

**NON-STATE ACTORS INPUT TO THE
JOINT ANNUAL REVIEW ON
ETHIOPIA/ EC COOPERATION**

**Prepared By: Sisay Gebre-Egziabher
P.O.Box: 27093 Code 1000
Addis Ababa
e-mail – sisay_g@hotmail.com**

**Commissioned By: CRDA on Behalf of Cotonou Task
Force of NSAs**

June 2004

Table of Content

LIST OF ACRONYMS	1
I. BACKGROUND	2
1.1. GENERAL	2
1.2. ETHIOPIA	2
II. RELEVANCE OF SELECTED FOCAL SECTORS FOR POVERTY REDUCTION IN ETHIOPIA	3
2.1. MACRO-ECONOMIC SUPPORT	4
<i>The Private Sector</i>	5
<i>Trade Policy Reform and Economic Integration</i>	6
2.2. FOOD SECURITY.....	7
2.3. TRANSPORT.....	9
III. RELEVANCE OF NON-FOCAL SECTORS FOR POVERTY REDUCTION IN ETHIOPIA . 10	
3.1. COMMENT ON THE JAR REPORT REGARDING NSAs CAPACITY BUILDING PROGRAM OF EU AND OTHER CIVIL SOCIETY SUPPORT PROGRAMES	10
3.2. CIVIL SOCIETY ORGANISATIONS CAPACITY BUILDING PROGRAM OF MINISTRY OF CAPACITY BUILDING.....	11
3.3. COMMENTS ON THE CIVIL SOCIETY ORGANISATIONS CAPACITY BUILDING PROGRAM OF MINISTRY OF CAPACITY BUILDING.....	13
IV. THE SECTORAL STRATEGIES OF THE GOVERNMENT: AN OVERVIEW IN RELATION TO THE FOCAL SECTORS	14
4.1. SUSTAINABLE DEVELOPMENT AND POVERTY REDUCTION PROGRAM (SDPRP).....	14
<i>Agriculture and Natural Resources</i>	15
<i>Food Security</i>	15
<i>Urban Development and Management</i>	16
<i>Pastorals</i>	16
<i>Gender</i>	17
4.2. AGRICULTURAL DEVELOPMENT LEAD INDUSTRIALISATION (ADLI)	17
4.3. FOOD SECURITY STRATEGY	17
4.4. RURAL AND AGRICULTURAL DEVELOPMENT POLICIES AND STRATEGIES.....	18
<i>Access to Land and Tenure Security</i>	19
<i>Market</i>	19
4.5. COMMENTS ON THE ADLI, FOOD SECURITY AND RURAL AND AGRICULTURAL STRATEGIES	19
V. KEY DEVELOPMENTS IN ETHIOPIA (POLITICAL ECONOMIC AND SOCIAL SITUATION) – SOME COMMENTS WITH RESPECT TO JAR REPORT	21
VI. PARTICIPATION OF NON-STATE ACTORS	23
BIBLIOGRAPHY	27

LIST OF ACRONYMS

ACP	African, Caribbean and Pacific
ADLI	Agricultural Development Led Industrialisation
AG	Advisory Group
AGOA	African Growth Opportunity Act
AIDS	Acquired Immune Deficiency Syndrome
COMESA	Common Market for Eastern and Southern Africa
CRC	Convention on the Rights of the Child
CRDA	Christian Relief and Development Associations.
CSO	Civil Society Organisations
CSO-CBP	Civil Society Organisations Capacity Building Program
CSP	Country Strategy Paper /Country Support Strategy
DFID	Department for International Development
EC	European Commission
EDF	European Development Fund
EEA	Ethiopian Economic Association
EPA	Economic Partnership Agreements
EU	European Union
FSS	Food Security Strategy
GDP	Gross Domestic Product
GOE	Government of Ethiopia
HIV	Human Immunodeficiency Virus
(I) PRSP	Interim Poverty Reduction Strategy Paper
IAG	InterAfrica Group
IMF	International Monetary Fund
JAR	Joint Annual Report/ Joint Annual Review
MCB	Ministry of Capacity Building
MTR	Mid Term Review
NAO	National Authorisation Officers
NFSP	A National Food Security Program
NGO	Non Governmental Organisation
NIP	National Indicative Plan
NSA	Non-State Actors
PRSP	Poverty Reduction Strategy Paper
SDPRP	Sustainable Development Program for Poverty Reduction
TF	Task Force
TN	Technical Note
UN	United Nation
VAT	Value Added Tax
WB	World Bank
WTO	World Trade Organisation

