donor dialogue and donor influence has taken place largely through sector-specific dialogue processes³⁵, not very well connected to the PBS dialogue which has, on its side, focused on issues of intra-government and local governance. In PBS 2 there will be a stronger focus on sector policies but at this stage it is not yet known what form this will take.

A2.52. In its focus on local accountability, PBS is aimed to address both supply and demand sides. On the supply side activities aim to strengthen the provision of accountability by local administrations (e.g. development of systems to provide 'user friendly access' for the public to budget and service delivery performance information). On the demand side (PBS 'social accountability' component) activities aim to strengthen the capacity of local stakeholders to demand accountability. Thus far this has taken the form of supporting a number of small-scale 'social accountability' pilot projects developed and implemented by local NGOs/CSOs. The most relevant and successful pilots are supposed to be scaled-up at a later stage. Following suggestions made in preparatory studies for PBS2³⁶ the design of the next phase may also include greater emphasis on working with the local (*woreda* and *kebele/tabia*) councils.³⁷

A2.53. In replacing Direct Budget Support the PBS represented a shift in donor attention from more macro policy and governance concerns to more local level concerns. In several ways, including

small minority, are engaged with their local government. The majority of respondents feel that it is important for citizens to be involved, but do not feel they have available opportunities". The survey also found that people most likely to file a complaint/contact their LG were wealthier, men, and older adults.

³³ PBS 1 channelled USD 1.1 billion in the 2005/06-2008/09 period. PBS 2, just approved, is expected to channel the same volume of resources over three years.

³⁴ This proportion is expected to decrease over the period of PBS 2 with a view to making government's provision of basic services increasingly self-financed.

³⁵ The recently launched General Education Quality Improvement Programme (GEQIP) is an example of this.

³⁶ See Pankhurst et al 2008, Enhancing Understanding of Local Accountability Mechanisms in Ethiopia, Protecting Basic Services Project, PBS II Preparation Studies. June 2008

³⁷ The 'social accountability' component of PBS 2 is in the process of being designed.

through regular monitoring field visits feeding into the joint PBS dialogue, donors have become somewhat 'closer to the grounds' and as noted above they have gained some more influence on the decentralisation process. However, this still stops at the *woreda* level and falls short of addressing deeper aspects of decentralisation. Indeed, PBS2 preparatory studies highlighted that PBS Phase 1 tended to overlook issues such as the lack of *kebele* integrated planning in practice. There was lack of participation of *kebele* councils or other structures in planning, notably because of the limited relevance of the *woreda* budget for the local/*kebele* level as the budget is largely (and increasingly) used up for salaries. The *woreda* budget composition issue is now raised more regularly in the PBS dialogue (and the pilot Local Investment Grant/LIG component is a response to this issue, see below), but there still is limited attention to sub-*woreda* dynamics.³⁸

A2.54. The more macro concerns are now raised in fora and through means no longer directly linked to structural financing of government budget. For instance, the Democratic Institution Programme (DIP) and the Joint Governance Assessment and Measurement (J-GAM) are new vehicles for government-donor dialogue on non-local governance issues, complementing the Public Sector Capacity building Programme (PSCAP) in place since 2004. In contrast with PBS, if these programmes were to stop tomorrow this would not directly affect the GOE's capacity of providing and further expanding basic services.

A2.55. PBS 2 also includes an additional Local Investment Grant (LIG) component. Clearly (in the context of this research) this will not have had any influence on local development yet. But the inclusion of this component in PBS 2 is indicative of concerns that donors have regularly raised since they have become more involved with regional and *woreda* dynamics, revolving around the very limited volume of investment occurring at local level due to lack of financial resources and weak institutional capacity at *woreda* and *kebele* levels. The LIG is aimed to address this. It has started operated on a pilot basis in 99 *woredas* – including a few of the *woredas* in which research communities are located (see Table 6 in chapter 5).

Food in/security: Productive Safety Net Programme and Food Security Programme

A2.56. Food security policy and programming was given a new impetus following the 2002/3 drought and the recognition that the emergency aid system in place had saved lives but failed to prevent livelihoods to deteriorate. The New Coalition for Food Security (NCFS), an alliance of government, donor and NGO agencies which came together in the wake of the drought, agreed on the necessity to move beyond business-as-usual to address the roots causes of the **chronic** food insecurity affecting a large number of those receiving 'emergency aid' year after year. This represented a change in 'priority regime' (Devereux et al 2006), at least at the discourse level. Before this addressing famine had been either a low order priority or used to serve other priorities.³⁹ For Devereux et al the EPRDF had also, initially, focused on food security measures only aimed to "prevent those types of acute famine events that cause regimes to fall". This changed with the NCFS. Whilst there have been doubts as to the extent of government's ownership of the process, at some point the Prime Minister himself engaged with it. What did happen is that resettlement, which was part of the government model but not that of donors, became a bone of contention which 'killed' the alliance.

A2.57. The Food Security Programme was redesigned then with the key objectives of addressing the roots causes of chronic food insecurity and supporting affected households to 'graduate' to food security. In its revised design the FSP encompassed: (i) the donor-funded Productive Safety Net

³⁸ See again Pankhurst et al 2008.

³⁹ E.g. for the Emperor this was less important than being able to continue to refuse US demands of reforming the agriculture sector. For the Derg famine was both a weapon of war and a way of building political capital with external actors.

Programme (PSNP) and (ii) the government-funded Other Food Security Programme (OFSP) – comprising the Household Asset Building (HAB) and Resettlement programmes. The (O)FSP was in fact already up and running (with a dedicated budget line in government budget since 2000/1) but its size significantly increased in the years following the 2002/3 drought. The PSNP was a new programme, replacing the emergency aid system in *woredas* identified to be chronically affected by food insecurity (the ‘PSNP *woredas*’). It started in 2005 for a five year period in 262 *woredas*. It has since then become “the largest social transfer programme in Africa outside of South Africa” (Devereux et al, PSNP: 2008 Assessment Report, Dec 2008), reaching 8 million people annually since 2006. Box 8 summarises the features of the FSP components.

A2.58. The New Coalition for Food Security came rapidly under strain arising from divergences in the food security models of the government and of donors respectively. This first crystallised around the resettlement programme which donors disapproved of. But in the course of implementation several other dimensions emerged over which government and donors had and still have differing views. However, one legacy of the New Coalition is that issues are now fairly explicitly discussed between government and donors, beyond the ‘appeal-pledge’ cycle linked to emergency aid.

Box 8: Main features of the FSP model

The Productive Safety Net Programme (PSNP) is aimed to *protect* livelihoods through providing for several years, *predictable* food or cash transfers to targeted households in *chronically* food insecure *woredas* (against work by able-bodied adults in community-prioritised *public works* focused on community assets – roads, watershed management, terracing etc., or as ‘*direct support*’ transfers for households that do not have work force). Community participation and appeal and grievance mechanisms ensure transparency in PSNP targeting processes.

The Other Food Security Programme (OFSP) provides opportunities for households to *improve* their livelihoods, through *resettlement*, or access to *subsidised credit* so as to afford locally/regionally tailored ‘household livelihoods *packages*’ (improved technologies, diversification etc.). Local (*woreda* and *kebele*) administrations and DAs are heavily involved in the selection of households eligible for the ‘package’ and in particular, for access to credit, and in loan repayment issues.

PSNP and OFSP are complementary in reaching ‘*graduation*’: “The PSNP is designed to serve as the first rung of a ‘ladder’ out of food insecurity and poverty. Once the beneficiary already has access to the PSNP and sufficient support to avoid asset depletion, they are also entitled to household packages and micro-finance under the FSP, the joint impact of which is expected to lead to increased household incomes and assets over time. Consequently the chronically food insecure household’s dependence on the PSNP is expected to decline over time”. Over time, greater food security and access to improved technologies and alternative income sources are expected to prompt farmers to invest in higher risk - higher return strategies.

A2.59. When it became clear that the government would not bend to donor pressure to abandon the resettlement component⁴⁰ it was ‘agreed’ that donors would concentrate exclusively on the PSNP whilst government would focus on the rest. First studies reviewing PSNP implementation and emerging effects showed that (i) by itself PSNP would not succeed to graduate households; (ii) in practice there was little link between PSNP and OFSP.⁴¹ In the course of 2007 it was agreed to better

⁴⁰ Reportedly the PM himself became quite angry that donors would not support the FSP ‘wholesale’.

⁴¹ This was both because resources for the HAB component of the OFSP were not sufficient to reach all PSNP households, and because PSNP households were not necessarily given priority in access to the OFSP resources. For instance in Amhara there was initially a deliberate policy of selecting better-off farmers for the HAB, because they were seen as more likely to be able to draw advantage from the ‘package’ and to repay their loans (as noted in e.g. aide-memoires of joint review missions). This was subsequently addressed by government).

link PSNP and the HAB component of the government FSP. But by then divergences had grown sharper around the issue of how much time it might take for CFI households to graduate. This was partly due to the complexity of defining graduation, which had not been done at the onset of the PSNP.

A2.60. Fundamentally, the divergence between government and donors appear to be about the balance between developmental and welfarist objectives of the FSP. For donors "an ongoing concern is that implementers tend to understand the PSNP as having developmental objectives – poverty reduction, graduation and self-reliance – and they prioritise these outcomes ahead of welfarist objectives". This led to households with 'graduation potential' being registered for the PSNP ahead of chronically poor labour-constrained households (PSNP: 2008 Assessment Report, Devereux et al, December 2008). On its side and in line with the priority given to developmental objectives the government stresses the need to avoid creating/deepening dependency, a theme which has been recurring in policy statements.⁴²

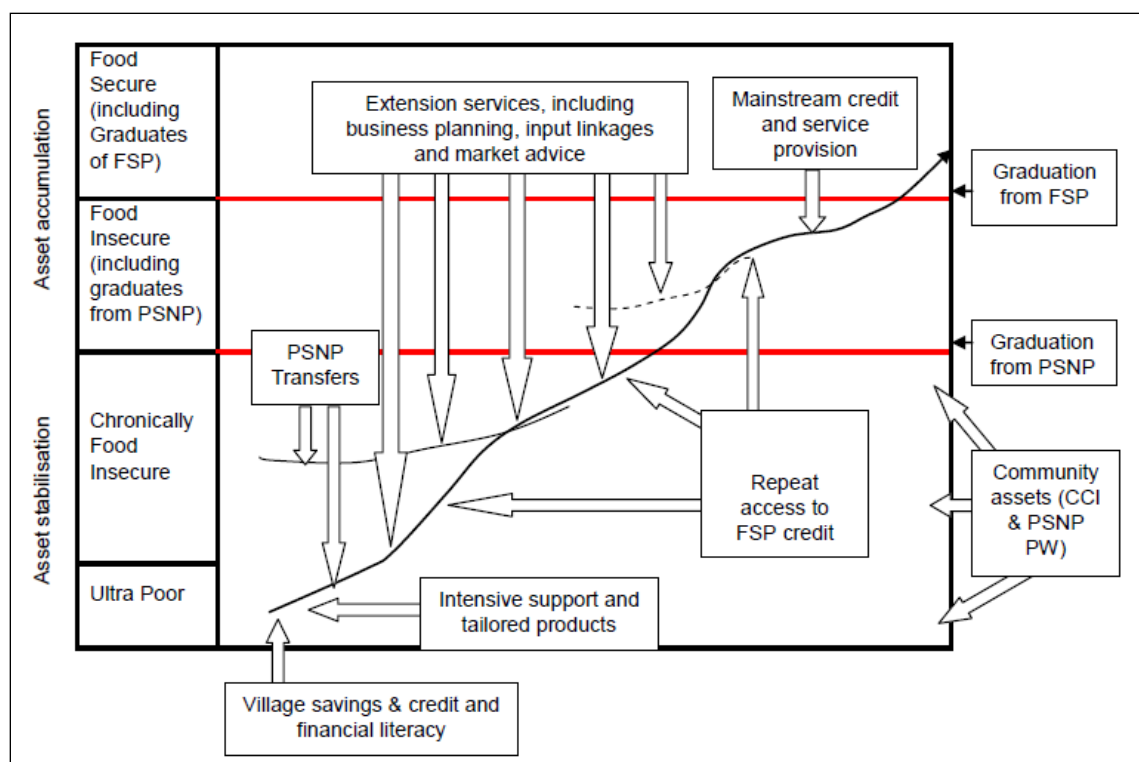
A2.61. Intense discussions took place throughout 2007-09. These led to a renewed agreement about a 'vision' for graduation and how it can be reached. This is a lynchpin of the FSP phase 2 (2010-2014), the design of which has recently been completed (August 2009). (See Figure 12). In the course of these discussions the government has moved from its initial position that all chronically food insecure households would have graduated within five years, to a position where it is recognised that (i) this will take longer, in particular for the poorest households⁴³; (ii) some households are unlikely to ever graduate and a long term social protection framework needs to be developed to address this.⁴⁴

Figure 12: Joint government-donor vision of graduation (August 2009)

⁴² Thus, for instance, the Government's 'social protection' policy issued in 1996 was revealingly called 'Developmental social welfare policy' (MOLSA). It aims to establish "conditions that permit members of society to be both active agents and beneficiaries of social welfare services". The essence of the strategy is to reject 'charity' and to call for empowering communities 'as a method of reversing marginalisation and as antidotes to dependency and a sense of defeatism and despair'. The policy is, reportedly, under revision. See more on this below.

⁴³ However, there is no explicit mention of the overall timeframe now envisaged for the FSP.

⁴⁴ See Devereux and Teshome, Options for 'Direct Support' in Ethiopia: From Productive Safety Net Programme to Social Protection System. December 2008



A2.62. It is too early to assess whether this means that government and donors are more likely to agree on the balance between developmental and welfarist objectives ‘on the ground’. Among others, whilst the vision for graduation is clearer precise definitions and measurements are yet to be re-discussed.⁴⁵

A2.63. The redesign of the FSP for the new phase also reopened the question of whether donors could, should and were willing to cofinance the Household Asset Building (HAB), considering the need for a much bigger volume of resources to accelerate graduation. In that context there were intense discussions about the design of the HAB, which donors wanted government to significantly alter. This focused on three main issues, namely the need to: (i) transform extension services and make them much more demand-driven and responsive to different needs of different households, thus departing from the pre-designed (area-specific) package approach; (ii) pay greater attention to off-/non-farm activities as ways for households to diversify their livelihood thus requiring to link up with government agencies in charge of supporting the development of MSEs etc. and; (iii) make the provision of financial services more robust and sustainable over the long term through delinking it from extension and government agencies in general, and calling on professional financial service providers to play the leading role in this.

A2.64. The resulting design for 2010-14 goes some way toward (i) and (ii) but much less far than had been hoped for with regard to (iii). The design finally promotes the establishment of Rural Savings and Credit Cooperatives (RUSACCOs) as the main means of delivering financial services to households. Moreover, whatever support will be granted to RUSACCOs in terms of initial capital will continue to be financed by government exclusively, and channelled to the RUSACCOs through government budget machinery. Donors have not been willing/allowed to finance this – as the government did in the event not agree to use the more ‘liberal’ design promoted by donors for the

⁴⁵ Among others, the PSNP 2008 assessment study recommended that graduation should be reconceptualised as resilience to shocks (rather than a threshold value of assets as is currently the case in the Federal and regional guidelines). This has yet to be addressed.

provision of financial services. Donors may finance ‘capacity development activities’ in support to the Household Asset Building component.

A2.65. Latest developments⁴⁶ also include a renewed emphasis on **full family targeting** (that is, insisting that if a household is selected as beneficiary of the PSNP all its members must be covered – against the reportedly frequent practice of registering only some members so as to be able to accommodate more households within the limit of the number of beneficiaries allowed for the kebele – the quota); some progress with **graduation** (see Table 9 below) - though in all Regions there is a concern that graduation may have been premature for some households, and was decided to create space for the full family targeting for the households kept in the programme; an emphasis on implementing the **risk financing** approach of scaling-up the PSNP to address the emergency caseloads in the PSNP woredas (that is, households not normally/chronically food insecure, but which are likely to be transitorily food insecure this year because of unfavourable weather conditions) – though in all Regions there seemed to be confusion about how this would work compared to the usual early warning system/emergency approach.

Table 9: Progress with graduation from the PSNP

| | Households graduated from PSNP | | |
|---------------|--------------------------------|---------------|----------------|
| | 2008 | 2009 | Total |
| Tigray | | 7,093 | 7,093 |
| Amhara | 14,368 | 42,486 | 56,854 |
| Oromia | 365 | 32,094 | 32,459 |
| SNNP | 3,805 | 4,635 | 8,440 |
| Total | 18,538 | 86,308 | 104,846 |

A2.66. The new FSP design is not going to have had much influence on developments ‘on the ground’ investigated in this research. But the story above is of interest for what it reveals of the government and donor respective positions.

Rural Economic Development/Food Security and Agricultural Growth Programme

A2.67. In parallel to the food security dialogue and programming, the past five years saw growing concern that whilst the FSP/PSNP concentrated large flows of resources (thematically) on food insecurity and (geographically) on chronically food insecure areas, there was “inadequate attention to harness opportunities for accelerated agricultural growth in many higher-potential areas”. As a result, few resources were available for “addressing local challenges in non food-insecure areas” (World Bank Programme Information Document for an Agricultural Growth Programme, 2009).

A2.68. This was a concern already expressed by the DAG in the course of the preparation of the PASDEP. The WB Country Economic Memorandum (2007) was then a landmark in spelling out donor perspectives on ways of taking forward hitherto ignored aspects of the PASDEP and/or taking them further where the WB team felt the PASDEP was not going far enough. In particular, the CEM stressed the relevance and necessity of an ‘imbalanced leg’ in government rural development strategies, which would consist in focusing sufficient resources in selected areas with high growth potential to unleash this potential. Whilst the CEM was WB-led, the DAG comments on the PASDEP reflect a number of the same points which suggests that the ideas exposed in the CEM were shared by a broad constituency amongst donors. The main points raised in the CEM are in Box 9 below.

Box 9: The ADLI+ strategy of the Country Economic Memorandum (WB 2007)

The premise of the CEM is the need to pay attention to both the content of policies and governance.

⁴⁶ This is based on the federal and regional reports from the latest FSP Joint Review and Implementation Support Review (JRIS) (December 2009).

Since the inception of a 'more developmentally-friendly state' in 1991 progress has been made but remained mixed. There continues to be a very large number of poor people and people at significant risk of falling into poverty. Slow progress is largely explained by disappointing gains in agricultural productivity in a context in which transforming the economy is going to take time and passes through rural development. The root causes of this are unfinished transitions in relation to (i) federalism, decentralisation and service delivery and (ii) the private sector. At stake is the content of policies – government thus far has tended to adopt reforms at its own pace – but also, and even more so particularly since 2005, the need for government to be credible in its commitment to policy reforms.

Policy content: What is needed is an 'ADLI+ strategy' in which the 'balanced development leg' pursued thus far, of broad-based rural development, service expansion and small town development is complemented by an 'imbalanced leg' seeking to accelerate growth through focusing public investment and policy in areas of major economic opportunity. This should be based on both, encouraging self-discovery of new private sector activities and publicly-led activities such as the development of large-scale irrigation schemes. The strategy must be underpinned by recognition of the "significant heterogeneity both of initial conditions, and patterns of constraints and opportunities across regions and sectors." Moreover, "there is a political case for each Region having one or two focused efforts."

Governance: The 'ADLI+ strategy' will not work if there is not a "reform of patterns of local interactions, to a large extent formed under the Derg to strengthen local political and social control..." and a move away from the prevailing top-down approach to local development to an approach of adaptation and responsiveness to heterogeneous and changing settings. This means abandoning the 'control paradigm'. For this to be credible clearly signalled policy intentions must be backed up by convincing initial actions; there must be policy stability; and strong accountability mechanisms must be put in place.

Critical challenges are widely acknowledged including e.g. geographical, infrastructural and institutional constraints, land degradation; lack of livelihoods diversification and weak labour mobility trapping people in high risk and vulnerable livelihoods; and low level of literacy and skills in rural areas. But there continues to be lack of agreement on how to tackle them, among others in relation to land tenure and the role of the private sector. Government's position arises from an agenda of protection of poor farmers and concerns about unacceptable level of inequality which would result from a more private sector- and market-led policy. The CEM counter-argues that: (i) there is significant inefficiency because of land fragmentation; (ii) as rural markets diversify land should become less important than other assets such as skills and capital; (iii) state dependency of rural development institutions (such as in the case of cooperatives) is pernicious and unsustainable over the long term.

The 'ADLI+ strategy' would have three themes:

1. In areas with **good agricultural potential**, continuous focus on broad-based, small farmer-led productivity (including immigration and resettlement in currently lowly populated such areas)
2. In areas with **high agricultural potential and good market access**, special emphasis on higher value products, value adding and integrated supply chains

These areas need increased and more adaptive research; separation of extension from input and credit supply; strengthened connectivity infrastructure; measures to thicken markets (greater competition in fertilizer distribution, increased emphasis on seeds, avoidance of biases in favour of cooperatives, development of supply chains); water resource management; tackling soil degradation; risk management.

3. In **low potential ('resource-poor') areas**, a sustainable long-term vision is of major investment in human development of the young. Two particularly important themes are off-farm activities and rehabilitation of degraded local environments. There needs to be continued emphasis on food security, with greater attention to diversification of livelihoods (based on an adaptive and experimental rural development approach and avoiding standard packages), promotion of off-farm activities (with the need for these to be 'perceived to be encouraged by local level officials'), out-migration and where possible, irrigation and land conservation measures to raise the agricultural potential of these areas.

A2.69. Nearly simultaneously to the WB analytical work the Rural Economic Development and Food Security (RED/FS) government-donor dialogue was being revitalised (albeit the two processes were

initially un-related). A donor group had been nominally established with the aim of supporting the rural growth pillar of PASDEP but the rollout of the PSNP drew most of the attention and energy for a few years. From mid-2007, facilitated by the formal re-establishment of the RED/FS donor Thematic Working Group of the DAG, a series of high level discussions led to the idea of developing a multi-donor Agricultural Growth Programme in support to government agricultural growth agenda. “The development objective of the proposed AGP is to increase productivity in a sustainable manner, strengthen marketing and facilitate value addition of selected livestock and crop products in targeted areas with due attention to women and youth” (AGP PID 2009).

A2.70. The design of the AGP is under way. This again will have had no direct impact on local development yet. However, in our research we can explore how government-donor future priorities as envisaged in the AGP fit with today’s realities in the livelihoods domain of the communities concerned that is, those in ‘growth potential’ areas. The main design features of the AGP are summarised in Box 10.

Box 10: Preliminary design of the multi-donor Agriculture Growth Programme

AGP would be implemented in a decentralized manner, following a demand-driven and incentive- (performance-) based approach. Individual activities would be largely chosen by farmers and their communities and organizations, as well as other private sector beneficiaries. Specific efforts would be made to ensure the inclusion of women and youth in the development process. The AGP would also identify and put in place incentives (policy measures and institutional set up, including for the public, private and cooperative sector) that would promote agricultural growth in the selected areas.

(i) Agricultural Production and Commercialization component: The objective would be the sustainable increase in productivity and production of selected crop and livestock (including aquaculture) systems, the improvement of access to markets for farmers, and the strengthening of key agricultural value chains. There would be three sub-components, namely institutional development, support for farmer sub-projects, and matching grants for technology and agri-business development (e.g. technical assistance and training for the extension system and farmer organizations; small equipment or inputs for farmer groups and cooperatives; technical assistance, training, workshops, etc. and (limited) equipment for agro-processors, cooperative unions or other stakeholders along agricultural value chains).

(ii) Rural Infrastructure Development component: The objective would be to finance demand-based investment in rural infrastructure to improve social and economic activities. Most of the investment under this component would be demand-based small scale community level facilities, which would be included in the *kebele* development plan (e.g. rural drinking water, rural communication and transport, small-scale irrigation, land and water resource management, and post-harvest value-addition).

A2.71. Government and donors have agreed that the AGP will focus on a ‘small number of *woredas* with high potential’. A list of eighty such *woredas* has been identified in all Regions of the country, based on agreed criteria⁴⁷ – the list includes some of the *woredas* in which the research communities are located. The RED/FS group is in the process of identifying how various programmes such as the PBS LIG and the Sustainable Land Management (SLM) programme might overlap with the AGP.

⁴⁷ The selection criteria were: (i) good access to markets – defined as access to cities of 50,000 population (less than 5 hours); (ii) natural resource endowment – defined as annual average 700 mm or over (with good rainfall distribution; soil types suitable for crops/fodder production); (iii) institutional capacity – defined as (i) public staff number and skill base and (ii) institutional plurality of service providers, including for financial services and including viable cooperatives and farmer groups; and (iv) willingness and commitment to participate – including a supportive policy environment; good performance of donor-supported projects/programs; partnership with private sector. Pastoralist areas have been excluded from participation in the initial stage of the AGP.

A2.72. However, it is not clear at this stage whether and how the *woredas* which happen to be neither chronically food insecure nor 'high potential' might be supported in improving agriculture and rural development outcomes. There is also the issue of linkages between high-potential and food insecure areas (a division already established under the Derg), a problem that has not been adequately addressed until now and that the current separate planning processes and frameworks could easily overlook once more. Finally, it is not clear at this stage that the on-going programming focusing on agricultural growth pays adequate attention to livestock production. Generally, livestock production has been comparatively neglected in spite of the PASDEP's recognition of the importance of this sub-sector. More recently, the Comprehensive Africa Agriculture Development Programme (CAADP) process has again clearly stated that the sub-sector is critical to reach the CAADP objectives – which the government has recently signed up to. The CAADP report (July 2009) stresses that for Ethiopia to manage a six percent growth rate in agriculture the main strategy should be to improve crop yields and livestock productivity. It goes further to explain that "comparing the effectiveness of growth driven by different sub-sectors in reducing poverty and encouraging broader-based growth,... increases in livestock productivity can potentially reduce poverty in pastoralist areas, particularly if marketing channels are improved so that livestock production do not lead to sharp declines in market prices." It remains to be seen how such insights will be taken into consideration in programming terms.