I. BACKGROUND

1.1. General

The Cotonou Agreement is a comprehensive trade and aid agreement between 77 African, Caribbean and Pacific (ACP) countries and 15 countries of the European Union (EU), signed in June 2000 in Cotonou, Benin. This agreement has a 20 years lifetime and is funded in the first five years by a 15.2 billion Euro package. The central objective of the agreement is to reduce poverty, and to achieve this, it provides financial and technical support for economic development, regional cooperation and social and human development [Saferworld, 2002].

The official principles underlying the agreement are:

- Equality of partners and ownership of development strategies;
- Participation of Non-State Actors (NSAs);
- Dialogue and mutual obligation (E.g. respect for human rights, democratic principle and the rule of law); and
- Differentialisation and regionalisation.

As participation of NSAs is a fundamental principle of the cooperation, the EU and Governments of the ACP countries are obliged to involve NSAs in the Cotonou process. Their participation is not just limited to project implementation, but also extends to political dialogue, policy formulation and monitoring and evaluation of progress.

1.2. Ethiopia

In line with the spirit and principles of the Cotonou Agreement, the Country Support Strategy (also called Country Strategy Paper) (CSP) for Ethiopia for the period 2002-2007 has been developed and an agreement was signed between the European Commission (EC) and the Ethiopian Government to implement this strategy. The CSP allocated a total of 538 million Euro. Out of this, 384 million Euro is for programable resources (A-envelop) that includes: transport and infrastructure 55%, macro economic support and capacity building for economic reform (25%) and food security (14%); and the remaining 154 million Euro is for flexible fund (B envelope) – to cover unforeseen needs.

NSAs in Ethiopia were not engaged in the design of the CSP at the inception, though there were three consultations held with an insignificant number of NGOs (estimated 12 NGOs) to get their input. NSAs became aware of the Cotonou Agreement and showed interest to involve in the process one year after the CSP was launched, when a tripartite project of SaferWorld, InterAfrica Group and Africa Peace Forum organised a consultation and training program for NSAs in November 2003 at Ghion Hotel. The second consultation brought together about 70 CSO/NGO representatives and this marked their participation in the implementation and review processes (Annual, Mid-term and End-term reviews) of Cotonou. At the end of this consultation, a nine-member

provisional Task Force was formed to convene a national meeting and inform the larger CSO community about Cotonou, engage in dialogue between EU and National Authorisation Officer (NAO), facilitate the establishment of an NSA permanent structure, etc. (there is further explanation on the purpose, responsibilities and its accomplishments later in this report).

One of the areas where NSAs should participate is performance reviews. However, EC, together with the NAO of Ethiopia, have already prepared the JAR for 2003, without the engagement of the NSAs. As NSAs were not engaged in the development of the review, the Task Force was requested (in February 2004) to write up NSAs' input in the draft JAR separately as a parallel process. Along this line, the EC invited NSAs, through the Cotonou Task Force, to comment on the JAR and give their input in writing. Since it was difficult for the Task Force to call on all NSAs and gather their comments in just one month (the deadline set by the EC), the Task Force decided to commission a consultant to do this job (Terms of Reference for the consultant is annexed). The whole process was facilitated by the Tripartite Project of SW, IAG and APFO. The consultant is funded by CRDA.

This report thus, tries to evaluate the JAR for the year 2003 and provide NSAs'/CSOs' input.