A2.73. One implication of the separate programming processes for rural growth and food security is that whilst a number of critical policy areas should, in principle, straddle the two agendas, in practice developments occurring in one agenda are not automatically taken up on the other. These include the reform of extension services; policies and activities shaping input/output agricultural markets, access to off-/non-farm opportunities and access to credit; the land policy; irrigation and water management; and livestock policies. These fields are reviewed in the next sections.

Reform of extension services

A2.74. Following a story of false starts or selective application under the Imperial and Derg regimes but building on schemes from these periods, the EPRDF-led government made the expansion of extension services a central component of rural development – even before the formulation of ADLI.⁴⁸ Thus in 1995/6 the Participatory Demonstration and Training Extension System (PADETES) had become the extension management system across the country, reaching up to 4 million households. However, until the early 2000s this policy was of limited effectiveness, in part because the number of extension agents was limited and they were not based close to the farmers. The government was also concerned that their level of qualification was not adequate.

A2.75. A major step was taken with the decision of reforming Agriculture TVET so that government would be able to deploy rapidly, and at *kebele* level, a much larger number of better qualified (diploma level) Development Agents (DAs). The target of deploying three DAs in each *kebele* is largely reached today. Other measures taken within the same period (late 1990s – early 2000s) include: reform in the content and methods of extension (e.g. training in Farmers' Training Centres; more comprehensive and area-specific household packages in addition to minimum packages; greater focus on farming activities other than crop production including livestock⁴⁹; support to reorganisation of farmers' cooperatives).⁵⁰

⁴⁸ This is reviewed in the FSS Policy Digest, 2008.

⁴⁹ The World Bank CEM explains that although Ethiopia has the second largest livestock population in Africa, livestock production contributes for less than a quarter of the agricultural output.

⁵⁰ PASDEP has a target of 70% of all farmers to be members of a cooperative by 2010.

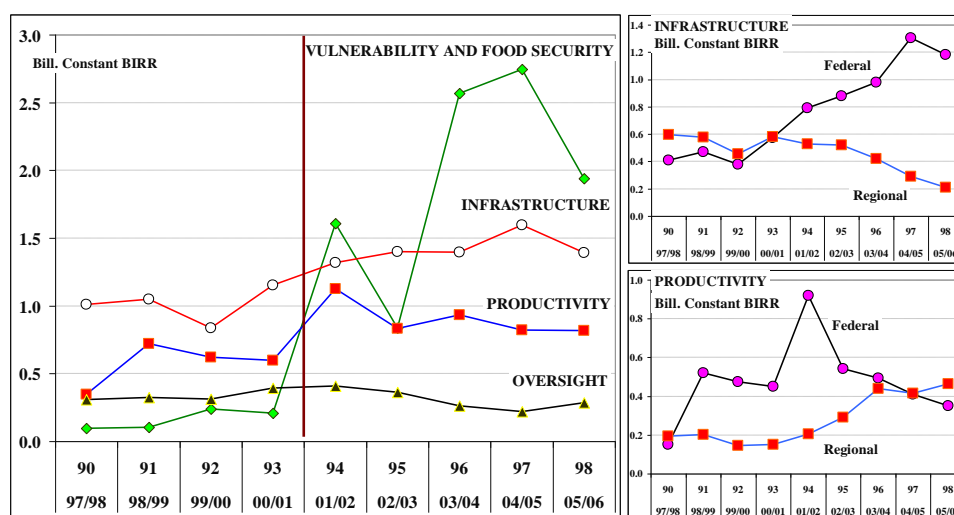
A2.76. Notwithstanding the reforms, on the whole donors have expressed doubts that as it stands, the extension system can really deliver what is expected from it that is, advising farmers in moving toward commercialised agriculture and/or attaining food security.

A2.77. A recent World Bank Agriculture and Rural Development Public Expenditure Review (ARD PER, draft 2007) highlights that while the PASDEP has brought a significant increase in government funding for Agriculture and Rural Development (ARD), the results from this much higher spending are disappointing. In particular, the report presents a mixed assessment of the effectiveness of extension and research spending. It points to the lack of effectiveness of the standardised package approach (lack of divisibility and of flexibility preventing trials and experimentation by farmers; late and uncertain/ incomplete recognition of the need to tailor support to agro-ecological and economic/market circumstances⁵¹ and to support the whole farm beyond staple crop production; gender biases including overlooking the role of married women).⁵²

A2.78. Other studies stress the “lack of a long-term strategic vision of extension”. The current model, stuck on emphasising “low value food crop production”, focusing on supply-driven top-down technology transfer and considering that market support services are outside of the mandate of the extension services, is fundamentally misaligned with PASDEP emphasis on shifting toward commercialised agriculture.⁵³

A2.79. There also is an unbalanced approach to extension, with fairly different expectations of DAs and very different resources at their disposal, between chronically food insecure areas and the others. This is implicitly shown in the Figure 13 below, extracted from the draft ARD PER.

Figure 13: Government spending in ARD pre- and during PASDEP



Source: World Bank, ARD PER, draft June 2007.

⁵¹ The PER argues that the government approach in encouraging regional specialisation may be problematic: ‘picking winners’ (through commodity business plans) bears high risks of failure. The main focus should be to provide infrastructure and a conducive business environment to stimulate private investment.

⁵² ‘Married women receive loans, and training for small ruminants, small-scale income generation projects, family planning, nutrition, HIV/AIDS etc. However, this appears insufficient... They are discriminated against even compared to female-headed households, who receive credit for inputs, and training for crop production, livestock, and horticulture, for example.’ Even the FSP is biased, ‘assuming that benefits to the head of the household will benefit all household members, but there are in fact strong asymmetries.’

⁵³ See “Commercialisation of Ethiopian agriculture: extension service from input supplier to knowledge broker and facilitator”, Improving Productivity and Market Success (IPMS) programme, 2006 (IPMS 2006)

A2.80. Extension is included in the ‘productivity’ spending. However, a large part of the ‘vulnerability and food security’ spending in fact represents resources at the disposal of DAs and extension services in the CFI *woredas* – in the form of people’s labour and some capital and administrative budget through the PSNP, and the envelope for food security package through the FSP. The trends in Figure 13 therefore show that in non-CFI (‘potential’) areas, DAs have comparatively much fewer resources than in CFI areas (and this is amply supported by fieldwork evidence). However, even in CFI areas the use of the resources that DAs have at their disposal (through the PSNP and the FSP) is quite rigidly prescribed (PSNP resources to build ‘community assets’; FSP resources to “enrol people in the package programme” even if they would rather wish to for instance have access to TVET skill training to be able to undertake small-scale non-farm businesses or find employment in the neighbouring town).⁵⁴

A2.81. One of the most pernicious issues has been the top-down approach prevailing in the whole of the extension system (from the pre-design of standard and un-divisible packages to the manner in which most DAs undertake to advise farmers). Donors have tried to prompt change on the two sides of the RED/FS agenda. First, mostly in ‘potential’ areas, several donor-financed programmes are under way which attempt to strengthen the extension services and make them more effective including through linking extension reform to other reforms said to be necessary in the rural economy, such as the development of value chains etc. The AGP presumably aims to replicate on a larger scale the successes that these programmes are said to have had. Second, the need to reform the extension services has also been a key topic in the government-donor discussions around the redesign of the FSP Household Asset Building component. There has been an agreement in principle that extension services must become much more demand-driven and that this needs to be linked to other reforms, again based on experience from the same donor-financed programmes.

A2.82. The envisaged shift is captured in Box 11 below.

Box 11: The FSP vision of a reformed extension system

The FSP Household Asset Building Component will build on past experience, including that of donor-financed programmes such as the WB-financed Rural Capacity Building Project, which clearly demonstrates the success of adopting a demand driven approach to extension that empowers and builds rural households' confidence to embark on investments and income generating enterprises appropriate to their needs and capacity. This experience has also clearly demonstrated the necessity of linking production to markets, increasing value addition and accessing a diversified range of inputs sources and distributors.

However, past experience has also identified significant gaps in the capacity of key stakeholders. This must be addressed to achieve the planned radical change. Whilst there has been a dramatic increase in the number of DAs and functioning FTCs, there remains a need for a comprehensive capacity building programme to address *woreda* experts' and DAs' gaps in technical skills, facilitation skills and management capacity.

The Rural Capacity Building Project (RCBP) has been a key initiative working to strengthen the Ethiopian extension system. Started in 2007, this five-year project is being implemented in 127 *woredas* across the country. The project focuses on the extension and research system. Support to agricultural extension consists of capacity building for subject matter specialists, support to Farmer Training Centres, a farmer innovation fund and extension-research-farmer linkage. At the request of farmers, the project is preparing to turn the currently specialised DAs into generalists. It is also transforming some of the Ag TVETs into business-oriented institutions – e.g. offering short term training for clients other than DAs.

The project aims to transform FTCs into well equipped and furnished centres of learning and information sharing for community members. These FTCs will then be used as focal points for extension provision. The project's support to farmer innovation is working in 20 model *woredas* and 100 model FTCs. Farmers

⁵⁴ Extract from interviews of DAs in the author's fieldwork for Trocaire in 2008.

around those FTCs are trained to turn their ideas into proposals which are then funded by the project. Thus the project creates demand for innovative technologies from the farmers' side and mobilises research centres, private traders, universities, cooperatives and unions and associations to respond to the demand.

A2.83. Other key factors in improving the extension system are said to be: appropriately resourcing DAs, FTCs and AgTVETs in all regions; restructuring the AgTVET to focus on upgrading capabilities and "soft skills" of existing DAs; putting more emphasis on diversification and market-orientation; creating stronger links between research, extension, government, AgTVET, FTCs, NGOs and the private sector. Attention needs to be given to governance issues too, including implementing a decentralised policy environment, accountable to farmers' needs and improving DA motivation and retention by creating a clear career path and reward mechanisms.⁵⁵

A2.84. One important point, which is not raised very explicitly in government-donor discussions, is nonetheless fundamental to allow the type of reform of the extension system envisaged in both the FSP and AGP. That is, the type of governance that the reform promotes (demand-driven approach, accountability to farmers, enhancing DAs' motivation) is hardly compatible with the prevailing broader institutional ('target-driven') environment for planning and delivering services. Trying to change the former and leaving the latter unchanged is very likely to fail.

Input/output agricultural markets

A2.85. The main issues related to the functioning of input and output agricultural markets are well-known: fragmentation and inaccessibility for many farmers due to weak infrastructure – not something which can be immediately resolved although simple technologies such as mobile phones can be very effective in linking farmers to the market; limited private sector involvement and competition – with donors insisting on the fact that the domination of party-owned enterprises and parastatals and government's reliance on various sorts of cooperatives stifle initiative by the 'real' private sector; weak institutions, including weak market information systems and limited capacity of supporting rural households to link up with markets.

A2.86. With regard to input markets, trends in use of modern fertiliser and improved seeds show clearly that the prevailing system fails the farmers (see e.g. trends in the CAADP report, July 2009). In particular, the improved seed supply system is in a very difficult state. A recent donor-funded study highlights the urgency of reforming it.⁵⁶ The study explains that some of what needs to be done is consistent with the AGP geographically-focused approach (e.g. refocus extension activities on specific varieties and seeds and promote input dealerships and local seeds enterprises, locally adapted to the selected AGP *woredas*); but other measures require a more general approach. In particular, the seed certification system should be reformed; there should be support to private sector seed production throughout the country and this should include support the emergence of medium/large scale private seeds enterprises; and there must be a concomitant change in policies, reflecting among others an agreement that seed price should more closely reflect production costs and that competition in seed supply is healthy. The study concludes that this is in line with a concept note on integrated seed systems agreed with the government in February 2009. However, it remains to be seen how such an agreement will be operationalised.

A2.87. With regard to output markets one of the critical issues is the lack of support to the development of locally appropriate value chains which would transform farmers' outputs into higher

⁵⁵ Draft report "Ethiopia Agricultural System: Preliminary Summary of Review Findings", June 2009, IFPRI, conducted in the context of the preparation of the Agricultural Growth Programme (AGP)

⁵⁶ "Assessment of the formal seed system in Ethiopia", draft 2, October 2009, Wageningen UR. The study was conducted in the context of the preparations for the AGP.

value products. A number of donor-financed and/or NGO programmes have demonstrated the potential of integrated and market-based, locally designed approaches – such as e.g. the Improving Productivity and Market Success programme, key features of which are summarised in Box 12 below, as an illustration of this new generation of donor and NGO support initiatives. Thus, the identification and development of ‘value chains’ has become a bit of a buzz concept.

A2.88. However, thus far reformed extension and market-oriented integrated approaches have generally been tried in specific geographical areas and on a fairly small scale. There is little capacity at the local level (DAs and *woreda* extension services, cooperative promotion agencies, marketing agencies) for thinking along these lines. Organisationally there also is little linkage between extension and marketing services, with separate offices in charge at *woreda* and regional levels. The redesign of the FSP Household Asset Building component and the development of the Agricultural Growth Programme are opportunities to scale up more integrated approaches – this will require paying attention to addressing capacity, organisational arrangements, regulatory and infrastructural constraints on a large scale.

Box 12: Selected donor-financed 'integrated' agricultural projects

The CIDA-financed **Improving Productivity and Market Success** of Ethiopian Farmers (IPMS) is a programme aimed to introduce a participatory, market-oriented agricultural development approach that facilitates the adoption of appropriate technologies and innovative input supply and output marketing schemes and financial services. It is based on four key principles: value chain/market orientation, innovation system perspective, participation, and environment, gender, HIV/AIDS sensitiveness.

The programme is premised on the development of partnerships, in which the farmers are encouraged to identify and enter into innovative undertakings; the extension system is moving away from input supply to become a demand-driven knowledge provider and a facilitator that supports linkages in the system, and the private sector (including the farmers themselves) become the input suppliers and marketers of agricultural commodities.

The programme supports the strengthening of local knowledge management (based on *woreda* knowledge centres and model FTCs equipped with knowledge management tools and technologies) and capacity development of extension providers and farmers geared toward innovation, as well as the development of specific value chains. It is active in ten 'learning' *woredas*.

Non-/off-farm activities in rural areas

A2.89. Another policy priority which emerged in the PASDEP is the intention to pay greater attention to livelihoods diversification outside of farming, and promote the development of off-/non-farm income-generating activities. Again, there is very little practice of this in the extension system as it stands. The agricultural extension system (under the Agriculture and Rural Development structures at all levels) lacks the required skills and knowledge. It also has virtually no link with the extension system recently established (under the Trade and Industry structures at all levels) to support the development of the Micro and Small Enterprises sector. The latter is anyway very much seen as an urban affair⁵⁷, and there comes the issue that the government continues to have a relatively ambiguous attitude in relation to rural-to-urban migration – as shown by the restrictions to mobility entailed in most of the regional land laws (see below). In addition (and as is discussed in the review of the education policy below) the TVET sector is also largely failing to provide programmes that could support this stated priority by opening up opportunities for skill training programmes in rural areas.

A2.90. Recent research and analytical work suggest that off-/non-farm activities are most important for both, the richest and the poorest among the rural households.⁵⁸ For the former this follows a developmental logic. For the latter this is about survival, and the challenge is to transform what are very much coping strategies into genuine opportunities. There is some experience of how this can be done, as documented in the USAID-financed study on 'Market-Led Livelihoods for Vulnerable Populations'. The study investigated a number of usually small-scale and often NGO-implemented programmes supporting market-based livelihoods for vulnerable population groups, with a view to learning lessons that could then be scaled up. Selected findings from the MLVP study are summarised in Box 13 below.

⁵⁷ Micro and Small Enterprises Development Agencies have been established at Federal and Regional level (the FeMSEDA and ReMSEDA). They have budgetary autonomy but are accountable to the Industry and Trade structures (ministries and bureaus). At *woreda* level their presence was very minimal initially. This is in the process of changing, but is likely to be at different stages across the country.

⁵⁸ This is clear in many of the Livelihoods Zones profiles developed by the LIU. It is also one of the findings of the recently completed Rural Investment Climate Assessment (WB 2009).

Box 13: Selected lessons on Market-Led Livelihoods for Vulnerable Populations

The common objective of the initiatives studied in the MLVP study is that they intend to integrate the poor in the market in ways which are beneficial for them, helping them to move out of unproductive livelihoods trapping them in vulnerability.

Successful initiatives all started by spending time to carefully choose the commodity that would be supported.⁵⁹ For this, there needs to be in-depth studies of what is most feasible for the poor and which is marketable. Detailed stakeholders' analysis are required, to develop a robust understanding of how the proposed market intervention would affect the poor as producers, entrepreneurs, employees and consumers, and how it would benefit all those involved in the market chain. The study proposes a 'check list' helping to identify relevant market interventions on the supply side (e.g. activities requiring little land, which can be done during agricultural seasonal lull, and from home so that they can be undertaken by women, avoiding sophisticated technology, potentially benefiting the community as a whole etc.) and on the demand side (high value, easily transportable etc.).

Awareness creation is indispensable to overcome reluctance of risk-averse poor households, and is time consuming. There must be realistic explanations of benefits and costs, avoiding over-optimistic accounts of success and raising measured expectations. Safety nets are important to provide the space for household to be willing to invest. But they must be reliable, and combined with holistic packages of other inputs including skill training and gradual access to credit. It is important to recognize that the poorest of the poor may need substantial assistance over a long period of time to 'graduate' to a status in which they then should be able to access credit at market conditions⁶⁰. Thus, safety nets must also be long term.

The study highlights that labour markets are key for the poor and should be studied to be better understood. Labour should be considered as a commodity and a value chain in and of itself. It is often the only product that the poor have to sell. Labour markets should be made to work for the poor, who for this should have access to continuous education and opportunities to acquire technical and managerial skills.

A2.91. The newly redesigned Household Asset Building component of the FSP Phase 2 has identified a number of the weaknesses of the current extension system in relation to promoting off-/non-farm activities. Measures are envisaged to address them, in the chronically food insecure *woredas* where the programme is active. However, it is not clear that the AGP – which presumably would focus on non-CFI areas – will include the promotion of off-/non-farm activities. The necessity of more intensive support to the most vulnerable households has also been discussed in the context of the redesign of the FSP. However, there has in final not been an agreement (yet) on how exactly this will be done. In particular, the inclusion of an element of 'free asset transfer' in the support provided to the 'poorest of the poor' remains firmly opposed by government. In non-CFI areas it is not clear how this will be addressed at all in the design of the AGP or otherwise.

A2.92. It also remains the case that there is little understanding of the labour market and little consideration of its dynamics and potential, in the government rural development strategy. This goes together with the government's reluctance in considering rural-to-urban migration as a potential source of sustainable opportunities for some rural households hence something that should be encouraged; and, in that context, a certain amount of confusion among *woreda* and *kebele* officials

⁵⁹ Thus for instance, irrigated vegetable production may be a problematic choice as demand may be locally low, transport to areas of high demand (urban areas) may be an issue, products are highly perishable and the market may easily become saturated if many farmers start investing in the same commodity.

⁶⁰ The study notes that in Bangladesh it required an average of 54 months and an average subsidy (free asset transfer) of 405 US\$ per participant to 'graduate', which meant becoming able to access a regular credit programme (under the 'Income Generation for Vulnerable Groups Development Programme' run by BRAC).

in particular about the options that are being talked about (i.e. what exactly are these off-/non-farm options) and, in turn, a lack of encouragement of certain options on their side.⁶¹

Access to credit

A2.93. The past decade saw significant strengthening of the provision of financial services in rural areas by MFIs. However, there also remain huge challenges. This is highlighted in Box 14 below.

Box 14: Successes and challenges in providing rural finance services in Ethiopia⁶²

Rural finance comprises two sectors: a regulated microfinance sector, well advanced and part of the formal financial sector; and a credit cooperative sector in its infancy and not regulated by a financial authority.

Micro-Finance Institutions (MFIs): The origins of the modern microfinance movement in Ethiopia are rooted in their NGO past with a clearly defined mission of rural poverty eradication. The first microfinance legislation (Proclamation 40/96), enacted in 1996, provided a regulatory framework following the Grameen model of joint liability groups. The model also included: emphasis on a number of self-reliant MFIs reflecting the decentralized federal structure rather than a single nation-wide bank; effective supervision by the central bank; a transparent reporting system effective since 1997; a strong engagement of the Regional Governments in the capitalization and thus ownership of the MFIs⁶³; institutional autonomy without undue government interference in borrower selection and operations. Since 1996, Ethiopia possesses the fastest-growing rural microfinance sector as well as the two largest MFIs in Africa: the Amhara Credit and Saving Institution (ACSI) and the Dedebeit Credit and Saving Institution (DECSI) in Tigray.

Rural Savings and Credit Cooperatives (RUSACCOs): After the fall of the Derg in 1991 some cooperatives were restructured, with a focus on agriculture, under the name of multi-purpose cooperatives (MPCs). A multi-tiered government promotional structure at federal, regional, zonal and *woreda* levels is responsible for cooperatives. Cooperatives are member-owned and government supported. SACCOs were an urban phenomenon until 2000, when a USAID-financed initiative started establishing RUSACCOs. Their number grew to 100 in 2004, all in carefully selected areas with good economic potential. Then this tremendously increased with the support of RUFIP: in 2008/9 there were 2,529 RUSACCOs. Reportedly, many of them depend heavily on a pre-existing MPC. An important difference is that RUSACCOs have a much larger proportion of female members than MPCs, as a result of affirmative action in that sense.

Challenges are numerous. In spite of the tremendous expansion of the MFI sector (from 750,000 clients in 2003 to 2.25 million in 2008) and the also growing number of RUSACCO members, access to microfinance services still reaches less than 17% of Ethiopian households – with very wide variations across Regions.

MFIs, by far the stronger of the two sub-sectors, nonetheless failed to design strategies which would enable them to become self-financing. Limited savings meant shortfalls in resources available for lending. Access to concessional lending capital through e.g. RUFIP reduced incentives to call on the formal bank sector – which would also have required revising interest rates, in effect negative in the past two years due to high inflation. MFIs also have a limited range of products on offer: voluntary savings, mandatory savings, group lending and restricted individual lending. Group loans offered by MFIs are collateral-free.

⁶¹ In our research we will adopt the World Bank categorisation (WB 2009) as being the most apt at capturing labour market dynamics in relation to people's livelihoods. In this categorisation there are four main types of livelihood options: self/wage on-farm employment, and self/wage non-farm employment.

⁶² This is based on work by a team which evaluated the Rural Intermediation Programme (RUFIP) in 2009.

⁶³ Nine large MFIs, with a client outreach representing 85% of the sector, are promoted and owned by the regional governments and government-related associations. Under the RUFIP MFIs were encouraged to diversify their ownership structure with a view to raising additional capital and improving governance, e.g., by offering shares to clients. This does not seem to have met with interest from any of the parties concerned.

But MFIs insist on collateral for individual loans, and most clients lack collateral as they do not have land titles in their name.⁶⁴ This is discouraging a large number of potential clients.

The great advantage of the RUSACCOs as self-help, self-governed and self-managed organisations is their presence at community level, member control and individual lending approach (much preferred to group lending). However, as they have functioned to this day (making losses, this being compounded by the present inflationary context) and without access to external sources of refinance (due to very weak capacity), they are “ultimately inefficient” (RUFIP team). Worst, the assets of their members (notably in the form of compulsory savings) loose value.

A2.94. The above suggests that the provision of microfinance services is still far below demand - or what the demand should be to support households'/ individuals' investment in new technologies or livelihood diversification options as they are expected/ encouraged to do. Moreover, there are huge challenges ahead in the establishment of a viable sector. In addition, whilst progress has been made in providing services to the less poor groups, even senior officials of a well-known MFI like ACSI recognise that they have thus far failed to reach the poorest of the poor.⁶⁵ There is a debate over whether they can be reached (without high risk of harm) under the current modalities. For instance, charging interest rates that would make MFIs self-financed over a reasonable period of time would clearly be even more of a deterrent in the present inflationary context.⁶⁶

A2.95. The role and nature of collaterals is also an issue, especially in rural areas where state ownership of land limits its potential as collateral even with certification titles. In CFI areas individual lending is possible without collateral, under (in principle) strict control engaging local authorities and DAs vetting farmers' eligibility for the package programme and until recently interest rates on the FSP packages were subsidised compared to the MFI market rate and MPC rate for regular agricultural seasonal credit. These distortions are strongly criticised by the MFIs and donors and were a topic for discussions between government and donors during the redesign of the FSP. It is not clear from the programme documents how the issue will finally be resolved.

A2.96. Government and donors disagree in other respects, including on how to reach the poorer groups. For donors a multi-pronged approach is needed but it is generally based on the notion that the best solution for the long term is the development of a self-financed, sustainable financial service industry. At the same time, this industry should be encouraged to develop and provide much more tailored services, and also, there may be a role for government/donors to build the provision of 'free asset transfers' to help poorest households to get to a level where they can, later on, access financial services at the normal rate. Quite a few MFIs, even those associated with the Regional Governments that are on their boards, tend to agree with this discourse.

A2.97. However, as shown clearly by the recently redesigned FSP this is not the way the Federal government see the future. As with the input/output market, the focus remains on cooperatives. Experience showed that most of the multi-service cooperatives have failed to exercise the necessary rigour to manage revolving funds, recover loans etc. (in both CFI and non-CFI areas). As a response the government therefore bases its strategy on the rapid development of specialised RUSACCOs – which, in the case of the CFI areas, might get support from the FSP in the form of technical assistance

⁶⁴ Initially the regulatory framework of Ethiopia restricted MFIs to group loans. In 2001 MFIs were permitted to provide up to 20% of their portfolio through individual loans, but most of these are in urban areas.