II. RELEVANCE OF SELECTED FOCAL SECTORS FOR POVERTY REDUCTION IN ETHIOPIA

Transport, macro economic support and capacity building for economic reform and food security were identified as focal sectors for EC support to Ethiopia. These focal sectors are complemented by other activities which have a common thematic approach: capacity building for Government and Civil Society. The following are factors that were taken into consideration to determine the focal sectors for EC support:

- i. The development priority of the Government, as reflected in the (I)PRSP and EC development policies and priorities;
- ii. The financial requirements and implementation capacities in a particular sector;
- iii. The existence of a sector development policy by the GOE;
- iv. The historic development of the relationship between the EC and Ethiopia and its strengths and weaknesses;
- v. Complementarity with other donors; and
- vi. The comparative advantages of the EC as a donor.

Both the EU and Government of Ethiopia (GOE) believe that the selected sectors are directly inter-related and inter-linked and are a good means to reduce poverty and achieve higher growth rates. The main inter-linkages (as mentioned in the JAR) are the following:

“Macro-economic support, by means of direct budget support will contribute to macro-economic stability, thereby avoiding the negative effect of high inflation, and securing pro-poor spending level. Macro-economic support will however not contribute to economic growth in the absence of a clear growth agenda. The food

security program is essential in unleashing the productive forces in the rural areas, by increasing purchasing power in the rural areas through direct transfers and reducing transaction costs for commercialisation of agriculture. A crucial element in the transaction costs is the lack of communication infrastructure. The focal sector will therefore be strengthened and supported by infrastructure investments. Improved roads will provide access to rural areas with secured water supply, and rural roads will allow for better market access. Private sector development is essential for economic growth. Private sector involvement will be encouraged in the agricultural sector (input and output markets) and for infrastructure (increased involvement of local contractors and infrastructure to allow a more cost efficient transport of goods, thereby promoting trade).” [GOE and EC, JAR, 2004].¹

NSAs believe that the focal sectors will definitely have an impact in addressing poverty, if the assumptions hold true and if they are implemented according to the Sustainable Development Program for Poverty Reduction (SDPRP) overall strategies. However, NSAs doubt that program strategies and various interventions under each focal sector are implemented based on the principle of participatory development, downward accountability, transparency, etc. like the Government claims. Hence, the following paragraphs try to evaluate the relevance of the focal sectors for poverty reduction and sustainable development and forward NSAs’ comments on the JAR - on each intervention.

2.1. Macro-Economic Support

Macro-economic support by the EC has been disbursed in the form of budgetary support. The overall objective of this support is to contribute to the macro-economic stability of the country and to secure sufficient poverty-related [JAR].

Budgetary support is believed to be an effective way for reducing poverty, providing predictable resource flow and/or fixed public expenditure management. It is also an idea welcomed by a number of CSOs working on such issues – if especially budgetary expenditures are made more transparent and pro-poor. Prerequisites for budget support are sufficient Government capacities to ensure timely disbursements as well as a transparent and accountable financial management system.

It is especially good for CSOs who made a paradigm shift – from need-based to rights based approach in their development work and have been facing challenges from the Government (that they should involve in service-delivery and gap-filling roles as Government lacks capacity and budget). They could get the opportunity to challenge Government and continue their rights-based development work. In this case, it is worth looking by CSOs at how the Government is negotiating the budget support and what the conditionalities they are accepting, sequence and pace.

Though the overall objective of contributing to macro-economic stability is an idea to be supported, some CSOs were concerned about the lack of monitoring system on how these

¹ As mentioned in the Bibliography this refers to the First Draft Joint Annual Report (JAR) to Ethiopia/EC Cooperation, 2003, GOE and EC. Hereafter, in this document it is cited as JAR.

budgets will be spent and allocated to various sectors, regions, vulnerable groups, etc. If the overall figure was subdivided into the various development sectors, it would have at least eased following up accountability. One of the repeated problems of past cooperation cited frequently in the JAR is the “inability of Government to absorb and use funds”. And still, there is 25% of CSP budget going to budget support.