⁶⁵ See e.g. Gobeze 2007 and CGAP 2006

⁶⁶ The lack of outreach to the poorest of the poor holds across CFI areas - in which credit used to be subsidised for the FSP packages - and other areas. In the CFI areas this is largely due to local authorities adopting conservative policies and discarding households that they fear would not be in a position to repay their loans, often the more vulnerable and poor. This, in turn, is understandable considering that local authorities' performance is judged on repayment rates in their area, and in Tigray for instance, low rates lead DECSI to threaten withdrawing all services to the concerned community.

and seed capital⁶⁷. Yet according to the RUFIP review team, this commitment to expand and strengthen the RUSACCO sector “poses a challenge, as promotion of the sector continues to be top-down, entirely in the hands of government bodies”. A number of pre-requisites are to be taken seriously in order to avoid falling in the same trap as the RUFIP that is, establishing RUSACCOs but failing to develop them into viable institutions benefiting their members.⁶⁸ It is not clear whether these lessons learnt from the RUFIP are taken into account in e.g. the FSP Phase Two just being launched.⁶⁹

Land policy

A2.98. Box 15 summarises the current legal and policy framework around land tenure in Ethiopia.⁷⁰

Box 15: Land – Legal, regulatory and policy framework

Constitution: The right to ownership of rural and urban land, as well as of all natural resources, is ‘exclusively vested in the State and in the peoples of Ethiopia’. Land must not be sold or exchanged privately (although the interests of private investors can be accommodated through a specific law and under government control. Regional States have the responsibility ‘to administer land and other natural resources in accordance with Federal laws’. Women have the right to acquire, administer, control, use and transfer property. In law, at least, they have equal rights with men. All adult Ethiopian peasants have the right to be allocated land for farming by the State without payment.

Federal Proclamation No. 89/1997 on Rural Land Administration: Defined the scope of the land rights of individuals. Land could be leased and bequeathed but with strict conditions. The land could not be sold or exchanged or used as collateral, but improvements on the land could be sold. The 1997 land proclamation provided scope for further redistribution of the land to accommodate the landless. Indeed, in that year land was redistributed in some parts of the Amhara region.

Regional States laws: Tigray issued its first land proclamation in 1997, Amhara in 2000, Oromia in 2002 and SNNP in 2004. These laws imposed conditions on both rental and inheritance. Small farmers were given the right to rent out their land for two to five years and, if ‘modern’ technology was used, for 15-20 years. A landholder was not allowed to rent out all of the holding and the lessee had to dwell in the area and engage in farming. Small farmers were not allowed to mortgage their land; commercial farmers were allowed to do so.

Federal Proclamation 456/2005, superseding Proclamation 89/97. Ownership of rural land continued to be vested in the Federal State, but a modest strengthening of holders’ rights was granted. The right of inter-generational tenure transfer was confirmed as well as the right to exchange land (to make small farm plots convenient for development) and to lease it (i.e. rent it out) but within strict limits. For the first time, provision was made for the registration and certification of land holdings. The 2005 law also requires landholders to use land sustainably and to protect it from erosion.

Land certification: In an attempt to address the issue of tenure security and to control the expansion of arable farming onto common land (pasture, forests and watersheds), regional authorities commenced the inventory of land holdings and issued certificates to holders. The system was initially tried in Tigray in 1997. Amhara followed in 2003 and then Oromia and SNNP. Different methods and processes are used.

⁶⁷ As noted above, in the new design of the Household Asset Building of the FSP donors will provide technical assistance but the government remains the only source of capital funds, through its budgetary machinery.

⁶⁸ What has lacked thus far: “Designing a credit cooperative system with a fully functional operating system and a system of appropriate regulation and supervision by a financial authority should have come first... followed by intensive training of regulators, supervisors, promoters, committee members and operating staff”.

⁶⁹ An issue paper drafted for the latest FSP Joint Review and Implementation Support mission (Nov 2009) suggests that there continues to be no agreement on the modalities for credit provision under the FSP.

⁷⁰ This is largely based on Adams and Palmer’s Independent Review of Land Issues, Volume III, 2006-2007 Eastern and Southern Africa. June 2007.

Recent policy developments: The PASDEP gives greater prominence to improving tenure security than the SDPRP. The PASDEP target is that within the period 2006-2010, thirteen million landholders are to be issued 'first level certificates' and a further one million landholders are to receive 'second level certificates'. Regions are also in the process of revising their Land Laws in conformity with the 2005 Federal Proclamation. At local level new Land Management Committees have been established, supposed to be separate from the *kebele* and *woreda* local government structures, to provide greater scrutiny, accountability and transparency in land-related local decision-making.

Women's rights: Because individuals rather than households have use rights, women are said not to be excluded. Female children are not prevented from inheriting their parents' land rights. However, recent research shows that women are disadvantaged, if not by the law, by unequal gender relations and virilocal residence and the likelihood that the wife is the one to leave in case of divorce.

Non-formal rights: Moreover, in rural Ethiopia as elsewhere, in addition to the formal, *de jure* land access mechanisms prescribed by the state, informal means of access to land survive (intra-family transfers and land transactions, land access through community membership, and resettlement and squatter settlement).

A2.99. Thus, the federal land policy retains a strong rhetoric of **peasant protection** and 'egalitarianism' in that access to land free of charge is a constitutionally enshrined right and the main social policy provided by the state to rural Ethiopians. But long-term population growth is inhibiting the federal government's ability to fulfil its guarantee of access to land, with plot sizes shrinking and numbers of landless growing. Growing scarcity of land resulting from population growth and commercialisation of agriculture would be expected to lead to pressure from within society for the individualisation of property rights.⁷¹ It is not clear that this is the case, but the issue of private ownership of land was a strong campaign theme for the opposition in the 2005 elections. Scholars are divided on the issue, some arguing that what matters most is land tenure security and policy stability. This is usually the stance adopted by donors too, at least explicitly.

A2.100. The total cultivated area has expanded but this has indeed not kept pace with the growth of the population. Current land policies, while evolving, continue to restrict mobility as one's right to access to land in an area is linked to residency, and in most cases (with the exception of the Amhara Region) there are also restrictions on the size/proportion of its land that an individual farmer can rent out and the duration of the land lease contract. As a result landholdings are shrinking (Devereux & al 2005; Ellis & Woldehanna 2005; Rahmato et al 2006, WB 2005).⁷² This and **landlessness** were reported to be top concerns of the rural households consulted in the Participatory Poverty Assessment.⁷³ It is important to note that averages hide significant variations, both across areas and within communities.

A2.101. As noted in Box 15, land cannot be sold or bought but it can be rented (with restrictions). In this way certain households can expand, sometimes significantly, the land that they operate. In the PPA land renting-in was frequently cited as a way in which households would improve their lot. However, there is no conclusive evidence that the land rental market as it operates would significantly reduce land fragmentation and landlessness, or poverty. Terms of contracts often reflect households' comparative power; female-headed households short of labour may have to rent-out land at disadvantageous conditions; and as land scarcity increases, young poor households are increasingly 'priced out' by more experienced farmers or other young households benefitting from the support of their wealthier family (see e.g. Bevan and Pankhurst 2007b, Teklu 2004).

⁷¹ This is drawn from an analysis in an unpublished PhD research proposal by Tom Lavers, October 2009.

⁷² Data are inconsistent (World Bank data: per person landholding was 0.5 ha in 1960 and 0.11 ha in 1999).

⁷³ Landlessness is poorly documented but most analyses concur that it is on the rise (probably above 10%, with significantly higher rates in densely populated areas).

A2.102. Progress is being made with the **certification programme**, though variably across Regions as shown in Box 16 below. Certification was undertaken with the intention of strengthening farmers' incentives to invest in their land and this in turn would contribute to greater agricultural productivity – that is, an economic objective. The programme is also claimed to have positive consequences in terms of empowerment, although this opinion is certainly not universally shared.⁷⁴ There has thus far been little systematic evidence regarding the actual effects of the programme. In spite of this and presumably in response to what is reported to be a strong demand, the federal government is setting up modalities (including enhanced support to Regions) to ensure a major acceleration of the process. The aim is to complete it within the next five years – that is, completion of 1st stage certification within a year; and completion of 2nd stage, based on more modern methods, within five years.⁷⁵

A2.103. Other issues include the fact that land administration is fragmented under different ministries (rural land under MOARD/urban land under MOWUD). This is increasingly problematic – especially in the increasingly frequent cases of expanding peri-urban areas in which land passes from one regime of land rights to another and individual farmers losing land are inadequately compensated. Also, Regions have setups that differ from the Federal level one, and among themselves. Options for institutional arrangements that would address this fragmentation are currently being discussed at the federal and regional levels – although federal buy-in to the options that are on the table appears to be somewhat lukewarm.

Box 16: Progress with certification in the four large Regions

Amhara: The Regional Land Law is the least constraining in terms of rural land rental modalities.⁷⁶ The Environmental Protection and Land Administration and Use Agency, established in 2000 under the BoARD, has now become a fully fledged Bureau of Environmental Protection, Land Administration and Use (BEPLAU) reporting directly to the Amhara Regional National State Government. Some 3.4 million households in Amhara have registered their holding and 2.75 million have received a first stage certificate, an estimated 80% of all farm households. Some 1,600 farm households have received second level certificates. Support by SIDA focuses on adopting a cadastral survey, based on land measurement and identification of boundaries and locations in a limited number of *woredas*/areas, to generate lessons for the broader programme.

Oromia: The Regional Government has just established (in 2009) a new Bureau for both urban and rural land, directly accountable to the regional government. It is estimated that 1.6 million households have been covered by the first stage land certification programme; and 2.4 million remain. Oromia has 6 *woredas* which have been the target of second level certification by the USAID-financed ELAP. First level certification has to be completed in the current year.

Tigray: Responsibility for rural land administration is under the Environmental Protection, Land Administration and Use Agency (EPLAUA), which is in the process of establishing itself as a separate agency. It has an independent budget from the Regional Government. At the *woreda* level, accountability of EPLAUA staff is reported to have moved from the *woreda* ARD Head to the Cabinet. First level land certification of cultivated land was conducted in Tigray between 1996 and 1998 and, according to EPLAUA, so far 9% households have been issued with certificates. However, it is not clear that the register has been systematically updated since then and after ten

⁷⁴ See for instance Deininger et al 2007 for an upbeat account of the potential of the certification programme, whereas Dessalegn (2007) is a lot more sceptical about at least the empowerment effect of the programme.

⁷⁵ Second stage certification is expensive and there are concerns that this might not be highest priority – and that there should be a focus on land with high value and/or potential for more contestation (e.g. peri-urban land).

⁷⁶ In Amhara any land holder may rent out his land to any person up to a maximum of 25 years, which may be renewed. In the other three large Regions rural land rental is restricted in terms of both the area and the time which an individual farmer can rent out his/her land.

years it is likely to be generally out of date. Second stage certification has started in 32 *kebeles* in six *woredas* (USAID ELAP) and in three focus *woredas* under the WB-funded SLMP.

SNNP: Under the direction of the Head of the Bureau of Agriculture and Rural Development (BoARD), a Land Administration and Use Team is responsible for land administration in the rural areas. The Region's internal heterogeneity has complicated the land certification process. First level certification started in 2005 and is reported to have been completed in 45 to 50 per cent of the region; about one million land certificates have been distributed. A satisfactory system for updating land records has not yet been established.

A2.104. There is also, reportedly, some tension around the large-scale land leasing that the Federal Government has recently undertaken (in favour of mostly foreign investors) as this reduces the management mandate of the Regional States. Notwithstanding this tension the Federal government appears to be set to actively pursue this new priority. Thus, for instance, a new Directorate has been established in MOARD to the effect of managing **agricultural land investment** issues – taking over a number of functions that were previously vested with the extension Directorate. This means (again) that two separate policy and planning frameworks might apply for different types of land.

A2.105. **Resettlement** has also land (and many other) implications which, in part because little is known about the government resettlement programme as donors did not engage with it, are not very well understood. Case study-based research carried out in 2006 on the government resettlement programme carried out in the context of the FSP suggested that resettlement sites were not always selected according to stated principles.⁷⁷ Consultation with local administrators and community representatives was not systematic, and its outcome not always taken into account – e.g. when it appeared that potential host communities were not in favour of getting settlers coming this did not stop the programme to go ahead. Limited time and resources hindered careful planning and assessment of land availability and existing uses. In some cases sites were selected hastily, new or alternative sites were added or much greater numbers were resettled than proposed by study teams. The case studies therefore suggested that widespread availability of under-utilised land was questionable. In most cases the land selected was either used by local groups as fallow areas, for grazing and forest resources, or by earlier resettlers or self-organised resettlers. In other cases settlements had been established at the expense of rapidly dwindling forest reserves, which were often used by local communities.

A2.106. On the side of those resettling things were not always positive either. The research highlighted cases in which settlers had been led to believe that they would have larger and better landholdings than finally was the case. More generally prior information on the resettlement sites was not adequate and sometimes biased. There also was (and continues to be) anecdotal evidence about cases of farmers deciding to go back to their community of origin to find that their land was taken away and having nothing to fall back on, getting worse off than they initially were in the process.

A2.107. The government has recently explained that large-scale resettlement would no longer be such a high priority. Regions would choose the appropriate pace and priorities, though in most cases it was anticipated that the focus would be on consolidating existing resettlement schemes.

Irrigation, water and natural resource management

A2.108. Irrigation is under the overall Water Resource Management Policy. At the broadest level the water sector framework comprises of the Water Resource Management Policy (1999) and

⁷⁷ "Understanding the dynamics of resettlement in Ethiopia", Forum for Social Studies Policy Brief No.4, January 2006 (FSS 2006)

associated Water Sector Strategy (2001,) and the Water Sector Development Programme (2002-2015). These look across the board to water supply, irrigation, hydropower generation and watershed management issues. The lead Ministry is the Ministry of Water. The policy already recognised that in spite of the importance of irrigation for the success of ADLI there remained a serious lack of institutional clarity and much instability in both the policy and its implementation, including in relation to the emphasis on small, community-managed schemes versus larger schemes.

A2.109. In the policy, prioritization between small, medium and large-scale irrigation schemes appears to be expected to be done on a case-by-case basis (in line with “a hierarchy of priorities” which it is not clear who is responsible to develop). In the WSDP (which is an ambitious long term capital investment plan cutting across the whole water resource management sector) responsibilities for planned medium and large-scale schemes are allocated to the Federal and Regional governments, but the WSDP remains vague and recognizes the institutional difficulties prevailing in the development of small-scale schemes, without tackling these.

A2.110. As a result of policy and institutional instability and lack of investment irrigation is severely underdeveloped. Thus, while the total potential irrigable land of the country is estimated to be 3.7 million hectares (out of which 2.9 million hectare would be potentially suitable for medium and large-scale irrigation schemes), currently less than 5% of the total irrigable area is under irrigated agriculture, and this represents less than 2% of the total cultivated area in Ethiopia whilst it could reach 20-30%.⁷⁸ Irrigation is identified as one of four critical infrastructure development necessary to achieve the CAADP objective of an annual agricultural growth rate of 6%.⁷⁹

A2.111. The government has recently secured funding for a number of medium/large-scale schemes in the context of the PASDEP-related emphasis on growth corridors/ poles (e.g. the Tana-Beles investment project of the World Bank around the lake Tana) and the idea is that this should happen in a regionally-balanced manner.

A2.112. In contrast, there does not seem to be more of a concerted move to develop smaller scale schemes in a more systematic manner across the country. Water development at household level has been a priority since the outset of the SDPRP and even before this in some Regions in particular. For instance, there was a massive water harvesting campaign especially in the pre-election period. However, operational policies have not been clear (for instance, there have been instances of construction of water harvesting structures included in the PSNP PW work programme – thus attracting payment – whilst in other instances this is supposed to be voluntary work by farmers). In a number of areas the technique used were not suitable and farmers got very little return of what represented a significant investment of their time – but this has never been adequately documented as the government reports usually stop at recording the number of structures having been built without measuring their impact.

A2.113. The development of community/group-wide small-scheme irrigation schemes is not regularly monitored either and for instance, it is not reported in the PASDEP annual progress reports. Even more so than for medium/large-scale schemes small-scale irrigated agriculture is underdeveloped and when it is developed, it may fail those farmers/community groups engaging with it, notably because of lack of clarity on rights of use of land and water and the extremely fragmented nature of the support extended to them. Various Federal and Regional restructuring in relation to water management and in particular irrigation management have succeeded each other sometime very rapidly. Each time this has implications for the *woreda* level and to this day, at that level there is no institutionalised framework for coordination/ collaboration between

⁷⁸ Data from the World Bank CEM 2007 and the CAADP report July 2009.

⁷⁹ The others are roads, telecommunication and electricity, which have attracted more sustained attention and funding in the recent past.

construction/water technical experts, extension agents/services, marketing services and cooperative promotion agencies – and often too technical capacities are not adequate. There are cases of successes though these are usually isolated and they have generally necessitated extra-support provided by a donor or NGO project in terms of both, funding, and technical and institutional development support.

A2.114. The government has also adopted **watershed development** as a priority in relation to natural resource management, including water. “Community-based Participatory Watershed Development Guidelines” have been prepared based on lessons learned in various programmes and projects and authoritatively promoted by MOARD since January 2005. The approach has been adopted for e.g. the planning of the PSNP PWs; it is also the basis of interventions such as the WB/GEF-financed Sustainable Land Management project (WB PAD SLM 2008), active in a number of *woredas* selected for the potential in terms of watershed development.

A2.115. In principle the approach should be adopted everywhere, and should go beyond NRM and water management. Indeed, according to the guidelines: “... *participatory watershed planning should be considered as an instrument to ‘bring rural households back to business’ in food-insecure and degraded contexts and ‘keep rural households in business’ in other areas. Besides, watershed development also enables new opportunities to emerge, linked to water development, diversified crops, access to markets, reclaimed land, fertility improvement, off-farm activities, and others. Thus, the watershed, or catchment area, is the natural framework for resource development in relation to crop production systems as well as resource conservation and utilization.*”

A2.116. In practice there are a number of issues. First (as discussed above), in areas which do not benefit from either PSNP resource flows or from funding from one or another donor-/NGO-financed rural development project/programme, there are very few resources available (from the *woreda* budget) to actually implement what might have been planned using the watershed development approach. In the PSNP areas where the approach has been used for several years, two recent reviews highlight a number of achievements but also of constraints, some of which arising from gaps in the legal/policy framework.⁸⁰ This is summarised in Box 17 below.

A2.117. More fundamentally, as highlighted e.g. in the FSP 2010-2014 programme document (August 2009), *woredas* and *kebeles* are confronted with a number of un-reconciled sectoral and area-based planning frameworks, which leaves them unsure of how to go about it. Local development planning responsibilities are not entirely clear cut (in particular, the demarcation between *woreda* and regional responsibilities appears to be a case-by-case matter).

Box 17: Implementing the Community-Based Participatory Watershed Development approach in practice

Lack of data on Public Works implementation and outcomes (no systematic database) made assessments difficult

Long-term watershed development plans and annual watershed-based PWs plans were found to exist at kebele/community level but quality was poor in most cases (lack of baselines, weak socio-economic analysis, lack of or perfunctory Environmental and Social Management Framework/ESMF screening)

⁸⁰ “PSNP: First Technical Planning Audit of Public Works – Final Federal Report”, MMA Development Consultancy, August 2009 (PSNP PW TPA 2009), and “Impact Assessment of the PSNP Public Works Programme: Volume II Main Report”, WB and Government of Ethiopia, May 2009 (PSNP PW IA 2009). The first study was carried out in 23 *woredas*, and 74 *kebeles* and communities. The second focused on only ten watersheds in ten communities in ten *woredas*.

Plans were prepared through a fairly participatory process though women representation in planning was found to be weak, and the process often fell short of making arrangements to present the kebele plan to the community for endorsement

Weaknesses in kebele/community planning was traced back to lack of knowledge and skills among DAs, but also lack of support from *woredas* and Regions, and lack of ownership of the PWs coordination and management process at regional level

On the positive side, PWs plans are integrated with broader kebele and woreda plans in that planned activities take account of similar activities undertaken through other programmes

There is a very serious issue regarding the lack of sustainability of the PWs projects, as operations and maintenance is not planned/budgeted for

The watershed development approach has had visible effects in the ten watersheds studied (Impact Assessment) – in terms of increased vegetation cover, feed for livestock, groundwater replenishment – but the lack of ESMF screening meant that there were cases of inadequate technical choices

Moreover, local by-laws and management systems put in place may need strengthening to ensure that the rights of all stakeholders are recognised, and to ensure enforcement of the by-laws

The watershed development approach does not include private land under the PSNP PWs framework, and this leads to loss of effectiveness of the approach and sub-optimal results

The planning of the PWs and in particular, the soil and water conservation (SWC) activities, should be more closely integrated with that of the Household Asset Building component of the FSP – in other words, there should be more attention to implementing SWC activities generating economic opportunities for households, and households should be supported to be able to seize opportunities arising from the SWC activities (e.g. access to drip irrigation technology through HAB when SWC provides greater access to water for irrigation)

A2.3. Human Re/Pro/duction Domain

Education policy and the Education Sector Development Programme⁸¹

A2.118. An Education for All-oriented policy is in place since 1994 (the Education and Training Policy/ETP) that is, well before the renewed commitment to EFA as an international development objective, in Dakar in 2000. A series of Education Sector Development Programmes (ESDP) reflecting the priorities of the government and endorsed by the local education donors have been in place since 1997/98, underpinned by a Sector-wide Approach (SWAp) dialogue and joint review mechanisms. From the onset, the ESDP was meant to represent a new way for government and donors to work together and to mobilise more and better aligned aid with local donors' collectively promising to provide such aid.⁸²

A2.119. Universal Primary Education (UPE) with equity and quality by 2015 is an overarching goal of the ESDPs. The continued high priority given to primary education in terms of policy and financing has permitted a massive expansion of the system⁸³, now pushing through to secondary. Gender and

⁸¹ This section draws largely on the recently completed desk study on the Fast Track Initiative in Ethiopia, which included a thorough review of education policies and programmes since the onset of the EPRDF-led regime (Dom FTI 2009, for the FTI mid-term evaluation). The report is in draft form.

⁸² Regions were closely involved in the development of both the education and health first SDPs. The exercise was led by the Prime Minister's Office. The responsibility to lead the ESDP and HSDP was given to the respective line ministries (Education and Health) after 2001, although for some time the Ministry of Capacity Building was supposed to coordinate across the two ministries.

⁸³ The primary Net Enrolment Rate (NER) rose from less than 30% in 1995/96 to 83% in 2007/08; enrolment from just over five million primary pupils in 1997/98 to 15.3 million ten years later.

rural/urban disparities in access have markedly decreased at primary level. However, this is much less so at higher levels – and to start with, for junior secondary enrolment. There also remain wide regional disparities and a large number of hard to reach children not enrolled⁸⁴.

A2.120. Primary education in Ethiopia is unusually long – eight years in two cycles – which correspond to an early intention on the side of government, to ensure that primary education would suffice to form better farmers. The system has kept this feature even though many families today have quite different expectations, and education is seen as the main avenue towards perspectives other than farming. As an implicit response to this broad shift in expectations, the government is now emphasising the provision of junior secondary education as well (two more years). This is then the gate for higher education levels, be it Technical and Vocational Education and Training or university education.

A2.121. The main change brought in the education system by the ETP was that primary education would be taught in local languages instead of Amharic – which would be taught as a second language where it would not be the ‘mother tongue’. This would be developed by the Regions. It was obviously a massive challenge, more so in some Regions than in others. As a result, the policy has been implemented at different paces. For instance, SNNP selected 18 languages for grades 1 to 4 (against only one in Oromia and Tigray) but the second primary sub-cycle (grades four to eight) has to this day remained in Amharic. In Benishangul-Gumuz the Region was just starting piloting teaching in local languages for the first grades in 2006.

A2.122. A study commissioned in 2006 by the Ministry and donors to review the implementation of the new language policy found that in practice, there were also issues arising from the fact that teachers were often taught in a language different from the Mol in which they were then expected to teach. The teaching of Amharic as a second language was also found to be problematic. The Regions were reported to be under pressure to use English as a Medium of Instruction in primary education, so as to facilitate the transition in secondary (where English is the Mol). Thus for instance, in Oromia English has recently become the teaching language in grades seven and eight. In Amhara English is used for certain subjects in the same grades. This is said to be really problematic too as it is done at the detriment of more solidly establishing conceptual foundations in the students’ mother tongue and teachers are poorly trained to teach in English.⁸⁵

A2.123. More fundamentally the language policy is under strain as the gap increases between urban and rural areas and between expectations of various groups of people. Thus for instance, it is reported that in Addis some kindergarten and primary schools use English exclusively as a medium of instruction – a practice that the Prime Minister himself recently intervened to forbid. At the same time the practice of teaching in Amharic in grades four to eight in the SNNP Region is said to be problematic for jobs like the DAs and HEWs, supposed to be able to communicate fluently with the communities in which they work.

A2.124. There was also a commitment to make primary education ‘fee free’, which was made official in 1996⁸⁶ and accompanied a few years later by a policy issued by MOE, of grants to schools. These should have been provided for by the Regions’ and since 2002/3 *woredas*’ budgets. It has been well documented that the ‘school block grant policy’ has been implemented patchily (due to overall resource constraints more than lack of will). Thus, whereas there are no fees to register children in public primary schools in Ethiopia, families and/or communities have continued to be asked various

⁸⁴ Out of school children are said to be 3,721,000 in Save the Children ‘Rewrite the Future’ 2009 report. This is a large number, though significantly down from 5,994,000 out-of-school children in their 2006 report.

⁸⁵ Study on Medium of Instruction in primary schools in Ethiopia, December 2006 (MOE MOI 2006).

⁸⁶ Thus, Ethiopia is a case study in a recent publication on abolition of school fees (“Abolishing School Fees in Africa: Lessons from Ethiopia, Ghana, Kenya, Malawi and Mozambique”, World Bank and UNICEF, 2009).

forms of contributions. This has been stated if not as an official policy as a normal and desirable thing in both the PASDEP and the ESDP III.⁸⁷ Schools are also encouraged to initiate income-generating activities (and in a number of schools benefiting from donor/NGO support this has been supported with seed capital and technical assistance)⁸⁸ – but the effectiveness of this strategy has not been documented.

A2.125. Donors have recently expressed concern that community contributions may make education unaffordable for the poorest of the poor (in their comments on the PASDEP). A dedicated School Grant programme has just started to be implemented under the newly launched, donor-supported General Education Quality Improvement Programme (GEQIP, see below). This covers all primary schools of the country. As far as we know, though, there has been no change in government attitude with regard to community/parent contributions (other than somewhat relaxing the heavy pressure on parents to enrol their children, which until the rollout of the good governance package discussed earlier was clearly ‘enforced’ in some cases). In practice there are indications that the school block grant is understood to be mainly for capital investment purposes – which then would leave a series of other operational costs to be borne by parents.

A2.126. Quality has been difficult to maintain and trends are mixed.⁸⁹ While it could be taken as an achievement to have managed this rate of expansion with a comparatively small deterioration, these trends have been interpreted as causes for serious alarm (and highlighted as such by the opposition in the run up to the 2005 elections). This prompted the development of the GOE-owned and multi-donor supported General Education Quality Improvement Programme (GEQIP), operational since mid-2009. GEQIP focuses on a specific mix of ‘quality drivers’. This includes mass provision of textbooks, supposed to be facilitated by an opening of textbook production to the private sector, which is more of a donor priority; and higher qualification requirements for teachers, which has been a continued concern of government.

A2.127. The GEQIP will also support school level improvements through the block grant as seen above. In this way the programme should provide an incentive for schools to take more seriously the School Improvement Planning process initiated by MOE a few years ago already (2006/7), with the aim to involve parents and the community in the planning of school-level measures to improve the quality of education provided by their school. The effectiveness of the SIP process has not been documented systematically. The MOE is also encouraging the establishment of school clusters – that is, the grouping of six to eight schools around one of them selected to act as a resource centre for the others. In areas where this is supported by donor/NGO funding this has been found to have an effect⁹⁰ – but not when there are no additional resources available to the so-called ‘resource centres’, and *woreda* budgets usually cannot provide for these necessary additional resources.

A2.128. The priority to education has been well reflected in the increasing and increasingly ‘pro-poor’ GOE budget at all levels, and broadly in line with the costed ESDPs. Overall, 20-25% of GOE spending has been allocated to education since the early 2000s. General education budgets (that is, primary and secondary) were driven upward through a sharp increase in the un-earmarked transfers

⁸⁷ E.g. in ESDP III: “It should also be noted that provision of access to primary education for all school-age children, in addition to making provision for the many over-age children, will entail a heavy burden for the Government and the community over the coming years, but the rewards will be great.”

⁸⁸ This is the case in e.g. the schools supported by the USAID-financed, NGO-implemented Basic Education Support Operation (BESO).

⁸⁹ E.g. proxy indicators (PTR, textbook:pupil ratio, repetition rate) have deteriorated, stagnated or only slowly improved; certain learning achievements (measured by the assessment system) have deteriorated (but not all); in contrast, exam results and Grade 5 completion rates have improved.

⁹⁰ This is for instance said to be the case for the BESO-supported resource centres, although the evaluation of this initiative has not been made widely available.

to the Regions and *woredas*, which in turn allocated the lion's share of their budgets to education (often above 50% at *woreda* level). This level of effort – which was protected at all times including during the Ethio-Eritrean war, and could hardly have been stronger without serious consequences for other priority sectors – was nonetheless not sufficient to both keep up with expansion and maintain an adequate level of non salary spending in general education budgets.

A2.129. There is said to be a pronounced capacity challenge, mostly so at 'downstream' level (policy implementation, service delivery and decentralised management). Capacity is highly variable among the eleven Regions and Cities and 718 *woredas* responsible now for local planning, budgeting and management of general education. Staff turnover is a huge issue. Cross-cutting civil service and capacity development reforms have had little tangible effect on service delivery systems. Sector attempts to build capacity lack an overall direction and coordination. In addition to its focus on quality the newly launched GEQIP also aims to strengthen management capacity at school, *woreda* and regional levels so as to enhance the sustainability of the progress made with quality.

A2.130. The main drive by both government and donors has long been on expanding the formal education system. However, in the early 2000s concerns started to emerge (mostly brought up by NGOs working in 'difficult areas', with donors gradually supporting them) that this was not affordable or practical for all children. Whilst the government was initially not keen, this finally changed and Alternative Basic Education was officially recognised in the ESDP III.⁹¹ Progress with ABE has been mixed, as noted in successive joint annual reviews. One of the reasons for this is that the system is starved of resources as the formal system gets priority in terms of government budget – which, in turn, may well reflect lack of enthusiasm with the strategy on the side of regional and *woreda* officials.

A2.131. From the early/mid-2000s GOE has also strongly prioritised the equitable expansion of higher education (Technical and Vocational Education and Training/TVET and university) to drive and support the country's economic transformation. This has been less of a joint government-donor priority. The TVET reform is supported by Germany – and one of the key objectives of the reform is to reverse the current perception, among those who manage to get to grade 10 or grade 12, that, TVET is a second best option, open to those who do not manage to get to university. Expansion of university education – which is 'acknowledged' by donors - is largely financed and managed by the government alone, and is carried out very fast. Reportedly, many of the recently opened universities struggle to operate with very limited budgets; meanwhile the quality of teaching is said to have deteriorated in the older universities, under strain as they have to accommodate much higher numbers of students - whilst the government continues to prioritise the opening of new universities (including in rather remote areas) to reach the target fixed in the PASDEP of 33 universities across the whole country.

A2.132. On the whole, much less attention has been given by both GOE and donors to the provision of educational opportunities to those who do not make it through the formal system up to the level required to access formal TVET or university education. The TVET reform, which is unfolding since three years now, does not address squarely this issue. As a result, the TVET system continues to fail to provide the type of opportunities that would be required to effectively transform the country's economy and in particular, the rural economy.

⁹¹ This coincided with the transition from ESDP II to ESDP III and a change in senior leadership in the Ministry. (Alternative Basic Education was not mentioned once in the ESDP II).

A2.133. TVET was the focus of the 2007 Joint Review Mission.⁹² The main findings of the JRM 2007 are summarised in Box 18 below.

Box 18: How TVET fails to contribute to rural economic development

Pre-reform, fragmented TVET system: 1. Public institutions offering middle level technical training at post-grade 10 level; complemented by employer-based schemes of public and private companies, schools run by NGOs and an increasing number of private-for-profit providers in urban areas. 2. Non-formal programs offered by public institutions, NGOs and private schools and providing employment-oriented training, not systematically recorded and also largely/exclusively found in urban areas. 3. Informal (on-the-job) training (said to be widespread). No system in place to recognize informal occupational learning and qualifications acquired through non-formal programs.

Non-formal TVET: Programs run in/by Community Skills Training Centers (CSTC) forming ‘the core of government non-formal TVET provision’, Rural Technology Training Centers, Regional Micro and Small Enterprise Development Agencies (ReMSEDA), NGOs, Chambers of Commerce and Women Entrepreneur Association. There were 290 CSTCs in 2007, though reportedly almost all highly underutilized due to lack of budget and of trained coordinators, offering limited range of skills, disconnected from new technologies or market relevant areas, focusing on technical know-how and overlooking management skills.⁹³

The results of the education system as it stands: There is a huge outflow of grade 10 students with an academically geared certificate, who are poorly prepared for any kind of work. Dropouts face the same problem. The formal TVET system requires grade 10. The capacity of the non-formal TVET system is very limited. There is a real ‘waste’ of people with high potential in whom much has been invested.

TVET reform (mid-2006): Aims to “create a competent, motivated, adaptable and innovative workforce in Ethiopia contributing to poverty reduction and social and economic development through facilitating demand-driven, high quality technical and vocational education and training, relevant to all sectors of the economy, at all levels and to all people in need of skills development.” The system is to be decentralised to ensure demand-orientation and linkage with local labour markets. Providers are encouraged and supported to develop modular curricula geared to impart the ‘national occupational standards’ through various modalities; National TVET Qualification Certificates are awarded upon passing ‘occupational tests’. Occupational testing, and hence certification, is open to everybody who has developed the required competence through any means of formal, non-formal or informal training and learning. As such, the outcome-based system is a major tool to accord equal importance to all forms of TVET.

A2.134. In practice, in 2007 all signs were that the main focus of the reform would be (initially at least) on the formal post-grade 10 and grade 12 system. Yet in rural areas, ‘dropouts’ (as the JRM 2007 calls those who do not complete grade 10) represent a very large majority.⁹⁴ They have nowhere to go. As noted above, to this day the agricultural extension service has been ineffective in linking them up with the skill training opportunities more readily available in urban areas; admittedly these are already overwhelmed by urban demand⁹⁵; and there is little prospect that this would change in the near future.

⁹² As in health and since the onset of the series of SDPs, there is an annual joint government-development partners’ review of the sector performance. Since a few years in education the JRM has a thematic focus in addition to carrying out a broad performance assessment.

⁹³ CSTCs were established under the Derg. In contrast, ReMSEDAs are much more recent structures, established in the context of the Urban Development programme.

⁹⁴ The DHS 2005 indicates that whilst in urban areas 30% of the population had completed secondary education at grade 12 level, in rural areas fewer than 2% had some secondary education. Even with the massive expansion of junior secondary education which has occurred over the past few years there still will be a very significant group of youngsters who will not reach grade 10, for many years to come.

⁹⁵ As noted above, the demand is from those who do not ‘make it’ to university.

A2.135. There is a view that, owing to the very rapid expansion at all levels, the education system is in severe crisis – declining standards, lack of motivation, inability of primary and secondary students to engage critically and of university students to read or speak English etc. Fundamentally the system is certainly under severe strain as the government strives to make it less elitist and refuses to consider that there are limited resources to do so. However one may wonder whether the main issue is not one of relevance of the education provided to increasing numbers of children and youth and the associated expectations, rather than one of ‘quality’ in the academic sense of the word.

Health policy and the Health Sector Development Programme

A2.136. The current health policy was formulated in 1993 with the objective “to give comprehensive and integrated primary health care in a decentralized and equitable fashion.” The major emphasis is on health promotion and prevention focusing on communicable diseases, nutrition, maternal and child health, and environmental health problems without neglecting essential curative activities. In addition to a commitment to encourage the private sector in health services provision, the government is also committed to most of the primary health care principles. Thus, the health policy environment is said to be ‘enabling’ (undated “Ethiopia MDG4: Vignette”).

A2.137. Health service delivery is being reorganised into a four tier system, from the health post/health centre level to the specialised hospital. In its latest form, at the lowest level there should be one health post with two Health Extension Workers (see below) in each *kebele*/covering a population of 5,000 people, and linked to (operating as ‘satellites’ of) one health centre covering five health posts thus, nominally, a 25,000 population. Health centres are staffed with personnel qualified to provide basic curative care including basic emergency obstetric care.

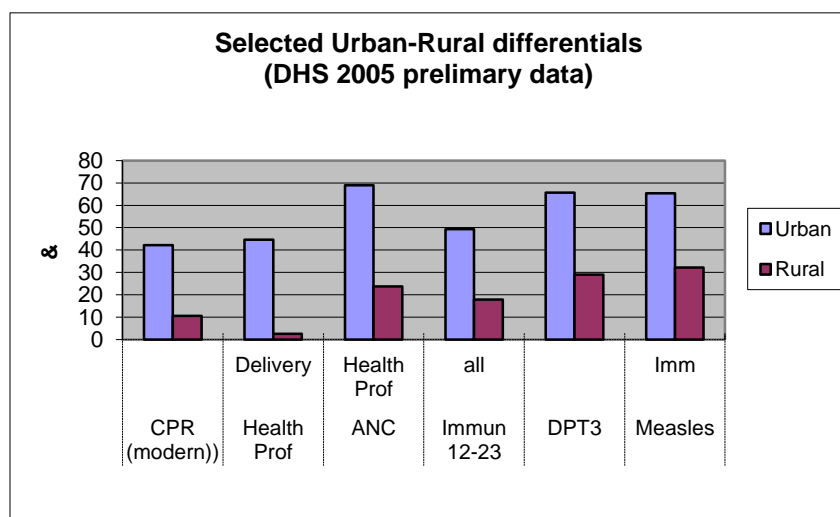
A2.138. Policy and strategic developments since the issuing of the policy have increasingly focused on the lower tier. However even so, per capita spending on basic health care, whilst increasing, has remained extremely low compared to international standards (7.5 US\$ per capita in June 2008 according to the HSDP III MTR – which is dramatically higher than a decade ago but still well below the minimum 30-40 US\$ reckoned to be necessary).⁹⁶ The pharmaceutical system is largely state-managed.

A2.139. Official government documents report that two thirds of all ‘modern’ health services are provided by public health facilities. The growth of the private sector, whilst seen a good thing in principle (as reflected in e.g. the HSDP evaluation reports) is nonetheless contributing to imbalances as it expands predominantly in urban areas and in so doing, further drains qualified staff away from rural areas. This translates into very high gaps in basic health indicators between urban and rural areas, as shown in Figure 14 below.⁹⁷ Since then the DHS 2005 results have been published and show other staggering differences. E.g. the under-five mortality is 98/1000 in urban areas against 135/1000 in rural areas.

⁹⁶ In 2001 the Health and Macroeconomics Commission in 2001 estimated that “minimum financing needs to be around \$30 to \$40 per person per year to cover essential interventions, including those needed to fight the AIDS pandemic, with much of that sum requiring budgetary rather than private-sector financing.”

⁹⁷ In addition to a deep divide between urban and rural areas, there are large variations in health indicators among Regions. For instance, the national under-five mortality was estimated to be 132/1000 in the DHS 2005, ranging from 72 in Addis Abeba to 157 in Benishangul-Gumuz.

Figure 14: Health care gaps between urban and rural areas in 2004/5



Source: DHS 2005 preliminary results, cited in the HSDP II Final Evaluation Report, April 2006⁹⁸

A2.140. A Health Sector Development Programme drafted in 1995 to operationalise the policy was designed for a period of 20 years with a rolling five-year programme period. It provided a long-term plan framework with the main goals being to (i) build of basic infrastructure, (ii) provide standard facilities and supplies and (iii) develop and deploy appropriate health manpower for realistic and equitable primary health care delivery at the grassroots level. The first phase of HSDP (HSDP I 1998-2002) was elaborated in 1997/8 based on a SWAp approach like in education. It was reported (in the HSDP I final evaluation) that the programme brought about modest changes in health service coverage and utilisation. HSDP II (2003-2005), implemented in the newly decentralised context, was an extension of HSDP I with only slight modifications in its overall set up. Priorities and funding modalities had not changed. Progress, evaluated at the end of the HSDP II, was mixed (see selected information in Box 19 below).

A2.141. However during the period of implementation of the HSDP II and as part of the preparations for HSDP III, the Federal MOH produced a series of important new policy documents including:

- The Health Extension Services Programme better known as Health Extension Package (HEP)
- The Accelerated Expansion of Primary Health Care Coverage in Ethiopia
- The National Strategy for Child Survival in Ethiopia (July 2005)
- Reducing Maternal and child mortality
- The National Sanitation Strategy, 2004⁹⁹
- The National five years strategic plan for Malaria control in Ethiopia 2001-2005 (April 2006)
- The Health Sector Financing Reform
- The National Reproductive (RH) Health Strategy 2006-2015 (March 2006)
- The National Nutrition Strategy (2008)¹⁰⁰

⁹⁸ CPR stands for Contraceptive Prevalence Rate and ANC for Ante-Natal Care

⁹⁹ The Ministry of Health leads on this strategy. However, since 2006/7 this is an element of the wider Water Supply, Sanitation and Hygiene strategic/planning framework for which MOH and the Ministries of Water and Education are jointly responsible under the WASH protocol. This is reviewed under the water supply section.

¹⁰⁰ The National Nutrition Strategy was finally issued by MOH but is largely based on studies undertaken since 2006 by MOARD/the Disaster Preparedness and Prevention Agency, linked to the provision of emergency food aid and the implementation of the Food Security Programme.

A2.142. Most of these documents were brought together in the 'Health Sector MDG Needs Assessment in Ethiopia' and informed the formulation of the ongoing HSDP III (2005/6-2009/10).

A2.143. The **Health Extension Package** is veritably the lynchpin of the HSDP III and also a very important pillar for several other strategies. The package has four components: family health, disease prevention and control, personal hygiene and environment and health education and first aid. The rationale underpinning the strong and continued prioritisation of the HEP is that the most sustainable way of improving people's health over the long term is through better hygiene and better health-related behaviour.

A2.144. The HEP is rolled out through the establishment of health posts staffed by two Health Extension Workers in each *kebele*. The HEWs are post-grade 10 **female** trainees given a one-year training programme. They are supposed to be closely linked to the nearest health centre and supervised by the *woreda* health staff. They mobilise and sensitise the community in the four areas above. They also provide basic curative services, and are supposed to be able to see when a patient needs to be referred to the health centre. Typically they are expected to perform vaccination, advise on nutrition and control children's and pregnant women's nutrition status, provide first aid care including for malaria cases, and visit regularly all households of the community to teach them better health, family planning and hygiene behaviour. Model households that adopt the practices promoted in the package will 'graduate' i.e. will be recognised as having been trained and applying the good practices they were taught.¹⁰¹ By December 2008 the number of HEWs trained and deployed had almost reached the coverage target¹⁰²; today the first batches have had refresher training.

A2.145. The HEWs are at the forefront of the implementation of the child survival, the reproductive health (RH), nutrition, sanitation, and malaria strategies. The **child survival strategy** is a response to the dire fact that nine of ten children dying under the age of five in Ethiopia die of five causes: pneumonia, neonatal causes, malaria, diarrhoea and measles. All of the five are preventable through well-known measures. Scaling-up these would allow reducing under-5 mortality by 70%. The objective of the strategy is to reduce the level of under-five mortality from the current 140/1000 to 67/1000 by 2015. The strategy document insists that most of the key measures start at the community/household level, where HEWs can act (promotive and preventive measures as well as better health education enabling families to identify when treatment is required and to seek treatment, and HEWs able to refer cases as required).

A2.146. The **nutrition** strategy focuses on vulnerable groups including children and pregnant and lactating mothers – and in that sense it should be closely integrated with the HEP which includes a module on nutrition - and food insecure households – and in that sense it should be closely linked with the food security policy and programme framework reviewed above. The key issues in relation to improving nutrition in the country at large are indeed about coordination and sustainability of the interventions. Thus far nutrition interventions have relied heavily on donor-supported project/programme funding – apart from the government FSP though it is not directly focused on nutritional issues.¹⁰³ Often these projects/programmes have set up implementation modalities that are not

¹⁰¹ For instance, the HSDP III MTR (June 2008) notes that to that day 900,000 households had 'graduated' – which was a considerable achievement though it was also just more than a third of the target set in the HSDP.

¹⁰² The coverage target was 33,000 in 2007/8. The number of HEWs actually deployed in December 2008 is reported to be 30,190 in the Ethiopian APRM Country Self-Assessment Report (Jan 2009).

¹⁰³ The most important nutrition interventions are the World Food Programme/UNICEF EOS/TSF (Enhanced Outreach Strategy/Targeted Supplement Food) programme, active in 325 *woredas* (264 of them also TSF); the USAID-financed Essential Nutrition Action; and a component focused on under-2 child growth in 50 *woredas* under the WB FSP (separate from government FSP, phased out in 2010). UNICEF and various NGOs also implement a Therapeutic Feeding Programme based in hospitals – which was said to cover 200 of the 537

closely linked to the mainstream health system and in particular, some of the interventions appear to overlook the possible role of the HEWs at the community level – though it is also true that relying on them would, indeed, require further training, and effective supervision.

A2.147. In 2008 the Ministry of Health issued a Programme Implementation Manual which describes how the system should transition from the current, fragmented and generally targeted provision of nutritional support, to a Community-Based Nutrition approach that would cover the whole of the country, through progressively scaling up and institutionalising the existing interventions. The idea is that each community would identify the critical actions necessary to improve the community's nutrition status and in particular, that of the vulnerable groups. The CBN approach would entail identifying and training volunteer 'community health promoters' (one for every fifty households) who would support the HEWs. There would be community health days every three months, which would allow regularly monitoring nutrition issues among others. The responsibility for the CBN approach would rest squarely with the *woreda* health office. The transitioning strategy would start being implemented in those *woredas* covered by the EOS/TSF programme.

A2.148. At the policy/strategic level the rollout of the CBN strategy is to be steered by a National Nutritional Coordination Committee and a Technical Committee and the same structures at Regional level, drawing together Health, ARD/Emergency Response, Education, Water, Finance and Economic Development, Women Affairs sectors/structures. At local levels the existing *woreda* and *kebele* development committees will take care of this. The role of the HEWs and the 'promoters' is critical. The CBN strategy is quite new, and it may take some time before it is indeed rolled out across the country as a whole.

A2.149. In the same way, the **Reproductive Health strategy** presents an elaborate array of approaches, interventions and measures (see below), but in final stresses that the most important factor for the implementation of the strategy is the rapid rollout of the HEP. The overall objective of the strategy is to "meet the reproductive and sexual health needs of our culturally diverse population, characterized by its youthfulness, geographic dispersion, conjugality, and persisting gender inequalities". The main strategic approaches outlined to achieve this goal are as follows: prioritising the community and household as vehicles for change, seeking more effective integration and mainstreaming RH across the development agenda, effective use of all available resources, and confronting Ethiopia's diversity 'head-on' – thus avoiding relying on 'simple solutions or single approaches'. Table 10 summarises the strategy's main interventions and measures.

Table 10: An overview of the RH strategy, 2006

| Interventions | Measures |
|--|---|
| Addressing the social and cultural determinants of women's reproductive health | Strengthen legal framework; Enforce legal marriage age; Increase educational achievements and reduce acceptability of FGMs |
| Fertility and family planning (FP): Reduction of unwanted pregnancy, enabling individuals to reach desired family size | Create acceptance and demand for FP; Increase access to and utilisation of quality FP; Delegate FP to lowest level possible |
| Reduction of maternal and neonatal mortality ¹⁰⁴ | Empower families to recognise pregnancy-related risks; Increase community awareness on complication readiness and birth preparedness; Ensure access to a core package of services |
| Reduction of HIV/AIDS | Optimise integration between RH and HIV/AIDS services |
| RH of young people | Tailored interventions and policies by gender, age cohort, marital |

hospitals of the country in 2008. There are also school feeding programmes, usually targeted on schools said to be most vulnerable. There is no clear policy on this.

¹⁰⁴ At the prevailing mortality and fertility rates (around 2007), an Ethiopian woman has a lifetime risk of maternal death of 1 in 9, while this is on average 5 in 100,000 in Europe...

| | |
|-----------------------------|---|
| | status, rural/urban residence (e.g. adolescent RH strategy, specific needs of young women vulnerable to un-wanted sex etc.) |
| Reproductive organs cancers | Operational research |

A2.150. The formulation of the strategy had to be followed by the preparation of an implementation plan with active participation of the Regions. Among others the link with the HEP would have needed to be better specified (e.g. in relation to HEW training). Other links would be with the Women Development and Change package and the Youth package developed since then – and these would be particularly important to address the objective of developing culturally, gender, age etc. sensitive responses. Progress along these lines needs to be investigated.

A2.151. The **malaria strategic plan** followed a first plan of five years focusing on the distribution of Insecticide Treated Nets (ITNs) and more generally malaria control, and the provision of technical guidance for better management of malaria cases. The new strategic plan is focused on the same priorities but it aims to take full account of the ongoing expansion of basic health care services and in particular, the rollout of the HEP. The plan has very ambitious objectives notably a) achieving 100% access to effective and affordable treatment for malaria by the end of 2010 (as compared to the 5% level in 2005/6) and b) achieving 100% coverage of all households in 'ITN targeted' *woredas* with at least two ITNs per household by 2007. In addition to resources required to purchase and distribute the ITNs (to which the PBS component 2 contributes alongside other funding) access to affordable treatment relies primarily on equipping HEWs with basic drugs and skills to administer them.

A2.152. The **Health Financing Reform strategy** includes important measures such as waiving fees for the poor, and the development of community-based insurance systems. However, in mid-2008 fee waiving was reported not to have taken off because of the financial implications that this would have for *woreda* budgets – in the absence (thus far) of a system for compensation of health services when they waive fees. Community health insurance, which has been piloted on a small-scale, is due to be scaled up through an USAID-financed programme that started in October 2008. Thus, there is some progress but quite slow considering that “a viable community health insurance system might be the only way to expand services that are affordable for the poor” (HSDP III Mid-Term Review, June 2008). There is scant information on the progress made with these actions.

A2.153. More generally and looking at selected factors likely to be most important from the perspectives of rural communities, progress over the last decade has been spectacular in terms of coverage – but this is at a very basic level and not fully operational. Critical weaknesses in coordination and support systems have proved hard to address, which offsets the potential effect of increased coverage for the more complex issues (like maternal and neonatal mortality). One overarching constraint is shortfall in resources, both financial, and human. Selected progress and constraints are summarised in Box 19 below (based on the HSDP II final evaluation, April 2006 and the HSDP III mid-term evaluation, June 2008).

Box 19: Selected progress and constraints in the health sector, 1999-2008

- Massive increase in nominal access to health services measured by theoretical population coverage¹⁰⁵, thanks to deployment of HEWs and new infrastructure construction (health posts and centres). But
- Disconnect between this very rapid expansion and the development of the required support systems (“while the HEP has advanced, insufficient support has been provided to make it fully effective and operational”, HSDP III MTR June 2008)

¹⁰⁵ Theoretical coverage is reported to have reached 109% in the HSDP III mid-term evaluation in mid-2008, which is obviously impossible and is due to problems with data and in particular, population data.