The budget process in Ethiopia is still confidential until it gets ratified by the Parliament. This has to be changed and it should be made with the participation of the public and CSOs. Budgets of Regions also need some level of disclosure for the public to know and now the Woreda budget has to follow a similar path. By having public domain information/documents on the budget, CSOs can have an informed opinion and educated guess and evaluate independently to what extent expenditures are pro-poor, gender sensitive, conflict sensitive, etc.

When making comments on the Interim PRSP, the EC emphasised the need to pursue public finance management reform towards more effectiveness, accountability and result orientation and to monitor outcome indicators as a way of measuring progress in the access and quality of social services, as well as in the efficiency/effectiveness of public expenditure. Along this line, the EC monitors and supports the level and quality of public expenditures in priority sectors for poverty reduction (health, education, infrastructure, etc) [GOE and EC, 2001]². It claims that the budget support assisted Ethiopia in maintaining fiscal stability and increasing levels of public poverty-related expenditures [JAR].

The Private Sector

Although the JAR mentioned that a thriving private sector is indispensable for sustainable economic growth, enough emphasis and support were not given for the development of the private sector. The private business community is complaining that Government actions have been discouraging. For example, with the introduction of VAT, they complain that the measure the Government is taking against those who do not apply the regulation, is unconstitutional and at times is violation against their rights. There is also no mention made about protecting the private sector from unfair practices by party-affiliated business organisations. There are still complaints to the effect that businessmen could not possibly cope up with the unfair competition they are faced with from the “puppet” private sector organisations which are reportedly enjoying the upper hand or advantage in their activities.

The EU also considers the development of the private sector crucial in light of the gradual integration of Ethiopia in the world economy. On 27 September 2003, the EU and ACP countries have started negotiations on Economic Partnership Agreements (EPA), which will facilitate this integration through a strengthened and deepened regional integration in the sub-regions. Trade will also promote social and economic

² As mentioned in the Bibliography this refers to the ‘*Country Strategy Paper and Indicative Program (CSP) for the period 2002 – 2007*, Agreement signed between the Ethiopian Government and European Community. Hereafter, in this document it is cited as CSP

development, with the participation of all concerned actors. The development of the internal economy will be a key element for Ethiopia, in order to take full advantage of the EU's market, which has been fully opened for all products as a result of the "Everything but Arms initiative"[EU, 2003]. However, Government has not contributed enough for the development of the private sector.

With regard to the cross-cutting issues, the JAR only mentions including gender desegregated data. In line with the Cotonou Agreement, it should also include issues such as HIV/AIDS, conflict resolution and institutional development and capacity building.

Trade Policy Reform and Economic Integration

Under the Macro-Economic Support program, with regard to policy reform and economic integration, the CSP states that support would be provided for preparing the country for WTO-membership, for entry into the COMESA Free Trade Area and for REPA-negotiations.

The following issues should be considered with regard to foreign trade policy reform and WTO-membership:

- Integrating into the world economy forces a country expose itself to external shocks – that is, it can experience economic disturbances that originate in events outside the country. Shocks in the goods market can take the form of declines in export demand, with a subsequent decline in the price of exports and, in some cases, constraints on the volume of exports. Alternatively, declines in world supply of important commodities, notably oil, can raise the price of some imports into developing countries [Krugman, Paul: 1988].
- The existence of separate national currencies changes the very nature of competition in the international trade between countries. Competition within national territory is ruled by absolute costs while international trade is ruled by comparative cost [Shaikh, Anwar and Degol Hailu 2001].
- Market access to international, especially developed world market is so limited, partly due to our inability to produce at low cost and high quality goods and services. Recently new opportunities of opening up of developed countries' markets for developing countries are emerging: African Growth Opportunity Act (AGOA) of USA and the "Everything But Arms" of the European Union are good examples.
- Africa's comparative advantage lies chiefly in low labour costs (and some times low raw materials and energy costs). But with gradual competition, those lower-order comparative advantages have become less important.