- The following issues are of concern: weak *woreda* capacity and insufficient prioritisation of health in *woredas'* budget (i.e. decentralisation as a challenge whilst it should be an opportunity); lack of coordinated budgeting so that new infrastructure would be staffed, equipped and maintained; inadequate standards in water and power supply for health facilities; weak supervision of HEWs; problematic quality of HEWs training; lack of coordination in donor-driven continued health education initiatives; slow progress in the reform of the pharmaceutical and drug provision system
- Financing biased towards vertical diseases thus, much of the impressive increase in health financing does not contribute to strengthening basic health care system
- Excessive emphasis and unrealistically high expectations of the HEP – leaning on the HEWs, in danger of becoming “overloaded with too many tasks”¹⁰⁶ (HSDP III MTR)
- This leads to insufficient attention for maternal health (requiring more complex and coordinated interventions and management, and urgently building better capacity at all levels in the system)
- Lack of progress in tackling underlying human resource crisis in the health sector (reported high level of attrition among HEWs, continued brain drain towards more attractive and growing private sector and opportunities abroad - e.g. nurses emigrating to the Gulf states - whilst incentive measures are constrained by the CSRP) affecting both health professionals and health managers
- Unrealistic timeframe for most of the envisaged reforms and associated targets, leading regional and *woreda* officials to focus on quantity and numbers and neglect service quality and management issues.

A2.154. As noted above, the government is adamantly insisting on the need to strongly support the Health Extension Package programme. This has become a top priority including for political leaders at all levels. On their side donors are concerned that this emphasis is too exclusive, that the way health issues are addressed does not allow communities to have a say and a stake, and that the politicised approach to ‘making the HEP a success’ prevents important technical issues (such as the human resource and support system issues identified above) to be addressed – as the government-donor policy dialogue does not allow space to discuss these.

Water and Sanitation

A2.155. Ethiopia’s water and sanitation coverage and consumption rates were still among the lowest in the world in the early 2000s. In 2004, almost half of the rural population travelled between 1-4 km to the nearest water source, and more than 5% travelled 5-9 km.¹⁰⁷ In 2007 the government’s estimates of water supply and sanitation coverage were only 47% and 30% in urban and rural areas respectively.¹⁰⁸ However, coverage is now expanding rapidly according to official statistics. In 2009 access to clean water supply at national level was reported by Government to have reached 59.5% (86.2% for urban and 53.9% for rural areas, APR 2007/8). Data from 2005 shows very sharp inequalities among Regions with access to water ranging from 8 to 100% and access to latrines from 6.6 to 75.5% (the four ‘developing’ regions have the lowest figures). But the gap is also reported to be decreasing (APR 2007/8). In 2007 about a third of water systems were estimated to be non-

¹⁰⁶ In mid-2008, the MTR report notes that in addition to their professional tasks HEWs are also politically engaged as members of the *kebele* Cabinet, and may be called for other tasks/trainings. This practice is observed across all sectors where professional staff is deployed at *kebele* level (i.e. teachers, DAs) around the same time. It may well have been more noticeable because of a peak in 2006/7, linked to the rollout of the good governance package. But it is also, more generally, an endemic and continuous aspect of the blurring between party and government.

¹⁰⁷ Welfare Monitoring Survey, Central Statistics Authority, GoE, 2004

¹⁰⁸ GoE lowered its access criteria to 15 liters per capita and per day within 1.5km of an improved source in rural areas, and 20 liters per capita and per day within 0.5km of an improved source for urban areas.

operational. Fifteen percent of all deaths were reported to be from diarrhoea, mostly affecting children under five.¹⁰⁹ Recent documentation does not document change in these indicators.

A2.156. The policy and strategic framework for the sector has developed gradually. At the broadest level it comprises of the Water Resource Management Policy (1999) and associated Water Sector Strategy (2001,) and the Water Sector Development Programme (2002-2015) which also covers hydropower generation, irrigation and watershed management issues (the latter two reviewed above).

A2.157. The policy spells out a number of principles which are supposed to prevail to this day, notably that: (i) a coordinated approach is necessary to ensure best use of water resources available in Ethiopia; (ii) water is both an economic and social good; thus water use will be based on its economic value but a special social strategy will be used to provide water services to 'under-privileged segments of the population'; in particular, whilst Government will provide the capital investment necessary to develop drinkable water supply systems, operation and maintenance (O&M) will be the responsibility of the community; in urban areas full cost recovery will be the objective; (iii) the 'user pay principle' will also be applied to water supply for industries and livestock. The policy recognises the necessity of a framework which outlines partnership modalities between the community, government, the private sector, and external agencies.

A2.158. In relation to the 'watsan' sub-sector (which hereafter is called 'sector' as in post-2006 Government and donor documentation) the WSDP was super-ceded by more recent strategic and planning frameworks. Development initiatives are now all supposed to support the Universal Access Plan issued in 2005, designed to achieve 100% water supply and sanitation access by the year 2012 and to reduce the proportion of non-functioning facilities to 10% by 2010.

A2.159. The 'watsan' sector has been redefined to clearly include hygiene (and has been renamed WSS&H or WASH, by the name of the Government main programme in the sector). There is no national sanitation policy but there is a National Hygiene and Sanitation Strategy (MOH, 2005). A national sanitation protocol (also known as MOU) was signed in March 2006 by the Ministries of Water, Health and Education, which sets out an integrated approach for improving sanitation and hygiene behaviour. As for a number of other initiatives, much relies on the deployment of HEWs to ensure change in hygiene and sanitation behaviours at the household and community levels.¹¹⁰ The Government has also initiated a National Water Supply, Sanitation and Hygiene (WASH) programme in all regions of the country.

A2.160. The UAP, the development of the WASH programme and the signature of the protocol have begun to strengthen coordination in the 'watsan' sector. Thus starting in 2006/7, there were supposed to be WASH committees bringing water, health and education sectors together at all levels, from Federal to *kebele*. *Woreda* Support Groups were also supposed to be established to bring the local private sector in support to the programme. The planning and implementation system relies on community-informed WASH *woreda* strategic plans, thus making the *woreda* a critical level of implementation, emphasising the role of communities and within this, stressing the importance of raising and listening to women's voice in water and sanitation issues (Appendix 2.4 outlines what the WASH planning and implementation system should look like).

A2.161. The extent to which the WASH institutional and planning framework is being implemented in practice likely varies from Region to Region and presumably *woreda* to *woreda*. For instance in 2007 the Multi-Stakeholder Forum (which since October 2006 oversees progress made towards the UAP) highlighted the necessity of further institutionalising the WASH coordination structures at all levels as well as developing an M&E and accountability framework. In 2007 community stakeholders'

¹⁰⁹ National Hygiene and Sanitation Strategy, MoH, October 2005

¹¹⁰ Seven out of the sixteen modules of the Household Extension Package are related to sanitation and hygiene.

involvement was reported to vary from leading the process in the more participatory projects to lip-service consultation in the weakest ones – and women’s empowerment was still limited in most cases (Pankhurst 2007).

A2.162. The current framework has also, in principle, clarified financing responsibilities – for instance public funding should finance public health workers costs, software activities, and the construction of latrines in facilities but not at household level. However, financing the watsan sector remains an issue. In the 1999 policy priority is supposed to be given to meeting household basic needs – over and above all other needs. However, in 2006¹¹¹ it was found that more than half of the ‘broad’ water sector funding was going to domestic water and sanitation expenditure, the remaining proportion going to hydropower, large-scale water development and irrigation. Much of these are large-scale investment projects undertaken by the Federal or Regional Governments.

A2.163. Thus by September 2007¹¹², in spite of new/planned and existing donor funding¹¹³ and increased funding from the Government as planned under PASDEP¹¹⁴ there remained a gap of approximately £100 million a year, of the £300 million a year required to fulfil the UAP objectives. In terms of coverage it was estimated that within the next two years approximately two thirds of the rural *woredas* of the country would be supported in implementing the national WASH programme by one of these large funders. Much of the funding was on water supply and little on sanitation. In October 2007 the MSF noted that efforts had to be made to accelerate the development of a WASH Sector Financing Strategy. Moreover, it was reported that full *woreda* coverage was the exception rather than the rule. Instead there was “a patchwork of implementers ... various methodologies based on different analyses of need and remits and with not enough attention to scalability in the short run or to the associated issues of long term sustainability” (Pankhurst 2007).

A2.164. There appears to be two unresolved policy issues in the sector. First, lack of empowerment of communities in management and operation of the facilities raises huge sustainability problems. A large proportion of facilities are non-functional and this stems out of a lack of modalities for O&M, itself rooted in “very low emphasis given to enabling/empowering, training and properly handing over water systems to the community” (Pankhurst 2007), thus running against the policy provisions that water resource development had to be underpinned by “rural-centred, decentralised management” and a participatory approach bringing in all stakeholders, and that O&M of water points would be entrusted with local communities.

A2.165. There are a number of reasons for this, ranging from lack of involvement of communities at the planning stage to lack of clarity on the implications in terms of their role in O&M (including financial implications). Lack of access to spare parts is a significant issue too (see below). Moreover, there is no legal provision for the water associations and user groups that are often established in parallel with the development of the physical infrastructure, and *woreda* water offices (often a desk under the Office of ARD) lack the means to provide the necessary supervision and support to

¹¹¹ ‘Final Sector Review Report of Water Supply, Sanitation and Hygiene – Ethiopia’, for presentation at the 1st Multi-Stakeholder Forum (MSF) Oct 2006, Ministry of Water Resources, Ministry of Health, Ministry of Education, EUWI, CRDA and Water Working Group (referred to as WASH MSF 2006).

¹¹² DFID WASH Project Memorandum (DFID WASH PM 2007)

¹¹³ In 2006 (WASH MSF 2006) the main donors in the ‘watsan’ sector were AfDB (US\$ 65 million) and UNICEF (including expected Netherlands funding of US\$ 100 million), as well as the WB (US 100 million over five years), and DFID (£75 million committed end 2007 for a five year period to co-finance the WB programme). A large number of other donors and NGOs also operated in the sector though no comprehensive mapping was available. There also is a Water Resources Development Fund established in 2002. It operates as an autonomous agency under public law, focusing on facilities expected to be able to reimburse loan modalities.

¹¹⁴ It was estimated that donor funds represented roughly half and Government budget the other half of the sector funding (Pankhurst 2007).

community groups. Incentives are also structured at all levels in terms of expanding coverage rather than consolidating the existing one. There may be awareness and cultural issues too as in 2007 it was found that isolated hand-pumped systems where communities can return to nearby traditional non-protected alternatives fared particularly badly in terms of sustainability. In the same vein, it is known – though not readily admitted in Government documents – that a number of latrines built, are actually not used but monitoring systems do not allow tracking this (Pankhurst 2007).

A2.166. Second, in spite of the policy provisions reiterated in the UAP and various other official documents, the private sector remains weakly engaged. In 2006 (MSF WSS&H 2006), this was said to have considerably improved in some areas like the engagement of local artisans, but not consistently. Government's historical 'mistrust' of the private sector (as 'anti-poor') was highlighted, leading to restrictive licensing, competition from government enterprises and complex procurement procedures continuing to hamper fuller private sector involvement. Lack of private sector capacity was another (related) mentioned factor. It was also reported that no regulation was in place to ensure that the interests of the poor would be secured in a more privatised sector. The lack of development of the private sector, in turn, has implications on community-based O&M as among others it often means that spare parts are hardly available to maintain schemes. This is compounded by the lack of standardisation in water supply equipment, an issue already highlighted in the 1999 policy.

A2.167. Finally, it was observed in 2007 that while the policy and strategic framework had significantly improved over the recent past, the gap between policy and implementation was still very large. Considerably more attention was said to be needed to women and vulnerable/poorest groups' inclusion in defining needs and how to meet them, and to sustainability issues.

Social Protection

A2.168. Ethiopia does not have a social protection policy and/or strategic framework. A recent review of social welfare and social protection¹¹⁵ found that there are a number of policies, strategies and action plans for poor and vulnerable citizens – listed as follows:

- At the policy level (a number of these are being reviewed elsewhere in this paper): The Constitution of the Federal Democratic Republic of Ethiopia (1995), the Developmental Social Welfare Policy (1996), the Productive Safety Net Programme (2005-2009 and 2010-2014), the Child Rights Convention, the HIV/AIDS Policy and Strategy, the Population Policy (1993), the Family Law (2000), the Education and Training Policy (1994), the Health Policy (1993), the National Women Policy (1993) and the National Youth Policy (2004)
- Relevant National Action Plans include: the National Programme of Action for Rehabilitation of Persons with Disabilities (1990), the National Plan of Action for Children (2004), the National Plan of Action for Older Persons (2006), the Orphans and Vulnerable Children National Action Plan (2004-2006).

A2.169. However, these policies and provisions have not been fully operationalised. The Government's emphasis on self-reliance and avoiding dependency (inherited, as a 'model', from the TPLF struggle against the Derg) has prevented the use of the words 'social protection' until recently. An illustration of the official mindset is found with the Developmental Social Welfare Policy (1996) issued by the Ministry of Labour and Social Affairs (MOLSA) in 1996 (see Box 20).

Box 20: Selected characteristics of the MOLSA Developmental Social Welfare Policy

The policy has three main objectives: (i) to expand social welfare development programmes and services with the participation of the community; (ii) to study causes of social problems and develop preventative measures; (iii) to rehabilitate the affected members of the society and those who need special care and support. It identifies its targets to be a number of vulnerable groups namely children, youth, women, the family, the elderly, the disabled, and 'social problems'.

The policy stresses that implementation strategies will be based on societal participation in all activities of development and 'elimination of harmful traditional practices'. Thus, the policy will establish "conditions that permit members of society to be both active agents and beneficiaries of social welfare services". "... the essence of the strategy of using community organisations and institutions in problem-solving efforts... differs from charity... (and) calls for empowering communities... as a method of reversing marginalisation ... and as antidotes to dependency and a sense of defeatism and despair."

Bottom-up, participatory development, participation of the poor and marginalised in the effort to solve the problem of poverty are therefore the 'motto'. Consequently, the primary responsibility (for ensuring people's mobilisation) rests with the woreda Councils, and Regional Bureaus of Labour and Social Affairs are supposed to provide them with appropriate capacity-building assistance.

However, the policy also recognises that "there is no organisational structure for social welfare activities at community grassroots level" – and does not provide clear directions as to how this should be addressed.

A2.170. Thus the policy focuses on access to social services for disadvantaged groups – in a particular way; but it does not provide for the delivering of social assistance. The government's emphasis on the developmental aspects of the PSNP and its time-bound character and the associated

¹¹⁵ This was carried out as part of a study focusing on 'Options for 'Direct Support' in Ethiopia: from Productive Safety Net Programme to Social Protection System', Stephen Devereux and Amdissa Teshome, Dec 2008.

relative lack of clarity related to the Direct Support element is another, more recent example of reluctance in embracing concepts such as entitlements to basic needs fulfilment for the most vulnerable segments of the population.¹¹⁶ Moreover, most of the 'social policies' outlined above are multi-sectoral and inter-linked in nature, and would need to be implemented with the collaboration of various government ministries, non-state actors and community-based organisations (Devereux and Teshome 2008). Modalities for this have lacked to this day.

A2.171. However, this appears to be changing – at the discourse level at least. This change is promoted by both external and internal developments. Firstly, in October 2008 Ethiopia signed up to the African Union's Social Policy Framework for Africa. This includes a commitment (at the level of Heads of States) to "develop and operationalise costed national plans for social protection". In the Social Policy Framework for Africa social protection is defined as a "minimum package, which should cover: essential health care and benefits for children, informal workers, the unemployed, older persons and persons with disabilities". The Government has also engaged with an IGAD-led process looking at how the IGAD countries can better address vulnerabilities through policy development/strengthening in relation to food security, social protection and cross-border issues.

A2.172. The second source of pressure for change is more internal. E.g. in the health sector there is increasing attention to issues of affordability of health services for the poor. There also has been a significant shift in relation to the Direct Support component of the PSNP which has, de facto, been thus far the main mechanism for delivering social transfers to the poorest and most food insecure Ethiopians. In the context of the joint government-donor re-design of the second phase of the Food Security Programme the Government (under MOARD lead) has admitted to the fact that amongst the DS beneficiaries there are individuals/households who are very unlikely to ever graduate. It was agreed that therefore, over time, the PSNP Direct Support component should be transformed into an entitlement-based transfer scheme for specific categories of vulnerable people. This would be integrated as an element of the comprehensive Social Protection framework to be developed - but it was highlighted that there is some urgency in thinking about this.

A2.173. In this context the PSNP donor group commissioned a consultancy focusing on 'future options for the PSNP DS component' (Devereux and Teshome, December 2008). In May 2009 a workshop, co-chaired by MOARD and MOLSA at State Minister level, discussed the study report and generally agreed with its recommendations with regard to improving the operations of the PSNP Direct Support component. The recommendations related to the development of a broader social protection framework were also well received.

A2.174. Among others the report recommended the institutionalization of a broad consultative platform which would ensure that the developments mentioned above would be linked up and, to start with, that the two ministries would collaborate to ensure a smooth transition 'from PSNP time-bound Direct Support' to social protection transfers for the concerned groups. The report also highlighted two major knowledge gaps that needed to be filled, as follows:

- A systematic review of existing interventions in the social protection arena – "not just a desk review of major policies and programmes, but a detailed mapping of who is doing what, where", to allow ongoing initiatives to be harmonised within a national social protection framework and gaps in coverage to be identified
- A synthesis of existing knowledge about poverty and food insecurity, so as to construct a vulnerability profile and map vulnerable group and enable the development of a

¹¹⁶ For instance in some Regions/*woredas* the guidance about the 20% proportion of DS beneficiaries is interpreted as a quota regardless of needs whilst in others this is not the case and the proportion actually varies from one *kebele* to another. Moreover, in most cases DS transfers are made at the same time as PW transfers and any delay in the PW implementation and supervision therefore affects DS beneficiaries as well.

“comprehensive but disaggregated policy framework” addressing the different needs of the different groups.

A2.175. Since then steps have indeed been taken to establish an Ethiopian National Social Protection Platform, jointly led by MOARD and MOLSA and involving other relevant stakeholders including MOFED, civil society organizations, faith-based organizations, the private sector, the UN agencies and donor agencies. Support to take things forward is expected to be forthcoming through the IGAD-led initiative on social protection, which would thus be a key contribution to operationalising the Government’s commitment to the African Union’s Framework.

A2.176. These developments are outlined in an 11th July 2009 note on “Social Protection in Ethiopia: Status Report and Next Steps” prepared in the context of the IGAD process. The note states that the aim of the process is to “create a unified social protection policy” in Ethiopia, which would build on existing policies, programmes and instruments but institutionalize and expand them so as to address social protection needs across the board – and take into account all dimensions of social protection that is, “protective, preventive, promotive and transformative”. One critical activity is the ongoing revision of the Developmental Social Welfare policy. The National Policy and Strategy on Disaster Risk Management (a revision of the 1994 Disaster Preparedness and Prevention Policy, though still in draft form), is presented as pivotal as well. The idea of mapping existing social protection instruments to identify gaps and best practices is also taken up, and the National Platform would be responsible to oversee this mapping exercise.

A2.4. Addressing structures of inequality

***Gender Equality*¹¹⁷**

A2.177. Gender equality has featured in the government’s discourse since the inception of the EPRDF-led regime – and also builds on the strong foundation of equal rights for women and other hitherto disadvantaged groups (such as the Ethiopian Muslims) established under the Derg.¹¹⁸ The National Policy for Ethiopian Women was issued in 1993, demanding intervention to:

- Mainstream women into existing laws, regulations and customary practices to allow women to participate in decision making structures
- Coordinate and incorporate women’s issues in all government programmes and policies at all levels
- Change discriminatory attitudes towards women and girls
- Promote research and awareness in all areas concerning women’s development and equity.

A2.178. Soon after, a Women’s Affair Office was established in the Prime Minister’s Office as well as Women Affairs Departments in each Ministry and Women Affairs Bureaus at Regional level. A desk was created at *woreda* level. Since then this infrastructure has been further strengthened in various ways, including the establishment of a fully-fledged Ministry of Women Affairs, the elevation of Bureaus Heads as members of the Regional Cabinet and at *woreda* level, the establishment of fully-fledged WA offices, the Heads of which are also Cabinet members. There also is a Standing Committee for WA at the HoPR and in most Regional Councils. As was already the case under the Derg, women are also encouraged to be members of Women Associations, present at all levels

¹¹⁷ The policy history in this section is largely based on an unpublished paper presented by Julie Newton to the Ethiopian Economics Association conference of 2006.

¹¹⁸ It is noteworthy that women’s emancipation was part of the Derg’s discourse as part of its ideological socialist statements. In part because of the authoritarian nature of the regime this remained limited to the level of rhetoric. Nonetheless, it did set the scene for the TGE and later on EPRDF-led government.

including at the community level, initially closely linked to the EPRDF and now said to have taken some distance from it.

A2.179. The late 1990s/early 2000s period saw several important changes in the legal framework. The enactment of a new Family Law at Federal level (2000) was influential among others in amending discriminatory provisions on marriage, divorce, children upbringing and matrimonial property. It also increased the legal age of marriage for girls from 15 to 18 and specified that the marriage contract was between spouses and not families. The revisions of the Penal Code (2005) addressed issues of rape, abduction, domestic violence, female genital mutilation and abortion. A good number of policy and programme documents also insist on gender equality – including ADLI, the health and education policies, and the PSNP and FSP reviewed elsewhere in this paper. Another key milestone was the National Action Plan for Gender Equality (2001 and updated in 2006), formulated specifically to mainstream and articulate gender concerns in broad policy processes such as the SDPRP and PASDEP development, the MDG needs assessment and the budget; to strengthen gender analysis and overall gender sensitivity of PASDEP; and to strengthen the WA infrastructure outlined above.

A2.180. The PASDEP is indeed more assertive on gender issues compared to the SDPRP and one of the eight pillars is about “unleashing the potentials of Ethiopian women”. Thus, “Women’s Empowerment” is an outcome in the policy matrix. However, as noted in donor comments, the indicator associated with this outcome is rather weak (“Implementation of the NAP-GE”) and unrelated to the internationally agreed MDG indicators for the gender equality MDG 3.¹¹⁹

A2.181. Generally, the effectiveness of the laws, policies, programmes and plans mentioned above is constrained in several ways. Firstly, a major constraint emanates from the Constitution itself as it recognises customary and religious laws relating to personal relations (including marriage, divorce, inheritance etc.) which may contradict the provisions of the new Family Law. In the same vein, Regions can issue family codes and these may include elements of customary practices that indirectly discriminate against women¹²⁰. There also is a fundamental lack of awareness of women’s rights by the women themselves. Measures have been taken to strengthen the WA infrastructure outlined above – e.g. in terms of budgetary provisions at all levels. Progress has also been made in terms of greater awareness of key policies and laws among *woreda* and local officials. However most of the time, *woreda* and local officials see their role as ‘organising women’ and rarely, conducting gender analysis and educating women on their rights. Women are more present in elected bodies at all levels thanks to the EPRDF strong affirmative policy – but they still are very rare in executive bodies at all levels.

A2.182. Fundamentally, as noted in most analyses, gender roles remain shaped by a prevailing ‘deep conservatism’ which tightly prescribes what women can do and cannot do (see e.g. the Participatory Poverty Assessment, reflected in government’s PASDEP). There seems to be a deep gap between on the one hand, the ‘progressiveness’ of the array of policies, programmes and plans outlined above, and the ‘conservatism’ shaping women’s day to day life on the other hand. Violence against women continues to be very high – though there is little systematic monitoring of it – and most disturbingly,

¹¹⁹ These are: (1) the ratio of boys to girls in primary, secondary and tertiary education; (2) the ratio of literate women to men (15-24 years old); (3) the share of women in wage employment in the non-agricultural sector and (4) the proportion of seats held by women in national parliament. The government regularly report on the first indicator. Raising the participation of women in elected bodies at all levels has also been a high priority of the EPRDF and notable progress has been made, in particular at the Federal level and in some Regions (in Tigray half of the Regional Councillors are women). But other indicators are indeed not systematically monitored and even the fourth one has not been reported in the government-donor dialogue.

¹²⁰ To our knowledge, whether Regions did issue family codes and their content has not been studied systematically by the Federal government and the Donor Group on Gender Equality (the TWG on Gender Equality of the DAG).

is widely accepted as a fact of life including by many women themselves.¹²¹ One particular factor in this gap is the persisting conceptualisation of women's affairs as being the affair of women, and a lack of recognition of the role of men in making gender equality a reality.

A2.183. Donors generally recognise government's commitment and point at specific examples where progress has been made - e.g. the deployment of female health extension workers (although there are also concerns that the fact that all HEWs are female might actually prevent the policy to be taken seriously by local leaders and also make it more difficult to buy in acceptance by the community), the policy of land certification under the names of the two spouses, the affirmative actions for girls' education and in relation to women's representation on political bodies etc.

A2.184. The development of a Women Development and Change Package by the Ministry of Women Affairs, aimed to specifically take forward the PASDEP objective of unleashing women's potential, is also hailed as a progress. The package somehow replaces the more donor-driven National Action Plan for Gender Equality (NAP-GE). In contrast, the federal level package is said to emanate from a much more consultative process and to be based on studies and consultations by the Regions, which also prepared their own regional packages. The package includes a list of specific measures that should be taken on board by each sector. The main focus is women's economic empowerment, albeit in a relatively traditional manner¹²² – and there is (comparatively to the NAP-GE) scant reference to issues such as violence against women. However, the gender donor group is would like the approach to be that used for PASDEP 2 i.e. each sector should explain what it's going to do, rather than just having a "gender" section as in the PASDEP 1

A2.185. However, donors also point at weaknesses and inadequacies. Box 21 below summarises their concerns, some of these outstanding since several years.