- Poor policies and weak institutions have led to exorbitant transaction costs, while repeated policy failures and reversals have led to high risk. These rather than resource wealth, are the key constraints to growth and diversification [Collier, P, 1997].
- The cost of transportation and handling from the major coffee marketing centers – Addis Ababa and Dire Dawa – to the Red Sea ports of Djibouti is particularly onerous when global prices are low [Amin Abdella: 2002 citing ICO: 1998].
- Let alone in a global context, Ethiopia's participation in the regional economic integration schemes, is highly insignificant. For instance, Ethiopia's export from 1991-98 was 181 million USD accounting only 1.65 % of the total intra-COMESA exports. . Currently, nine countries within COMESA are in a free trade area [COMESA website].
- Primary commodity prices are subject to severe fluctuations than manufactures. Specialisation on primary commodities like coffee and others offers less in terms of economies of scale and learning by doing than manufactures exports.
- The vision to change the structure of employment, economy and export calls for a program aimed at developing the non-agricultural sector. Various activities within the service and manufacturing sectors should thus be given special attention. As a land-locked country, Ethiopia's comparative advantage is likely to lie in providing services and high value products to the rest of the world [Mulat Demeke 2002].
- One has to raise one issue regarding the replicability of exports as a growth strategy in the context of globalisation and the mushrooming of regional integration. That is, the replicability of relying on exports as an engine of growth may not be time invariant [Haile Kibret: 2001].
- The country is highly depends on official development assistance. While this flow is essential to support investment and diversification, their effects on economy-wide competitiveness can be damaging without an explicit strategy for protecting the real exchange rate. A great proportion of foreign exchange come from assistance which has maintained the exchange rate from depreciating disarmingly since devaluation.

2.2. Food Security

CSOs/NSAs recognise that chronic food insecurity is a major consequence of poverty in Ethiopia. Hence, CSOs believe that appropriate food security strategies are relevant to fight poverty and food insecurity.

In this regard, CSOs welcomed EC's focus on long-term development programs in order to tackle the root causes of chronic food insecurity. Hence, the idea that emergency support by donors be shifted to development support is a welcome idea. However, the

recurrent budget that counts up to 66% and the difficulty in efficiency to absorb available assistance from donors are critical issues that need closer scrutiny [CRDA, 2003].

The food security program did not achieve the expected results. The JAR reported that it was due to the severe drought that affected the country in 2003. However, CSOs contest this theory as the food security program should have addressed or reduced the extent of such shocks in the first place. Since drought and famine are not new phenomenon for Ethiopia, their consequences - disasters and shocks - should have been anticipated and the necessary preparedness or prevention actions should have been taken. Drought (though repeated in Ethiopia) does not necessarily have to be followed by famine. The underlying factors such as, for example land policy, should have come into light.

The establishment of a Coalition on Food Security, where much of the Agriculture and Food Security issues relate to, is an innovative idea and is welcomed by the CSOs. However, approaches incorporated in the strategy and their expected outcome towards food security concerns should have been explained. The strategy is, in fact primarily based on the Government's existing policies of rural development and the SDPRP itself. The Coalition approach regarding food security is new and to be appreciated. There is one important omission in the new strategy though, namely, the land issue. The document is silent on this issue, and yet, it is a critical one [*op cit.*].

Both the CSP and JAR make no mention of resettlement, the land issue and all that goes with it, particularly in the food security analysis (and also given the fact that the 154 million Euro now is being reallocated to the food security budget). There is no mention of pastoralists; (a population of about 10 million) despite the fact that, among others, there does not seem to be agreement between the Food Security Coalition and the Federal Food Security about the lowland and highland livelihoods balance (the latter argues in favor of pastoralism being a way of life and that sedentarisation should be an option left to or adequately consulted with pastoralists). The way the resettlement program has been devised and formulated is a cause for grave concern. There is no adequate preparation for settlers and many of the settlement sites contain serious health hazards. Moreover, the sites are those which do not receive sufficient rainfall. Irrigation potential is not in abundance either. According to the information gathered by the CRDA PRSP Task Force, settlers have been given on the average one hectare of land for farming. This is amazing because the whole justification for the program was based on the argument that there is severe shortage of land in the sending areas, which would be solved in the receiving areas because land was plentiful there. But, it appears that land for settlers is proving to be a precious commodity [*op cit.*].