Box 21: Donor concerns with regard to gender equality

- Insufficient attention is paid to gender dimensions in growth and poverty analyses. Income poverty indicators should be disaggregated. All national and sectoral data collection and analysis should capture intra-household dynamics to identify differences in poverty levels within households. Gender is not well reflected in government's vision of overall growth (in spite of international evidence of higher growth rates associated with reduction in gender inequalities in education and employment)
- Linked to the first point, there is insufficient attention to analysing and addressing gender dimensions in sector policies and programmes in concrete ways. For instance: Lack of gender analysis of morbidity and mortality in relation to maternal mortality; Ineffectiveness of family planning mainly addressed to women whilst decisions most often rest with men; Inadequate attention to women's needs in the 'package' approach in ADLI and FSP¹²³; Inadequate attention to women's needs in the micro and small enterprise sector in spite of their significant presence in it; Lack of priority to female adult education in spite of its key role in improving human development outcomes¹²⁴; Lack of differentiation in gender analysis and planning, across urban, rural and pastoralist communities.

¹²¹ This is noted in the National Action Plan for Gender Equality (2006) and also, the World Bank "Well-Being and Poverty in Ethiopia: The Role of Agriculture and Agency" study, 2005.

¹²² Thus for instance, as for the youth policy, the package treats in two separate chapters the need to 'overcome challenges that face rural women' and 'urban women' respectively, which does not allow treating issues such as female urban migration even though it is a societal phenomenon of growing importance.

¹²³ Targets usually include quotas for female-headed households' access to 'packages' but to this day the packages are not tailored to the needs of these households, often lacking male labour force. The needs of married women in male-headed households are typically ignored altogether, especially with policies of restricted access to credit (one credit per household) for fear of too high household indebtedness.

¹²⁴ See e.g. World Bank (2005): "Ethiopia: Wellbeing and Poverty – The role of agriculture and agency".

- In summary, gender mainstreaming is weak/ incomplete¹²⁵. Moreover, while gender mainstreaming is important it will not suffice. There is a need for a much deeper understanding of social, cultural and economic dynamics perpetuating gender bias, and based on this understanding, for specific and affirmative measures to remove cultural and attitudinal barriers¹²⁶
- Lack of integration between key documents (e.g. PASDEP, NAP-GE and now Women Development and Change Package. There is no overall strategy on how to reach the MDG 3 in Ethiopia
- Lack of accountability mechanisms for progress on gender issues: Missing indicators or missing disaggregation of existing indicators; Lack of clearly allocated responsibilities for the implementation of the NAP-GE
- Inadequate attention to the role of CSOs in promoting Gender Equality and Women's Empowerment: The potential of existing strong organisations such as the Ethiopian Women Lawyers Association, the Network of Ethiopian Women's Associations and the Centre for Research and Training and Information for Women in Development is not fully tapped into; Need to broaden engagement and reach out faith-based organisations, private sector etc.

A2.186. Another important problem is that there is no disaggregation of the category 'women'. In some contexts female-headed households may be discriminated, in others wives in male-headed households are 'missed out'. Widows and divorcees face different constraints. Women's issues also differ depending on their age, the sex and age of their children etc., and there are regional differences in what issues are problematic for women. There is also a lack of systematic monitoring of gender issues; in particular, there is scant information about the effectiveness of the various mainstreaming and affirmative action measures briefly outlined above in terms of women's empowerment.

Youth policy

A2.187. The government adopted a National Youth Policy in 2004, reflecting a concern with what was perceived to be the growing disaffection of the 'youth'. In 2004/5 the government explained that it was in the process of developing a "Multi-Sectoral Youth Development Strategic Plan" which would have two corresponding five-year programmes, of which the first would coincide with the PASDEP. The TVET program was said to be "a central part of the strategy". Particular attention was also due to be given to the role of MSE development.

A2.188. We do not know whether the strategic plan has been finalised. What has been finalised are two 'youth packages' respectively for rural and urban youth. These are similar to the women package reviewed above, and indeed emphasise the importance of TVET and MSEs especially for the urban youth, whereas rural youth should also be encouraged to organise into groups or cooperatives, and to engage in off-/non-farm activities or activities that would allow them to increase the productivity of their parents' land – for the many landless ones.

A2.189. More generally, youth disaffection (of urban youth in particular) also has a political nature, and the ruling party attempts to address this in various ways – such as the couple of large meetings

¹²⁵ In 2006 donors commented that: "... a gender mainstreaming approach in each relevant sector policy should include a discussion on the causes of the gender gap, followed by a description of the consequences of such gaps. This should lead to coming up with outcomes and suggestions for interventions in order to address the problem and determine who is responsible for implementing the solutions."

¹²⁶ The idea here is that as women have historically been exposed so much less than men to policies, programmes and interventions, it will not be sufficient to just ensure parity in access to services and opportunities, have targets/quotas for women to do this etc. There is a need for specific actions which in addition, enable women to reach a level at which they really have 'equal competing opportunities' with men.

organised since the 2005 election, in which the youth are invited to directly discuss with the Prime Minister.

A2.190. Little appears to be known about the progress made with the implementation of the packages. The author's analysis is that the packages as they are spelled out and implemented may well miss the point.¹²⁷ That is, in the way the government thinks of the youth there is at the same time too much and too little differentiation.

A2.191. Too little differentiation on the one hand, because if we focus on the so-called 'rural youth' – as we study various types of rural communities - this group (of male and female individuals aged between 15 and 29 years according to the policy) is highly heterogeneous. It encompasses, for instance, young adults having left school but still living with their parents, newly formed households (likely to remain landless for a while or for ever in increasingly large numbers), and older 'bachelors' often landless too and who because they are single, are often considered as unsettled, not trustworthy thus facing difficulties in e.g. accessing credit. These various categories of rural youth may have a number of factors in common such as landlessness (often) and a set of expectations different from those of their parents. They also have, compared to the previous generation, a higher level of formal education, which should somehow be used as fully as possible. They are likely to be the generation most willing to adopt non-farm based livelihoods. At the same time different categories and different individuals will have differing needs and aspirations.

A2.192. Too much differentiation on the other hand, in the sense that as for the women, the separation into strictly demarcated rural/urban youth groups with separately designed and implemented packages, an illustration of the government mindset reflected in turn into "rigidities" in the social and policy environment surrounding land, mobility and urbanisation, is likely to be increasingly at odd with the expectations of the young generation (see e.g. Ellis & Woldehanna 2005: xii). Thus the Rural Youth Development Package, prioritising measures such as the distribution of unallocated land to rural youth, prioritising the youth in resettlement schemes, and designing rural credit schemes that target the youth, remains vague when it comes to "meeting education and training needs", and has nothing to say about mobility. Practically, this demarcation between urban and rural youth means that, as we have seen above, the TVET reform largely fails to address the needs of the 'rural youth'. Previous fieldwork has also shown that 'urban programmes' such as support to MSE development also remain largely inaccessible to them.

A2.193. In summary, there would need to be greater attention paid to 'the youth' both as one societal group and as different groups with different needs. But this does not seem much compatible with the rather formulaic approach to 'youth needs' underpinning the packages.

¹²⁷ This is based on interviews at regional, *woreda* and *kebele* levels (carried out in fieldwork in 2007 and 2008 in three Regions), including interviews of Youth and Sports and MSE officials as well as a number of representatives of TVET institutions. Also see the analysis of the TVET sub-sector above.

Appendix 1.1: Comparison of topics in SDPRP and PASDEP

Selected SDPRP structure and headings

Under “Chapter VII: Key sector development policies and strategies”:

7.1 Rural and Agricultural Development Policies and Strategies

7.1.1 The Major Directions of Rural and Agricultural Development

- (a) Coordinated Development Path
- b) Development Path Compatible with Different Agro-Ecological Zones
- c) Adoption of Labor Intensive Strategy
- d) Proper Utilization of Agricultural Land

7.1.2. Human Capacity Building and Utilization

- a) Ensuring Diligence and Work Preparedness
- b) Improving Farming Skills
- c) Ensuring the Health of Farmers
- d) Improving the Supply, Replication and Dissemination of Technology

7.1.3. Proper Use of Land

- a) Ensuring Access to Land and Tenure Security
- b) Pursuing Appropriate Land Use Policy
- c) Improving Utilization of Water Resources

7.1.4. Preparing Compatible Development Packages for Each Agro-ecological Zone

- a) Combining Diversification and Specialization
- b) Drought-Prone Regions
- c) Regions with Adequate Rainfall
- d) Pastoral Areas
- e) Areas with Substantial Uncultivated Land

7.1.5. The Role of the Market in Agricultural Development

- a) Market Forces’ and the Marketable Surplus
- b) Improving the Agricultural Marketing System

7.1.6. Rural Finance

7.1.7. Rural Electrification

7.1.8. Rural Telecommunications Development in Ethiopia

- a) The Importance of Telecom for Rural Development
- b) Next Three year plan for Rural Telecom Development

7.2. Food Security

7.2.1 Overview of the Revised Food Security Strategy (FSS)

7.2.1.1 Increasing Domestic Production (Supply Side Actions)

7.2.1.2. Ensuring Access to Food (Demand Side)

- a) Micro and Small Scale Enterprises
- b) Improving the Food Marketing System
- c) Supplementary Employment and Income Generating Schemes
- d) Targeted programs

7.2.1.3. Credit Services

7.2.1.4. Nutrition and Health Intervention

7.2.1.5. Emergency Capabilities

- 7.2.1.6. Institutional Strengthening, Networking, and capacity Building
- 7.2.1.7. Food Security Assistance
- 7.2.2 The Implementation of the Food Security Strategy
- 7.3. Pastoral Development

The chapter also included sections on roads, energy, education, health, and water provision. The private sector development was addressed in a separate Chapter VIII: “Private Sector and Export Development”, which included the following headings:

- 8.1. Investment Climate
 - 8.1.1. Peace and Stability
 - 8.1.2. Macroeconomic Stability
 - 8.1.3. Institutional and Legal Environment
 - 8.1.4. Access to Land
 - 8.1.5. Competition
 - 8.1.6. Taxation
- 8.2. Investment Finance
 - 8.2.1. Current Status of the Banking Sector
- 8.3. Infrastructure
 - 8.3.1. Short-to-Medium Term Program
 - 8.3.1.1. Construction Sector
 - 8.3.1.2. Energy Sector
 - 8.3.1.3 Telecommunications
- 8.4. Input, Output and the Export Market
 - 8.4.1. Agricultural Inputs and Outputs
 - 8.4.2. Knowledge, Information (ICT) and Technology
- 8.5. Export Sector Development
- 8.6. Tourism
- 8.7. Developing the Manufacturing Sector
- 8.8. Developing the Mining Sector
- 8.9 Institutions
 - 8.9.1. Public-Private Consultative Forum
 - 8.9.2. Institutions Giving Services to the Private Sector
 - 8.9.3. Institutions of the Private Sector (Chambers and Sectoral Associations)

Chapter IX is focused on “Vulnerability and Response Capacity” and includes emergency response capacity including to food insecurity, and HIV AIDS. Chapter X “Cross-Cutting Issues” includes sections on environment, population, gender, and urban development and management. The latter, whilst including a discussion of the necessity of strategic actions aimed to strengthen employment opportunities, does not make any mention of links with rural economic growth. Rural-urban migration is presented as a factor negatively affecting urban development and management. More generally, the creation of “more urban-rural integration” and “commercialization of the agricultural sector” are seen as things for the “longer term”, happening through the “introduction of high-value agricultural products for export”.

SDPRP: Overall priority areas of actions in agriculture and rural development include the following:

- a) Design and introduce to the farmer menu based agricultural extension packages that take into account agroecological diversity, opportunities for specialization, and likely market demand.
- b) Conduct extensive technical and vocational training in agriculture for development agents to so as to provide effective extension services.
- c) Strengthen agricultural research to generate appropriate technologies to underpin productivity improvement and sustainability.
- d) Conduct extensive vocational training in agriculture for farmers with some level of primary education to create critical mass of smallholder commercial farmers through time; to effect this operationalize Farmers Training Centers at Peasant Associations (local) level and assign 3-4 Development agents.
- e) Improve agricultural marketing system through
 - a. Support to expansion of autonomous service cooperatives
 - b. Study and when found feasible introduce warehouse receipt scheme and commodity exchange.
 - c. Developing and introducing crop quality standards
 - d. Improving the supply of market information
 - e. Strengthening private sector in agricultural marketing especially supporting its market-based interface with service cooperatives; its participation in commodity exchange.
- f) Support to micro-finance institutions to improve rural financial services.
- g) Strengthen livestock development through forage development; improved breed; veterinary services and livestock marketing with the view to improve livelihoods, diversify income, insure food security, and strengthen export.
- h) Support the expansion of service cooperatives, which are critical for providing input/output marketing services, rural financial services and off-farm employment and income through setting up small agroprocessing enterprises.
- i) Support to water harvesting and expansion of small-scale irrigation to mitigate impact of rainfall variability/shortage/absence.
- j) Improve rural land management to ensure tenure security; encourage out-grower scheme between the smallholder farmer and the private sector especially in the case of high value crops; facilitate by working out appropriate legal and procedural framework for those private sector who wish to rent land from farmers.
- k) Agricultural and rural development will not be rapid and sustainable unless complementing and simultaneous development initiatives are taken in non-agriculture sectors. Education, health, water supply, road and transport services and small and medium industries development is critical for rural transformation and national development.

Selected PASDEP structure and headings

PASDEP structure brings all ‘sectors’ and ‘themes’ in the same chapter VII, and there is a specific section of this chapter focusing on “The Spatial Dimension: Regional Development Strategy and Urban-Rural Linkages” (section 7.10).

7.1 Agriculture

7.1.1 Overall

7.1.2 Fundamentals of Ethiopia's Agricultural Development Strategy

- a) Adequately Strengthen Human Resource Capacity and its Utilisation
- b) Ensuring Prudent Allocation and Use of Land
- c) Adaptation of Development Path Compatible with Different Agro-Ecological Zones
- d) Specialisation, Diversification and Commercialisation of Agricultural Production
- e) Integrating Development Activities with other Sectors
- f) Establishment of Effective Agricultural Marketing Systems

7.1.3 Agro-ecological Zones

- a) Regions with Adequate Rainfalls
- b) Moisture Stress Areas
- c) Pastoral Areas

7.1.4 Crop Production and Productivity

7.1.5 Coffee, Tea and Spices

7.1.6 Pest Management

7.1.7 Livestock Development and Animal Health Services (6 pages)

- Improvement of Animal Feed
- Honey Production
- Silk Production
- Fishery Development
- Genetic Improvement
- Animal health services

7.1.8 Natural Resource Conservation and Management

- Watershed management and NRM
- Soil and Water Conservation
- Forest Resource Management
- Water Management for Irrigation
- Sustainable Land Management
- Wildlife protection...
- Biodiversity conservation

7.1.9 Agricultural Research and Extension

- TVET program
- FTCs
- Strengthening research-extension-farmer linkage
- Agricultural research

7.1.10 Food Security Program (FSP)

- Household Asset Building
- Voluntary Resettlement Program

The Productive Safety Net Program
Non-agricultural Income (this is very little specified)

7.1.11 Agricultural Marketing

This focuses on a marketing plan, the development of marketing information capacity, the development or strengthening of cooperatives... and very few mentions of the private sector else than 'private farmers'

7.2 Education

7.3 Health

7.4 HIV/AIDS

7.5 Infrastructure

7.6 Tourism

7.7 Mining

7.8 Trade and Industry Development

7.8.1 Background

7.8.2 Industrial Development

7.8.3 PASDEP Targets for Selected Strategic Sub-sectors

7.8.4 Integration of Ethiopia's Export Trade

7.8.5 Export Development During the PASDEP

7.8.6 Private Sector Development:

"... The most obvious areas of private sector growth include: (i) in the agricultural and rural sector, where millions of farmers both large and small are of course private sector actors, and there is scope both for substantial growth of private supply of inputs and services, and for induced growth spin-off and processing businesses; (ii) private sector participation in infrastructure, power generation and downstream telecommunication services, but also in the construction and supply opportunities as stipulated in the PASDEP, and (iii) in the social sectors..." The main role of the Government is to facilitate this development through measures described elsewhere in the PASDEP, including infrastructure development, administrative capacity strengthening etc. However, the government will also specifically focus on continuing the development of industrial estates, undertaking value chain and detailed market studies for a number of key industries/sectors, and providing business development and extension services.

7.9 Urban Development

Rural-urban migration is recognised as an inevitable shift, as people "move from saturated rural areas". The main objective is to implement the National Urban Development Policy approved by the Council of Ministers in 2005, which has four pillars

- * Support for SMEs and job creation
- * Integrated housing development
- * Improved access to land, infrastructures and services
- * Promoting urban-rural and urban-urban linkages (which includes a Small-Towns Development Program, providing specific support in 600 such small towns)

And cutting across this is a specific, ongoing programme of urban governance strengthening

7.10 The Spatial Dimension: Regional Development Strategy and Urban-Rural Linkages

This section is very brief, mentioning the Federal and Regional Governments are in the process of establishing a "National Policy Framework for Regional Development" which will define "regional priorities in a transparent way" and will see each Region being asked to formulate Regional Development Plans contributing to the priorities identified in this way, including through identification of "rural growth poles and areas of high potential" and assessment of "geographically-differentiated needs and priorities to accelerate growth".

- 7.11 Population and Development (5 pages)
 - 7.11.1 Demographic Status
 - 7.11.2 Population and Annual Growth Rate
 - 7.11.3 Population Composition by Age
 - 7.11.4 Linkage Between Population and Poverty
 - 7.11.5 Population Policies, Strategies, and Goals

7.12 Gender and Development

7.13 Addressing the Particular Needs of Children

7.14 Governance, Capacity-Building, and Decentralization

7.15 Environment and Development

7.16 Pastoralist Livelihoods and Development

7.17 Youth and Employment

A National Youth Policy has been approved in 2004, and the government is said to be in the process of developing a “Multi-Sectoral Youth Development Strategic Plan” which will have two corresponding five-year Programs of which the first coincides with PASDEP. The TVET program is said to be “a central part of the strategy”. Particular attention is also given to the role of micro and small enterprises development.

Rural-urban migration, whilst not seen as a particularly positive factor, is recognised as inevitable and to be addressed by strengthening urban development programs and linking rural and urban economies, a quite significant ‘discourse’ shift compared to the SDPRP.

Appendix 2.1: Donor involvement in various programmes

| | PBS (2005) | PSNP (2005) | PSCAP (2004) | DIP (2007/8) | J-GAM | Civil Society Pool Fund | Health Performance Account | Education: GEQIP |
|-------------------------|---------------|----------------|-----------------|-----------------|--------------|-------------------------------|----------------------------------|---------------------|
| 1 World Bank | All | Yes | Yes | | Yes | | | Yes |
| 2 AfDB | 1, 3 & 4 | | | | | | | |
| 3 European Union | 1, 3 & 4 | Yes | | | | | | |
| 4 UNDP | | | | 3.50 | | | | |
| 5 World Food Program | | Yes | | | | | | |
| 6 Austria | 1 | | | 0.81 | | | | |
| 7 CIDA (Canada) | 2, 3 & 4 | Yes | Yes (2007) | 13.60 | | | | |
| 8 Denmark | | | | 0.50 | | | | |
| 9 DFID (UK) | 1, 3 & 4 | Yes | Yes | 20.00 | Yes | | | Yes |
| 10 Germany | 1 | | | | | | | |
| 11 Italy | 2 | | | 0.34 | | | | Yes |
| 12 Irish Aid | 1, 3 & 4 | Yes | Yes | 0.13 | | | | |
| 13 Netherlands | 2 | Yes | | 3.00 | | | | Yes |
| 14 Norway | | | | 4.10 | | | | |
| 15 SIDA (Sweden) | | Yes | (*) | 5.90 | | | | (**) |
| 16 Spain | 1 | | | | | | | |
| 17 US (USAID) | | Yes | | 1.50 | | | | |
| 18 OHCRC | | | | 0.10 | | | | |
| Number of donors | 11 | 9 | 4 | 12 | Check | Check | Check | Check |

Notes:

(*) Sweden's initial pledge to PSCAP was not realised - Presumably linked to the post-2005 election developments

(**) Sweden's initial pledge to GEQIP was not realised - Linked to developments around new CSO law (2008)

PSCAP

| Sector Issue | Other Donor Involvement |
|---|--|
| Civil Service Reform | <ul style="list-style-type: none"> - Decentralization Support Activity for Expenditure Management and Control (USAID, DCI); - Internal and External Audit Subprogram (DCI); - Auditor General Capacity Enhancement (CIDA); - Expenditure Management, Support for Freedom of Information Act, - Top Management Capacity Building (DFID); - Overall Support (UNDP) |
| District-Level Decentralization | <ul style="list-style-type: none"> - District-Level Decentralization (DFID); - Various "Area-based Programs" including for regional administration (CIDA, DCI, Netherlands, SIDA) |
| Justice Sector Reform | <ul style="list-style-type: none"> - Parliament Capacity Building (CIDA, DCI); - Court Administration Reform (CIDA); - Justice Sector Reform Program (CIDA, SIDA, UNDP) |
| Tax System Reform | - Tax System Reform Program (Dfi D, EC, IMF, Netherlands, SIDA, UNDP) |
| Urban Management and Development | <ul style="list-style-type: none"> - Municipal Management and Development Program (GTZ); - Municipal Leadership Program (EC) |
| Information and Communication Technologies | - Support for ICT development and School-Net (UNDP) |

Appendix 2.2: Customary Institutions and Community-Initiated Organisations

TABLE 1: MAIN CHARACTERISTICS

| TYPE | FUNERAL (<i>IDDIR</i>) | CREDIT (<i>IQQUB</i>) | SOCIO-RELIGIOUS (<i>MEHABER</i>) | MIGRANT (<i>MEREDAJA MEHABER</i>) | DISPUTE SETTLEMENT (<i>SHIMGILINNA</i>) |
|------------------------------------|--|--|---|---|---|
| FUNCTIONS PRIMARY | Burial, assistance and payment to family of deceased | Rotating saving and credit; lump sum payments to members | Social gatherings and meals at each others' houses on saint's day | Mutual self help to cope with urban life, notably funerals | Dispute resolution between litigants |
| SECONDARY EXTENSION | Dispute settlement Health assistance Crime prevention Community development Sanitation Assistance to PLWHA Assistance to orphans Working with elderly | Help in case of distress (theft, delayed reduced payment) | Assisting the needy Help in distress (debt; imprisonment) | Home area development (can become primary) Support in case of distress Can be linked with <i>Iddir</i> and <i>iqqub</i> | promoting community cohesion promoting social change changing harmful custom gender action |
| ORIGINS | Urban to rural | Urban cash roots spread to rural | Rural? Linked to foundations of churches | Urban migration | rural |
| DATE? | 1910-20? | 1930-40? | Potentially very old, earliest record from 1820s (Pearce). | 1940-1965 | old; linked with cultural groups and identity |
| EXPANSION | increasingly from 1970s to 2000s | increasingly 1960s-2000s | with spread of orthodox church increasing in 20 th C. | 1960s and 1990s | in all periods and contexts |
| GEOGRAPHICAL COVERAGE | widespread in the urban areas and highlands; less prevalent in more remote and lowland pastoralist areas | widespread in the urban and highland areas, linked with cash economy | In all areas where there are orthodox communities. Some similar groupings among other religions | widespread in urban areas | ubiquitous throughout the country, strongest in pastoral lowlands, and common in all rural areas |
| REGIONS | Amhara, Oromia, SNNP, towns in other regions | Amhara, Tigray, Oromia, SNNP towns other regions | Addis Ababa, Amhara, Tigray, Oromia, SNNP | Addis Ababa, Amhara, Tigray, Oromia, SNNP | All regions |
| MEMBERSHIP BASIS PRIMARY | locality contributions | willingness to pay contributions | common religion friendship | common home area | elders respected by community clanship |
| MEMBERSHIP BASIS ADDITIONAL | (neighbourhood towns) area of origin / ethnicity profession gender youth | Income group Locality Work type (profession) Gender | Religion (Orthodox) Parish (church) inherited from parents | ethnicity area of town Kinship | community membership clan belonging |
| SUB TYPES | neighbourhood women youth profession migrants, displacees | women merchants | Church based (<i>senbete</i>) gender (women's) | family (<i>yebeteseb</i>) clan (<i>yegosa</i>) | Gada and Jarsa Biyya among Oromo, Odayal Somali, Gereb Afar etc |
| GENDER | separate women's | sometimes separate women's | separate women's as well | male dominated | male dominated |
| AGE | elderly men dominate youth <i>Iddirs</i> important | adults, earning income | adults | elderly men dominate | elderly men dominate |
| ETHNICITY | usually not relevant | usually not relevant | not relevant | crucial | important |
| RELIGION | usually not relevant | usually not relevant | crucial | usually not relevant | some importance |
| SIZE IDEAL | large 200? | small 12 (monthly) 56 (weekly) | small 12 (saint's day each month once a year) | dozens to hundreds as large as possible | mediators 3 to 20, litigants 2+; community |
| SIZE | 1000 | 24 (month) 100 | 50? | 1000? | wide community |

| TYPE | FUNERAL (<i>IDDIR</i>) | CREDIT (<i>IQQUB</i>) | SOCIO-RELIGIOUS (<i>MEHABER</i>) | MIGRANT (<i>MEREDAJA MEHABER</i>) | DISPUTE SETTLEMENT (<i>SHIMGILINNA</i>) |
|------------------|-----------------------------------|-------------------------|--|---|--|
| MAXIMUM | | (weekly) | | | involvement |
| WIDER GROUPINGS? | Yes, a few started in urban areas | Not yet but potential | no but potential linkages through parish | Yes, linkages with home areas important | some several levels e.g. Sidamo and Shinasha |

TABLE 2: ACCOUNTABILITY AND DEVELOPMENT ATTRIBUTES AND POTENTIAL

| TYPE | FUNERAL (<i>IDDIR</i>) | CREDIT (<i>IQQUB</i>) | SOCIO-RELIGIOUS (<i>MEHABER</i>) | MIGRANT (<i>MEREDAJA MEHABER</i>) | DISPUTE SETTLEMENT (<i>SHIMGILINNA</i>) |
|------------------------------------|---|---|---|--|---|
| LEADERSHIP | Initially Elderly men, conservative, landlords Less educated but secretary literate more younger literate | Whoever decides to initiate the <i>Iqqub</i> draws the first lot and has great say | Elders men for male and elderly women from women's; priest; also nobility royalty | Urban educated professionals Intellectuals merchants | elderly men, priests, spiritual leaders some hereditary |
| ACCOUNTABILITY TO MEMBERS | Initially few records; no voting, leaders in power long; Now more formal elections, by-laws, rules etc | Depends on system of guarantors; cases of embezzlement or theft; use of records | Mutual trust, limited record keeping | Gradually institutionalised, strong role of leaders; formalising | based on trust, selecting mediators who have been neutral and effective |
| ACCOUNTABILITY TO COMMUNITY | often involves sub-sections of communities | limited to group members | creates linkages within community | accountable to home communities | wider accountability to community strong |
| RELATIONS WITH GOVERNMENT | Good in the sixties, Cooperation with police with municipality roads and community centres poor after the revolution good from 1990s | Little contact; attempt by banks to attract them failed | Not much contact But role of royalty | Good in early sixties, poor from 1966 (coup plot). Dependent on state cooperation | jurisdiction restricted as State power increased, de facto linkages and reliance on them by formal justice sector |
| RELATIONS WITH NGOS | good since 1991; increasing collaboration | limited collaboration | link with faith-based NGOs | limited linkages | some NGOs interested to involve in NRM and HTPs |
| CIVIL SOCIETY ROLE | In the 60s promoted parliamentary procedures voting Role in solving disputes Controlling crime | Remains in the informal sector primarily for private purposes. Forum for discussions | Remains outside politics but forum of community members discussing | Very active role for local development Fund raising and mobilisation | Crucial role in the justice sector, reduce case loads; solve simple matters and assist formal system |
| POVERTY ALLEVIATION ROLE | Help for bereavement Some cases of help for ill health or other problems | Important in providing framework for saving discipline for the poor | Food for the poor and destitute | Important role Roads, clinic, school building | more lenient to poor in judgements; resolving conflict peacefully with limited cost |

| TYPE | FUNERAL (<i>IDDIR</i>) | CREDIT (<i>IQQUB</i>) | SOCIO-RELIGIOUS (<i>MEHABER</i>) | MIGRANT (<i>MEREDAJA MEHABER</i>) | DISPUTE SETTLEMENT (<i>SHIMGILINNA</i>) |
|---|--|---|--|--|---|
| | Contributions 1975 famine recently HIV/AIDS | | | | |
| ROLE IN DISASTER MANAGEMENT | Contributions for famines and to poorer members | Help to poor members | Assistance to needy & destitute | Assistance with relief work | solving conflict and mobilising in crises |
| ROLE IN CAPITAL DEVELOPMENT | Generally limited A few cases of fund raising for specific purposes | Crucial for poor and rich; significant competitor to the banking system | Generally expenditure not saving | Some very successful at large scale fund raising to build roads etc. | reducing compensation for crime; avoiding imprisonment |
| ROLE IN LABOUR MOBILISATION | Primarily for burial, neighbourhood policing road building; meetings for information as entry points | only members meetings | Sometimes to help poorer members in distress; meetings for information | For road construction | mainly for solving conflict, but also for discussing problems and entry points |
| DURABILITY | Sustainable, urban ones ongoing for more than half a century | Liable to dissolve after all have received lot; cycles may continue among big traders | Can go on and be inherited from one generation to the next | Potentially ongoing except in cases of political involvement leading to banning | institutions enduring and changing though personnel of leaders change |
| CHANGE AND SELF-TRANSFORMATION | Institutionalisation; Involvement in development dependent on favourable climate; limited but growing fast | Institutionalisation, involvement in interest saving only among the rich and sometimes through external promotion | Little involvement in other activities | Significant success cases like Gurage Road building case of involvement in development | change historically in rules, increasing formalisation and linkages with state system; involvement in cultural change |
| SELF VIEW AND VISION | Primarily burial exceptional cases of other development | Primarily savings for individual purposes collectively guaranteed | Primarily socio-religious orientation, based on friendship | Ranging from development to raising group image to raising political consciousness | promoting identity and community self governance |
| GENDER PERSPECTIVE | Often male dominated, and mainly male membership but also women's section and women's <i>iddir</i> | Very important for women's empowerment Financial independence etc | In male <i>mehaber</i> secondary role, but Strong role women's <i>mehaber</i> socialise and learn | Women and gender issues subsumed under development. | male dominated; though some role of elderly women and female ritual leaders in peace-making |
| POTENTIAL AS PARTNERS IN DEVELOPMENT | High for community activities if conducive political, social and economic conditions; potential for health insurance | High only for credit activities, need to develop interest and saving components; potential linkages | Low However, possible role in relief work for destitute etc, and in accountability | High for regional development <i>if</i> conducive political, social, economic context; potential | High for promoting community self governance, promoting peace and conflict resolution, and |

| TYPE | FUNERAL (<i>IDDIR</i>) | CREDIT (<i>IQQUB</i>) | SOCIO- RELIGIOUS (<i>MEHABER</i>) | MIGRANT (<i>MEREDAJA</i> <i>MEHABER</i>) | DISPUTE SETTLEMENT (<i>SHIMGILINNA</i>) |
|------|--------------------------|--------------------------|---|--|---|
| | | with banks and insurance | monitoring | partnerships for local development | general accountability |

Appendix 2.3: Brief History of the Protecting Basic Service programme

Following the finalisation of the SDPRP, the WB and UK started providing General Budget Support in 2003. Several other donors joined rapidly. The WB PRSC I was approved in February 2004 as well as a number of other programmes. The Government and GBS donors organised a joint **Direct Budget Support** (DBS) process in which all programmes were aligned around one common policy matrix derived from the SDPRP, and followed a common review and dialogue process. In the course of the year 2004 DBS emerged as a major aid channel, clearly facilitating the ongoing rapid expansion of basic services. In the 2003/04-2005/06 period nine donors (incl. WB, EC and bilaterals) provided DBS to the tune of USD 255m to USD 375m per annum. Major features of the system were a regular Joint Budget Analysis and Review (JBAR), a Fiscal Assessment, and a SDPRP monitoring and evaluation (M&E) Action Plan. The DBS dialogue covered the entirety of the SDPRP (thus including the education sector).

May-December 2005: Donors responded in various ways to the post-2005 election developments but by the end of the year 2005 all DBS programmes were suspended, representing a massive budget shortfall for the EFY 2005/06. Discussions got under way among donors on alternative aid delivery instruments that would enable them to continue to fund basic services to the tune of what DBS was doing, in order to avoid undermining the gains made in the past few years.

In May 2006 the **Protecting Basic Services (PBS) programme** was approved by the WB Board and several other donors joined in the course of the year and the next one. The PBS channels funds to regions' and *woredas*' budgets alongside government domestic resources, through the fiscal transfer system of *un-earmarked* regional subsidies and block grants to *woredas*. Thus, PBS —took over from DBS, providing, in effect, decentralised budget support to co-finance government provision of basic services. Several features of the DBS process were maintained including the JBAR, through which donors also verify that the PBS conditions are met.

Key design features of the first phase of PBS were:

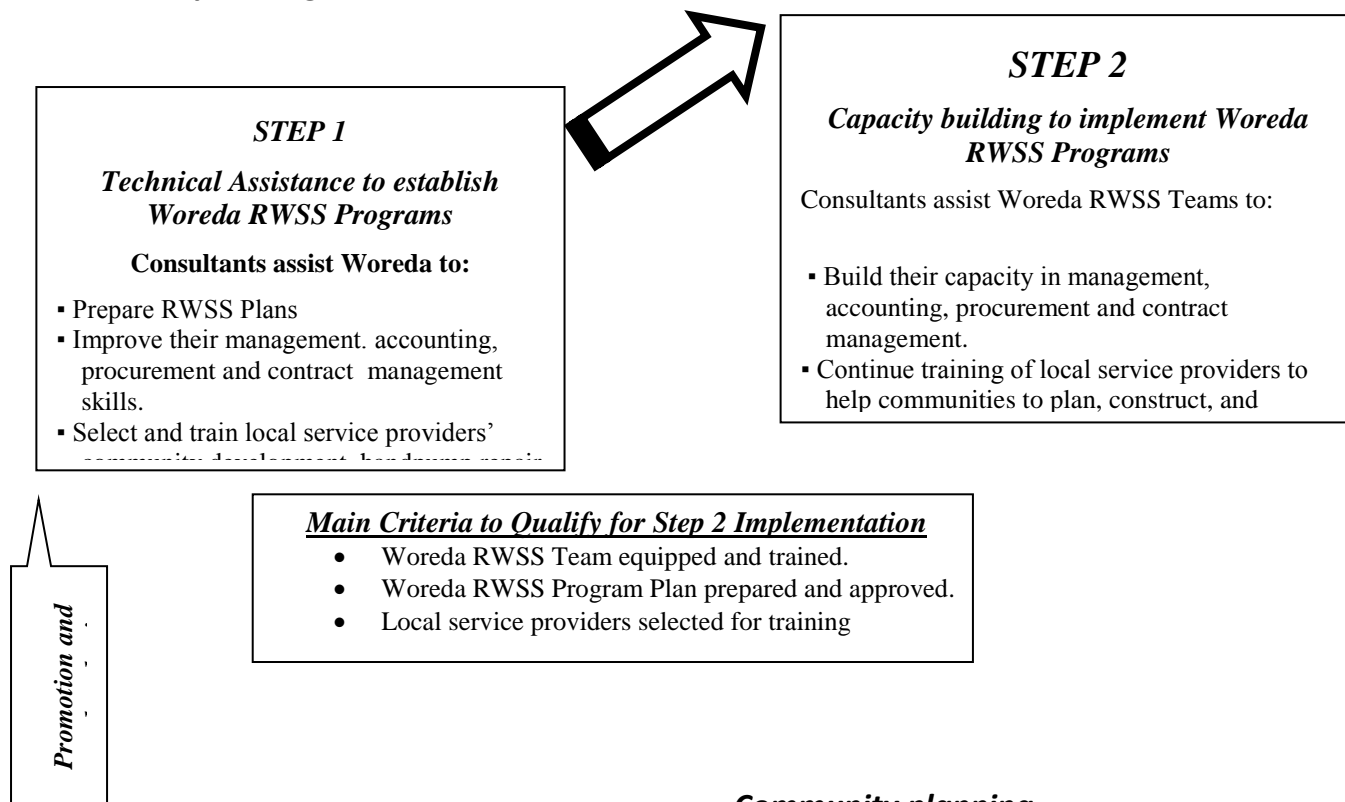
- (a) The bulk of PBS funding ("Component 1") was disbursed entirely through GOE systems, but targeted as additional funding for the federal block grant. Monitoring of PBS included an additionality test to verify that there has been a commensurate increase in the fiscal transfers to regions and *woredas*.
- (b) Monitoring also included a fairness review to verify that funds are disbursed to all regions and *woredas* in accordance with transparent fiscal rules and without discrimination on political or other grounds.
- (c) PBS is not earmarked to one sector, but provides support to the basic services for which subnational governments are responsible, which include primary health care and water/sanitation as well as basic education.
- (d) However, Component 2 differs from Component 1 as regards both disbursement procedures and earmarking. This component provides funding earmarked for international procurement of medical supplies. These are treated as a special case because of the greater practicality and cost savings available in specialised procurement on behalf of the regions and *woredas*.
- (e) There is a strong emphasis on accountability. Component 3 provides support to government systems for financial transparency and accountability, while an innovative Component 4 (social accountability) aimed to strengthen the capacity of citizens and civil society organisations to engage in public budgeting processes and hold public bodies to account for the delivery of basic services.

PBS is now seen as a valuable aid modality in its own right (as opposed to a mere substitute to DBS), well aligned with the decentralised federal structure of the government. The design of a second phase has recently been completed. The WB and EC have had their new PBS programmes approved in May 2009. PBS 1 channelled USD 1.1 billion in the 2005/06-2008/09 period. Financing projections for PBS 2 indicate that the programme will channel USD 1.1 billion in three years. The conditions attached to

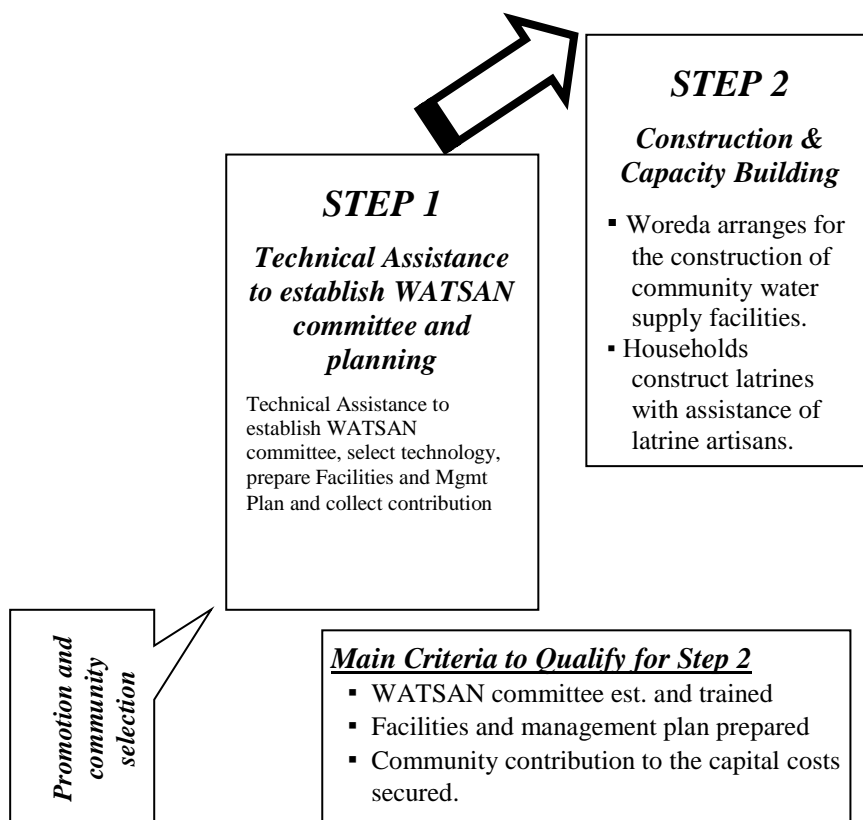
Phase 2 of PBS have been amended, but the main features of the programme and the thrust of the conditions remain the same.

Appendix 2.4: Community-based woreda WASH planning

Woreda planning



Community planning



Bibliography

| | |
|--|---|
| Aalen 2008 | Aalen 2008. The 2008 Ethiopian Local Elections: The return to electoral authoritarianism, Aalen Lovise and Kjetil Tronvoll, <i>African Affairs</i> , 108/430, 111–120 |
| Adams and Palmer 2007 | Adams, M and Palmer, R. Independent Review of Land Issues, Volume III, 2006-2007 Eastern and Southern Africa. June 2007 |
| Agrawal and Perrin 2009 | Agrawal, A and Perrin, N. 2009. Mobilizing Rural Institutions: A Comparative Study of Rural Institutions for Improving Governance and Development: Afghanistan, Ethiopia, India, Vietnam, and Yemen. World Bank. April 2009 |
| Alemu 2009 | Alemu, G. A Case Study on Aid Effectiveness in Ethiopia: Analysis of Healthcare Sector Aid and Architecture. Wolfensohn Centre for Development. April 2009. |
| Amha 2007 | Amha, W. A Decade of Microfinance Institutions' (MFIs) Development in Ethiopia: Growth, Performance, Impact and Prospect (2007-2016). Addis Ababa. March 2007 |
| Anderson & Habutu 2006 | Anderson, S and Habutu, Y. 2006. Market-Led Livelihoods For Vulnerable Populations, Lessons-Learned Study: Experiences of Market-Led Interventions to Reduce Vulnerability. USAID. May 2006 |
| APR 2002/3 2003 | APR 2002/3 2003, Sustainable Development and Poverty Reduction Strategy, Annual Progress Report 2002-3, Addis Ababa: Ministry of Finance and Economic Development (MOFED). December 2003 |
| APR 2002/3 JSA 2004 | APR 2002/3 JSA 2004, Poverty Reduction Strategy Paper Annual Progress Report Joint Staff Assessment. IMF and IDA. January 2004 |
| APR 2003/4 2005 | APR 2003/4 2005, Sustainable Development and Poverty Reduction Strategy, Annual Progress Report 2003-4, Addis Ababa: Development Planning and Research Department & Ministry of Finance and Development Planning. March 2005 |
| APR 2003/4 JSA 2005 | APR 2003/4 JSA 2004, Poverty Reduction Strategy 2003-4, Annual Progress Report Joint Staff Advisory Note. IMF & IDA. October 2005. |
| APR 2005/6 2007 | APR 2005/6 2007, Ethiopia: Building on Progress: A Plan for Accelerated and Sustained Development to End Poverty, Annual Progress Report 2005/06, Addis Ababa: Ministry of Finance and Economic Development. June 2007 |
| APR 2006/7 2007 | APR 2006/7 2007, Ethiopia: Building on Progress: A Plan for Accelerated and Sustained Development to End Poverty (PASDEP), Annual Progress Report 2006/07, Addis Ababa: Ministry of Finance and Economic Development. December 2007 |
| APR 2007/8 2009 | APR 2007/8 2009, Building on Progress: A Plan for Accelerated and Sustained Development to End Poverty, Annual Progress Report 2007/08, Addis Ababa: Ministry of Finance and Economic Development. March 2009 |
| APRM 2009 | APRM 2009. African Peer Review Mechanism – Ethiopia: Country Self-Assessment Report, African Institute of Management, Development and Governance, January 2009 |
| APRM Monitor 2009 | APRM Monitor 2009. News and Views on the African Peer Review Mechanism. No.7, June 2009 |
| Argaw 2007 | Argaw, H 2007. Ethiopia's Health Extension Program: Summary of Concepts, Progress, Achievements and Challenges. WHO Ethiopia Country Office. September 2007 |
| Assefa & Gebre-Egziabher 2007 | Assefa & Gebre-Egziabher 2007. Decentralisation in Ethiopia, Assefa, T. and Gebre-Egziabher, T. Forum for Social Studies, Addis Abeba, 2007 |

| | |
|-------------------------------------|--|
| AU Social Protection 2009 | AU Social Protection 2008. First Session of the AU Conference of Ministers in charge of Social Development, Windhoek, Namibia. Social Policy Framework for Africa. African Union. October 2008 |
| Bevan and Pankhurst 2007 (a) | Bevan and Pankhurst 2007 (a). Power Structures and Personal Agency in Rural Ethiopia: Lessons for the Empowerment Agenda from Four Community Case Studies, Philippa Bevan and Alula Pankhurst, for the World Bank Poverty Reduction and Economic Management (PREM) group, see www.wed-ethiopia.org |
| Bevan and Pankhurst 2007 (b) | Bevan and Pankhurst 2007 (b). Unequal structures, unbuffered shocks, and undesirable strategies: quantitatively –informed qualitative investigations into the causes of extreme poverty in rural Ethiopia in 2004, Philippa Bevan and Alula Pankhurst, for the WB, see www.wed-ethiopia.org |
| Bevan and Pankhurst 2008 | Bevan and Pankhurst 2008. A Sociological Perspective on the Causes of Economic Poverty and Inequality in Ethiopia, Philippa Bevan and Alula Pankhurst, prepared for the Inter-Africa Group, 2008. See www.wed-ethiopia.org |
| Beyene 1987 | Beyene 1987. Some notes on the evolution of regional administration in Ethiopia, Beyene Asmelash, <i>Ethiopian Journal of Development Research</i> , 9, 1, 1987 |
| Boyden 2009 | Boyden, J. Risk and Capability in the Context of Adversity: Children’s Contributions to Household Livelihoods in Ethiopia. Oxford: Department of International Development. 2009 |
| Brocklesby et al 2009 | Brocklesby, M et al. 2009. Raising Voice- Securing a livelihood, The role of diverse voices in developing secure livelihoods in pastoralist areas of Ethiopia - A Summary Paper. Pastoralist Consultants International. 2009 |
| CAADP Main Report 2009 | CAADP Main Report 2009. Comprehensive Africa Agriculture Development Programme: Ethiopia Study, Volume I: Final Report, Main, July 2009 |
| CAADP Annexes 2009 | CAADP Annexes 2009. Comprehensive Africa Agriculture Development Programme: Annex to the Main Report, Existing Policies, Strategies, Programmes, and Instruments, |
| CAADP Compact 2009 | CAADP Compact 2009. Ethiopia CAADP Compact to Support the Successful Implementation of CAADP-Ethiopia within Ethiopia’s Plan for Accelerated and Sustained Development to End Poverty (PASDEP), August 2009 |
| Census 2007 | Census 2007, Summary and Statistical Report of the 2007 Population and Housing Census: Population Size by Age and Sex, United Nations Population Fund. Addis Ababa: Federal Democratic Republic of Ethiopia Population Census Commission. December 2008 |
| CGAP 2006 | CGAP 2006. Graduating Opportunities for the Poorest in Ethiopia: Review of the Food Security Programs, CGAP – World Bank Team Report, undated, circa 2006 |
| Coulter 2008 | Coulter, L. 2009. Baseline Report: Livelihoods Integration Unit Household Water Economy Analysis Pilot, Bale Pastoral Zone, Oromiya Region. USAID. May 2008 |
| Coulter and Sutcliffe 2008 | Coulter, L and J.P Sutcliffe. 2008. Household Extension Packages: Modelling Impacts and Comparing Alternative Approaches. Technical Assistance to Technical Committee for Food Security Programme Review. Addis Ababa. December 2008 |
| DAG 2008 | DAG 2008, Development Assistance Group, Annual Report 2008, Prepared by the DAG Secretariat. March 2009 |

| | |
|----------------------------------|---|
| Deininger et al 2007 | Deininger et al 2007. Rural land certification in Ethiopia: Process, initial impact, and implications for other African countries, Deininger, Klaus; Ayalew, Daniel; Holden, Stein; Zevenbergen, Jaap |
| Dessaleign 2003 | Dessaleign 2003. Civil Society Organizations in Ethiopia. In Bahru Zewde and S. Pausewang (eds.), <i>Ethiopia : The Challenge of Democracy from Below</i> . Uppsala : Nordiska Afrikainstitutet 2002 |
| Dessaleign 2007 | Dessaleign 2007. Land Rights and Rural Institutions: Constraints to Peasants' Empowerment in Ethiopia, unpublished, 2007 |
| Dessaleign et al 2006 | Dessaleign et al 2006. Land and the Challenge of Sustainable Development in Ethiopia, Rahmato,Dessalegn; Adal,Yigremew; Gebreselassie,Samuel; Emana,Bezabih; Kassahun,Daniel; Negatu,Workneh; Alemu,Tekie; Alemu,Getnet, Conference Proceedings, 2006 |
| Devereux et al 2005 | Devereux et al 2005. Too Much Inequality or Too Little: Inequality and Stagnation in Ethiopian Agriculture, Devereux, Stephen, Teshome, A. and Sabates-Wheeler, R., 2005 |
| Devereux et al 2006 | Devereux et al 2006. The New Famines: Why famines persist in an era of globalisation, Devereux Stephen eds, Routledge, London 2006 |
| Devereux and Teshome 2008 | Devereux, S and A. Teshome. 2008. Options for 'Direct Support' in Ethiopia: From Productive Safety Net Programme to Social Protection System. December 2008 |
| DFID 2009 | DFID 2009, Department for International Development: Annual Report 2009: Ethiopia, Annex E: Progress towards the MDGs in PSA 29 countries. 2009 |
| DFID WASH PM 2007 | DFID WASH PM 2007. Ethiopia: Water Supply, Sanitation and Hygiene Project, Project Memorandum (PM). September 2007 |
| DGGE PASDEP | DGGE PASDEP. Comments on the PASDEP draft document Donor Group on Gender Equality (DGGE), TWG on Gender Equality – 2006-01-20 |
| DGGE PASDEP Matrix | DGGE PASDEP Matrix. Donor's Group on Gender Equality's Review of the PASDEP and the Policy Matrix |
| DHS 2006 | DHS 2005. Ethiopia Demographic and Health Survey 2005, Addis Ababa: Central Statistical Agency, September 2006 |
| Policy Digest FSS 2008 | Policy Digest FSS 2008. Digest of Ethiopia's National Policies, Strategies and Programs, edited by Taye Assefa, Forum for Social Studies, 2008 |
| DIP 2007 | DIP 2007. Multi-Donor Support for Democratic Institutions Programme. United Nations Development Programme. Ministry of Finance and Economic Development. August 2007 |
| DIP EHRC 2008 | DIP EHRC 2008. Strengthening the Capacity of the Ethiopian Human Rights Commission (2008-12). United Nations Development Programme, Ethiopian Human Rights Commission. January 2008. |
| DIP EIO 2008 | DIP EIO 2008. Four-Year Capacity Building Programme: Strengthening the Capacity of the Ethiopian Institution of the Ombudsman. United Nations Development Programme, Ethiopian Institution of the Ombudsman. |
| DIP FEACC 2008 | DIP FEACC 2008. Strengthening the Capacity of the Ethiopia's Federal Ethics and Anti-corruption Commission Sub-Programme (2008 – 2011). United Nations Development Programme, Federal Ethics and Anti-Corruption Commission. |
| DIP HoF 2007 | DIP HoF 2007. Capacity Building for the House of Federation for the period 2007-2010. United Nations Development Programme, The House of the Federation. November 2007 |

| | |
|----------------------------------|--|
| DIP HoPR 2008 | DIP HoPR 2008. Five-Year Capacity Building Programme for the House of Peoples' Representatives and Regional Councils (HoPR). United Nations Development Programme. February 2008 |
| Dom and Mussa Amhara 2006 | Dom, C and M. Mussa 2006. Review of Implementation of the Decentralization Policy, A Sample Survey in Six Woredas of Amhara Region. Amhara National Regional State & Embassy of Sweden, Addis Ababa. July 2006 |
| Dom and Mussa Tigray 2006 | Dom, C and M. Mussa 2006. Review of Implementation of the Decentralization Policy: A Sample Survey in Four Sentinel Woredas of Tigray Region. Embassy of Ireland, Addis Ababa & Regional Government of Tigray. March 2006 |
| Dom FTI 2009 | Dom, C. FTI 2009. Mid-Term Evaluation of the EFA Fast Track Initiative Country Desk Study: Ethiopia, Discussion Draft. July 2009 |
| Ellis and Woldehanna 2005 | Ellis and Woldehanna 2005. Participatory Poverty Assessment 2004-05, Ellis, F. and Woldehanna Tassew, Ministry of Finance and Economic Development (forthcoming), 2005 |
| ESSP 2009 | ESSP 2009. Cereal Production and Technical Change in Ethiopia, Alejandro Nin-Pratt, Bingxin Yu, José Funes, Sinafikeh Asrat, and Alemayehu Seyoum Taffesse, ESSP Discussion Paper 10, November 2009 |
| EUWI 2006 | EUWI 2006. Final Sector Review Report of Water Supply, Sanitation and Hygiene Ethiopia. EU Water Initiative Ethiopia (EUWI). September 2006 |
| EUWI 2007 | EUWI 2007. Proceedings of the Multi-Stakeholder Forum 2007 The Outcomes of the Water Supply, Sanitation and Hygiene Multi-Stakeholder Forum (MSF) – Ethiopia. EU Water Initiative Ethiopia (EUWI). 2007 |
| FNG 2009 | FNG 2009. Federal Negarit Gazeta,. February 2009 |
| FSS 2006 | FSS 2006. Understanding the dynamics of resettlement in Ethiopia, Forum for Social Studies Policy Brief No.4, Jan 2006 |
| FTAPS 2009 | FTAPS 2009. Financial Transparency and Accountability Perceptions Survey, Ministry of Finance and Economic Development, June 2009 |
| Garcia and Rajkumar 2008 | Garcia, M and A.S Rajkumar Achieving Better Service Delivery Through Decentralization in Ethiopia. World Bank. January 2008 |
| GEQIP SA | GEQIP SA. Social Assessment of the Ethiopia General Education Quality Improvement Program (GEQIP) |
| Global Hunger Index 2009 | Global Hunger Index 2009. Six African countries fare worst on The Global Hunger Index Ethiopia, Chad, Sierra Leone, Eritrea, Burundi, DRC. October 2009 Available From: http://en.afrik.com/article16339.html |
| Gobezie 2007 | Gobezie 2007. Successes in Expanding Microfinance Opportunities in Rural Ethiopia – Where There is Little Entrepreneurship? Getaneh Gobezie, Paper submitted for the International Finance Corporation & Financial Times “Essay Competition”, 2007, www.ifc.org/competition |
| GOE RD 2001 | The Government of the Federal Democratic Republic of Ethiopia Rural Development Policies, Strategies and Instruments. Addis Ababa: Ministry of Information Press and Audiovisual Department. November 2001 |
| IFPRI 2009 | IFPRI 2009. Ethiopia Agricultural System: Preliminary Summary of Review Findings, Draft Report, June 2009, IFPRI |
| IFPRI 2009b | IFPRI 2009b. Gender and Governance in Rural Services Insights from India, Ghana, and Ethiopia. International Food Policy Research Institute. July 2009 |
| IGAD SP 2009 | IGAD SP 2009. Social Protection in Ethiopia: Status Report and Next Steps, 11 th July 2009 |

| | |
|-------------------------------------|---|
| IMF 2008 | IMF 2008. Selected Issues. International Monetary Fund: Washington. July 2008 |
| IMF 2009 | IMF 2009. The Federal Democratic Republic of Ethiopia: Request for a 14-Month Arrangement under the Exogenous Shocks Facility—Staff Report; Press Release on the Executive Board Discussion; and Statement by the Executive Director for the Federal Democratic Republic of Ethiopia. International Monetary Fund: Washington. September 2009 |
| IPMS 2006 | IPMS 2006. Commercialization of Ethiopian agriculture: extension service from input supplier to knowledge broker and facilitator: Working Paper 1. 2006 |
| IPMS 2009 | IPMS 2009. IPMS Year 3 Monitoring & Evaluation Report for the IPMS Project (2007/2008). Summary Report. June 2009 |
| KINJIT MANIFESTO 2006 | KINJIT MANIFESTO 2006, Unofficial Translation Version 1.0. January 2006 |
| Kirchmann & Feyissa 2009 | Kirchmann & Feyissa 2009. Strengthening the impact of the Public Sector Capacity Building Programme in the Developing Regional States of Ethiopia”, report to the Task Team Leader of PSCAP, by Klaus Kirchmann and Dereje Feiyessa Addis Ababa, Ethiopia. 20 August 2009 |
| Kloos 1998 | Kloos 1998. Primary Health Care in Ethiopia Under Three Political Systems: Community Participation in a War-Torn Society, <i>Journal of Social Science and Medecine</i> , 26, 5-6, 1998 |
| Laderchi and Ticci (WB) 2009 | Laderchi, R, C and E. Ticci. (WB) 2009. The distributive impact of inflation in Ethiopia 2006 – 2008. The World Bank. February 2009 |
| Linge 2008 | Linge, E 2008. Donor Inventory for Ethiopia for Trade and Commerical Legal Assistance. USAID WTO Accession Plus Project. June 2008 |
| Madhin 2009 | Madhin, E. 2009. Ethiopia - Will The Real Poor Farmer Rise. October 2009. Available From: http://nazret.com/blog/index.php?blog=15&title=will_the_real_poor_farmer_rise_by_eleni_&more=1&c=1&tb=1&pb=1 |
| Mariam 2009 | Mariam, A 2009. Mothers of Ethiopia: Mother Ethiopia. October 2009 |
| MDG SR 2005 | MDG SR 2005, The Millennium Development Goals (MDGs) Needs Assessment Synthesis Report, Addis Ababa: Development Planning and Research Department & Ministry of Finance and Economic Development. December 2005 |
| MicroInsurance 2008 | MicroInsurance 2008. Opportunities and Challenges for Microinsurance in Ethiopia Presentation at Stakeholder Workshop. October 2008 |
| MicroInsurance OXFAM 2008 | OXFAM 2008. Estimating Demand for Microinsurance In Ethiopia. Addis Ababa. October 2008. |
| Milas and Latif 2000 | Milas and Latif 2000. The Political Economy of Complex Emergency and Recovery in Northern Ethiopia, <i>Disasters</i> , Vol 24, No.4, 2000 |
| MOARD FSP 2009 | MOARD FSP 2009. Food Security Programme 2010-2014. Ministry of Agriculture and Rural Development. August 2010 |
| MOARD FSP HAB 2009 | MOARD FSP HAB 2009. Food Security Programme 2010-2014 Household Asset Building. Ministry of Agriculture and Rural Development. August 2009 |
| MOARD FSP PSNP 2009 | MOARD FSP PSN 2009. Food Security Programme 2010-2014 Productive Safety Net. Ministry of Agriculture and Rural Development. August 2009 |
| MOE ESDP III PAP 2005 | MOE ESDP III PAP 2005. Education Sector Development Program III 2005/06-2010/11. Program Action Plan (PAP). Ministry of Education. Addis Ababa. August 2005 |

| | |
|--------------------------------------|---|
| MOE HSDP II Final Review 2006 | MOH HSDP II MTR 2006. Health Sector Strategic Plan 2002/03-2004/05 (HSDP II), Final Review (MTR) Volume 1. Ethiopia Health Sector Development Programme. April 2006 |
| MOE JRM 2006 | MOE JRM 2006. Education Sector Development Programme III 1998 E.C. – 2002 E.C. (2005/06 G.C. – 2009/10 G.C.). Joint Review Mission 20th October – 10th November 2006 G.C. December 2006. |
| MOE JRM 2007 (draft) | MOE JRM 2007 (draft). Ethiopia Education Sector development Program III 1995 E.C. – 1997 E.C. (2002/03 G.C. – 2004/05 G.C.), Joint Review Mission 29th October -16th November 2007 G.C. Draft Report. December 2007 |
| MOE JRM 2009 | MOE JRM 2009. Proceedings of ESDP Joint Review Mission (JRM) Meeting. Ministry of Education. Addis Ababa. April 2009 |
| MOE MOI 2007 | MOE MOI 2007. Study on the Medium of Instruction in Primary Schools in Ethiopia. Commissioned By the Ministry of Education September to December 2006. |
| MOFED Decentralisation 2004 | MOFED Decentralisation 2004. Ethiopia Fiscal Decentralisation Strategy. Ministry of Finance and Economic Development, Addis Ababa. September 2004 |
| MOH Child 2005 | MOH Child 2005. National Strategy for Child Survival in Ethiopia. Federal Ministry of Health Family Health Department. Addis Ababa. July 2005 |
| MOH HAPCO 2007 | MOH HAPCO 2007. Multisectoral Plan of Action for Universal Access to HIV Prevention, Treatment, Care and Support in Ethiopia 2007 – 2010. HIV/AIDS Prevention and Control Office (HAPCO). December 2007 |
| MOH HEP 2008 | MOH HEP 2008. Ethiopia's Health Extension Program: Pathfinder International's Support 2003-2007. USAID. February 2008 |
| MOH HHM 2007 | MOH HHM 2007. The HSDP Harmonization Manual (HHM). April 2007 |
| MOH HIV/AIDS 2007 | MOH HIV/AIDS 2007. Accelerated Access to HIV/AIDS Prevention, Care and Treatment in Ethiopia Road Map 2007-2008/10. Ministry of Health. 2007 |
| MOH HSDP III 2005 | MOH HSDP III 2005. Health Sector Strategic Plan (HSDP) 2005/06-2009/10 HSDP III. Federal Ministry of Health. 2005 |
| MOH HSDP III MTR 2008 | MOH HSDP III MTR 2008. Health Sector Strategic Plan (HSDP) 2005/06 2010/11 HSDP III, Mid-term Review. Ethiopia Health Sector Development Programme. Addis Ababa. July 2008 |
| MOH Malaria 2007 | MOH Malaria 2007. National Five Year Strategic Plan for Malaria Prevention & Control in Ethiopia. Ministry of Health. Addis Ababa. April 2007 |
| MOH NNS 2008 | MOH NNS 2008. National Nutrition Strategy, Ministry of Health, January 2008 |
| MOH NNP 2008 | MOH NNP 2008. Programme Implementation Manual of the National Nutrition Programme June 2008/09-June 2012/13, Ministry of Health, September 2008 |
| MOH RH 2006 | MOH RH 2006. National Reproductive Health Strategy 2006-2015. Ministry of Health. March 2006 |
| MOWA NAP-GE 2006 | MOWA NAP-GE 2006. National Action Plan for Gender Equality, Ministry of Women's Affairs, 2006 |
| MOWA Package 2006 | MOWA Package 2006. Women Development and Change Package, Ministry of Women's Affairs, 2006 |
| MOW 1999 | MOW 1999. Water Resource Management Policy, Ministry of Water, 1999 |

| | |
|-----------------------------------|---|
| MOW WSDP 2002 | MOW WSDP 2002. Water Sector Development Programme 2002/3-2015/16, Ministry of Water, 2002 |
| Negash 2009 | Negash, E 2009. A Race Too Tough to Win for Arsi's Dreamers. Fortune, Ethiopia. October 2009 |
| New Coalition FS 2003 | New Coalition FS 2003. The New Coalition for Food Security in Ethiopia Food Security Programme Volume I. Addis Ababa. November 2003 |
| Oumer 2007 | Oumer, J 2007. The Challenges of Free Primary Education in Ethiopia. IIEP: Paris. 2007 |
| OXFAM 2009 | OXFAM 2009. Band Aids and Beyond Tackling disasters in Ethiopia 25 years after the famine. OXFAM. October 2009 |
| PANE 2007 | PANE 2007, Poverty Action Network of Civil Society Organisations in Ethiopia, Ethiopia at Half way point of the MDG's: Status, Prospects and Challenges, An Exclusive interview Atew Getachew Adem. November 2007 |
| PANE and CRDA 2005 | PANE and CRDA 2005. Policy Considerations Proposed for SDPRP II. PANE & CRDA. September 2005 |
| Pankhurst 2007 | Pankhurst, Helen. 2007. Situational Analysis Of Vibrancy Of Water Sector – Ethiopia, 2007 |
| Pankhurst et al 2008 | Pankhurst et al 2008. Enhancing Understanding of Local Accountability Mechanisms in Ethiopia, Protecting Basic Services Project , PBS II Preparation Studies. June 2008. |
| Pankhurst 2008b | Pankhurst 2008b. Community-Initiated Associations and Customary Institutions in Ethiopia: Categorisation, Characteristics, Comparisons, and Potential for Involvement in Development and Social Accountability' by Alula Pankhurst, August 2008 |
| PASDEP 2 Issues Paper 2009 | PASDEP 2 Issues Paper 2009, Version 1. November 2009 |
| PASDEP 2006 | PASDEP 2006, Ethiopia: Building on Progress A Plan for Accelerated and Sustained Development to End Poverty (2005/06-2009/10), Addis Ababa: Ministry of Finance and Economic Development. September 2006 |
| PASDEP DAG 2007 | PASDEP DAG 2007, Plan for Accelerated and Sustained Development to End Poverty, Comments from the Development Assistance Group. May 2007 |
| PASDEP JSA 2007 | PASDEP JSA 2007, Plan for Accelerated and Sustained Development to End Poverty, Joint IDA-IMF Staff Advisory Note. August 2007 |
| PBS SA 2009 | PBS SA 2009. Piloting Social Accountability in Ethiopia: Analytical Report with Case Studies. Gerhard Mai, Lulit Mitik, Workneh Deneke, for GTZ International Services, Management Agency (MA) of the PBS - Ethiopian Social Accountability Project (ESAP), June 2009 |
| PIM 2007 | PIM 2007. The HSDP-III Programme Implementation Manual(PIM), Draft. January 2007. |
| PPA 2005 | PPA 2005. Ethiopia Participatory Poverty Assessment 2004-05. Addis Ababa: Ministry of Finance and Economic Development. October 2005 |
| PSCAP 2007 | PSCAP 2007. Public Sector Capacity Building Programme (PSCAP).Mid-Term Evaluation Report. November 2007 |
| PSNP Assessment 2008 | PSNP Assessment 2008. ETHIOPIA'S Productive Safety Net Programme (PSNP): 2008 Assessment Report. December 2008 |
| PSNP Gender Study 2008 | PSNP Gender Study 2008. Contextual Gender Analytical Study of the Ethiopia Productive Safety Nets Programme. HELM. March 2008. |
| PSNP Linkages Study 2006 | PSNP Linkages Study 2006. Ethiopia Productive Safety Net Programme Policy, Programme and Institutional Linkages. ODI & the IDL Group. September 2006. |

| | |
|--------------------------------------|--|
| PSNP Pilot 3-6-9 2008 | PSNP 3-6-9 Pilot 2008. Model for Guidance to Woreda-Level Officials on Variable Levels of Support to Beneficiaries in the Productive Safety Nets Program (PSNP) Using the Livelihoods Integration Unit (LIU) Database. World Bank. November 2008 |
| PSNP PW TPA 2009 | PSNP PW TPA 2009. PSNP: First Technical Planning Audit of Public Works – Final Federal Report, MMA Development Consultancy, August 2009 |
| PSNP PW IA 2009 | PSNP PW IA 2009. Impact Assessment of the PSNP Public Works Programme: Volume II Main Report, WB and Government of Ethiopia, May 2009 |
| PSNP Targeting 2006 | Targeting Ethiopia's Productive Safety Net Programme. ODI and the IDL Group. August 2006 |
| PSNP Transfers 2006 | Ethiopia's Productive Safety Net Programme: Trends in PSNP Transfers Within Targeted Households. IDS & Indak. August 2006 |
| RED/FS IDL 2007 | RED FS/IDL 2007. Workshop Report: Joint Government-Donor Rural and Economic Development and Food Security Working Group Retreat. The IDL Group. July 2007. |
| RED/FS IDL 2009 | RED FS/IDL 2009. Guidelines for the PSNP Risk Financing Mechanism in Ethiopia. The IDL Group. April 2009 |
| RUFIP Interim Evaluation 2009 | RUFIP Interim Evaluation 2009. Rural Financial Intermediation Programme Interim Evaluation (RUFIP). August 2009 (draft) |
| RUFIP MTR 2008 | RUFIP MTR 2008. Development Bank of Ethiopia Rural Financial Intermediation Program (RUFIP), Mid-Term Review, Final Report. November 2008 |
| RUFIP NIAS 2008 | Development Bank of Ethiopia Rural Financial Intermediation Program (RUFIP), National Impact Assessment Study- Volume 1 Main Report. December 2008 |
| Save the Children UK 2009 | Save the Children UK 2009. Last in Line, Last in School 2009. Rewrite the Future Campaign, Victoria Turrent, Save the Children International Alliance 2009 |
| SDPRP 2002 | SDPRP 2002, Sustainable Development and Poverty Reduction Strategy, Addis Ababa: Ministry of Finance and Economic Development. July 2002. |
| SDPRP II DAG 2005 | SDPRP II 2005, Dag Note on Policy Content. May 2005 |
| SDPRP JSA 2002 | SDPRP JSA 2002, Sustainable Development and Poverty Reduction Strategy, Joint Staff Assessment, IDA & IMF. August 2002 |
| SDRP II ROAD MAP 2005 | SDRP II ROAD MAP 2005, Road Map for the Preparation of Ethiopia's Second Sustainable Development and Poverty Reduction Program, Development Planning and Research Department & Ministry of Finance and Development Planning. May 2005 |
| Taylor 2008 | Taylor, V. 2008. Social Protection in Africa: an Overview of the Challenges. Draft report prepared for the African Union. September 2008. |
| Teklu 2004 | Teklu 2004. Rural Land, Emerging Rental Land Markets and Public Policy in Ethiopia, Teklu Tesfaye, <i>African Development Review</i> , 16, 1, 2004 |
| TGE 1991 | TGE 1991. Ethiopia's economic policy during the transitional period, An Official Translation, The Transitional Government of Ethiopia, Nov 1991 |
| Trocaire 2007 | Trocaire 2007. NGOs Engaging the Productive Safety Net Programme. September 2007 |

| | |
|---------------------------|--|
| Turton 2006 | Turton 2006. Ethnic Federalism: The Ethiopian Experience in Comparative Perspective, Turton David eds. James Currey, Ohio University Press, East African Series, 2006 |
| UNICEF and WB 2009 | UNICEF and WB 2009. Abolishing School Fees in Africa: Lessons from Ethiopia, Ghana, Kenya, Malawi and Mozambique, World Bank and UNICEF, 2009 |
| Vaughan 2003 | Vaughan 2003. The Culture of Power in Contemporary Ethiopian Political Life, Sarah Vaughan and Kjetil Tronvoll, SIDA Studies No.10, 2003 |
| Wageningen UR 2009 | Wageningen UR 2009. Assessment of the formal seed system in Ethiopia, draft 2, October 2009, Wageningen UR |
| WASH MSF 2006 | WASH MSF 2006. Final Sector Review Report of Water Supply, Sanitation and Hygiene – Ethiopia’, for presentation at the 1 st Multi-Stakeholder Forum (MSF) October 2006, Ministry of Water Resources, Ministry of Health, Ministry of Education, EUWI, CRDA and Water Working Group, October 2006 |
| WASH MSF 2008 | WASH MSF 2008. Water Supply, Sanitation & Hygiene (WASH) Multi-Stakeholder Forum-2 Statement. Ministry of Water Resources. February 2008 |
| WB 2005 | WB 2005. Well-Being and Poverty in Ethiopia: The Role of Agriculture and Agency. World Bank: Country Department for Ethiopia. July 2005 |
| WB 2008 | WB 2008. Achieving Better Service Delivery Through Decentralisation in Ethiopia. World Bank Working Paper Series, no. 131, 2008 |
| WB 2009 | WB 2009. Ethiopia Diversifying the Rural Economy Agriculture and Rural Development Unit Sustainable Development Network, Africa Region, An Assessment of the Investment Climate for Small and Informal Enterprises. October 2009 |
| WB ARD PER 2007 | WB ARD PER 2007. Agriculture And Rural Development Public Expenditure Review. World Bank: Poverty Reduction and Economic Management Unit & Agriculture and Rural Development Unit. June 2007. |
| WB CAS 2008 | WB CAS 2008. Ethiopia: Country Assistance Strategy, World Bank, April 2008 |
| WB CEM (I) 2007 | WB CEM (I) 2007. Ethiopia Accelerating Equitable Growth Country Economic Memorandum: Part I: Overview. Poverty Reduction and Economic Management Unit, World Bank. April 2007 |
| WB CEM (II) 2007 | WB CEM (II) 2007. Ethiopia Accelerating Equitable Growth Country Economic Memorandum, Part II: Thematic Chapters. World Bank, Poverty Reduction and Economic Management Unit Africa Region. June 2007 |
| WB PAD GEQIP 2008 | WB PAD GEQIP 2008. Project Appraisal Document on a Proposed Credit in the Amount SDR 33.5 Million (US\$ 50.0 Million Equivalent) to the Federal Democratic Republic of Ethiopia in Support of the First Phase of the General Education Quality Improvement Program (GEQIP). November 2008 |
| WB PAD PBS II 2009 | WB PAD PBS II 2009. Project Appraisal Document on a Proposed Grant in the Amount SDR 207.5 Million (US\$ 309.78 Million Equivalent) and Proposed Credit in the Amount of SDR 154.3 Million (US\$ 230.22 Million Equivalent) to the Democratic Republic of Ethiopia for a Protection of Basic Services Program Phase II Project. April 2009 |

| | |
|--|---|
| WB PAD PSCAP 2004 | WB PAD PSCAP 2004. Project Appraisal Document on a Proposed Credit in the Amount of SDR 66.9 Million (US\$ 100 Million Equivalent) to the Democratic Republic of Ethiopia for a Public Sector Capacity Building Program Support Project. March 2004 |
| WB PAD PSN 2004 | WB PAD PSN 2004. Project Appraisal Document on a Proposed Grant in the Amount SDR 9.8 Million (US\$14.3 Million Equivalent) and a Proposed Credit in the Amount of SDR 38 Million (US\$55.7 Million Equivalent) to the Federal Democratic Republic of Ethiopia for a Productive Safety Net Project in Support of the First Phase of the Productive Safety Net Program. November 2004. |
| WB PAD PSNP 2006 | WB PAD 2006. Project Appraisal Document on a Proposed Grant in the Amount of SDR 118.5 Million (US\$ 175 Million Equivalent) to the Federal Democratic Republic of Ethiopia for a Productive Safety Net APL II Project in Support of the Second Phase of the Productive Safety Net Program. World Bank: Country Department AFCE3 Africa Region. December 2006. |
| WB PAD PSNP APL III 2009 | WB PAD PSNP APLIII 2009. Project Appraisal Document on a Proposed Grant in the Amount of SDR 223.5 Million (US\$350.0 Million Equivalent) and a Proposed Credit in the Amount of SDR 83.1 Million (US\$130.0 Million Equivalent) to the Federal Democratic Republic of Ethiopia for a Productive Safety Net APL III Project in Support of the Productive Safety Net Program. September 2009 |
| WB PAD RCB 2006 | WB PAD RCB 2006. Project Appraisal Document on a Proposed Credit in the Amount of SDR 37 Million (US \$54 Million Equivalent) to the Federal Democratic Republic of Ethiopia for a Rural Capacity Building Project. May 2006. |
| WB PAD SLM 2008 | WB PAD SLM 2008. Project Appraisal Document on a Proposed Credit in the Amount of US\$ 20 millions and a proposed grant from the Global Environment Facility Trust Fund in the Amount of US\$ 9 millions to the Federal Democratic Republic of Ethiopia for a Sustainable Land Management project. March 2008 |
| WB PID AGP 2009 | WB PID AGP 2009. World Bank Agricultural Growth Program Public Information Document. 2009 |
| WB Status of Projects Report 2009 | WB Status of Projects Report 2009. Status of Projects in Execution – FY09 SOPE. World Bank: Operations Policy and Country Services. October 2009 |
| WCBS II 2007 | WCBS II 2007. Woreda/City Benchmarking Survey Round II – Questionnaires, Survey Manual etc., Ethiopia: Institutional and Governance Review (PSCAP), 2007 |
| WCBS III Action Plan 2009 | WCBS III Action Plan 2009. Woreda/City Benchmarking Survey Round III – Action Plan, |
| WIDE3 2009 (a) | WIDE3 2009(a). Long Term Perspectives on Development Impacts in Rural Ethiopia: Stage One – A research proposal for J-GAM Ethiopia, Mokoro Ltd, Nov 2009 |
| WIDE3 2009 (b) | WIDE3 2009(a). Long Term Perspectives on Development Impacts in Rural Ethiopia: Stage One – Methodological Approach and Fieldwork Plan, Philippa Bevan, Mokoro Ltd, Dec 2009 |
| WIDE3 2009 (c) | WIDE3 2009(a). Long Term Perspectives on Development Impacts in Rural Ethiopia: Stage One – Comparative Societal And Policy Baseline for Twenty Exemplar Rural Communities, 1995 and 2003, Philippa Bevan, Mokoro Ltd, Dec 2009 |

| | |
|-----------------------|--|
| WIDE3 2009 (d) | WIDE3 2009(d).). Long Term Perspectives on Development Impacts in Rural Ethiopia: Stage One – Holistic Societal And Policy Baseline for Six Exemplar Rural Communities, Alula Pankhurst, Mokoro Ltd, Dec 2009 |
| WSDP 2002 | WSDP 2002. Water Sector Development Programme (WSDP) 2002-2016. 2002 |
| Zenawi | Zenawi, M. Arican Development: Dead Ends and New Beginnings. Undated (circa 2006)s |