JAR put more focus on rural food security program and did not say much about addressing urban food insecurity and measures taken by the Government.

Only the issue of women and children were mentioned in the “Integrating cross-cutting issues” section of the JAR. Other issues such as HIV/AIDS and its impact on the development of the country in general and food security in particular; conflict resolution and peace building; environment were not considered.

2.3. Transport

The upgrading and expansion of Ethiopia's road network remains a top priority for the Ethiopian Government and has a noticeable, though long-term, effect on poverty alleviation. Improved accessibility of rural areas, including the main agricultural production centres, constitutes a significant element in the fight against poverty and food security. Furthermore, the opening up of isolated pockets will allow for the gradual economic, social and political integration of thus far excluded segments of the population [CSP, P.19]. Moreover, Ethiopia joined the land-locked countries club bearing the entire disadvantages both from economic and security. The terrain is so rugged that it is not convenient for large mechanised farm in the highland areas. In addition, to the high variation in weather conditions, the already constructed roads will get damaged and be requiring frequent repairs [Amin Abdella: 2002].

However, though the sector is relevant to poverty reduction, CSOs have concerns over its priority. The concern is raised not only from civil society but also from the Government officials. If they had a choice at the beginning of the negotiation, the roads prioritised would have been rural roads, which would at least linked up rural markets, populations and facilitated access to various social needs and services. On the other hand, given the bureaucracy of the EC, the process of having focal sectors changed is foreseen as a nightmare.

This sector has faced multiple problems and delays in the past, as the JAR stipulates, mainly due to capacity problems – inability of Government to absorb and use funds.

The positive results from policy reforms in the Transport Sector need to be further consolidated with the adoption and implementation of the Road Transport Regulations and related initiatives. The management capacity of the sector could be enhanced with and greatly benefit from the involvement of private sector resources allowing Government bodies to perform their strategic and policy orientation tasks. The implementation of the sector-wide programs has still substantial room for improvement and efficiency gains [EU: 2003]. With Ethiopia being a land-locked country, infrastructure could have gone beyond only focusing on the road transport sector and expand its analysis.

Most of the road constructions have been undertaken by foreign contractors. Although the local contractors do not have the capacity and the Government-owned Road Construction Authority is not efficient and effective, measures should have been taken in building local road construction companies, capacity and substituting the foreign companies. Moreover, since these foreign contractors use capital-intensive technology, they do not absorb unskilled human labour as expected. And the large part of their revenue (which could have been paid to local contractors and benefiting the country) has been transferred to foreign bank accounts in countries of origin.

The integrated cross-cutting themes focused only on HIV/AIDS. Other issues, such as environmental protection and preservation, conflict resolution and gender should have been included.

III. RELEVANCE OF NON-FOCAL SECTORS FOR POVERTY REDUCTION IN ETHIOPIA

The CSP identified capacity building for governance and civil society as the main target areas in the non-focal sectors of governance. More specifically, legal and judicial reform, civil service reform and administrative decentralisation were mentioned as crucial areas. While the Government has embarked on a legal and judicial reform program, with recruitment and training of judges and court clerks, most EC-supported initiatives in the governance section are still at an early stage and are too new to be able to assess their impact [JAR]. An indicative amount of 23 million Euro has been reserved for this purpose.

The SDPRP defines capacity building efforts as well as empowerment as one of the building blocks of the national development strategy and a condition for successful implementation of the many reform initiatives.

According to the CSP Capacity Building with NSAs, both for governance and for strengthening Civil Society would be guided by Framework Agreement between the NAO and the EC, which would set out the eligibility criteria, priority themes and assessment procedures. A special Civil Society and Governance Coordinator in the EC Delegation would co-ordinate the programing and implementation [CSP].

According to the JAR a program to strengthen the capacity of non-state actors (10 million Euro) has been prepared after consultations with the main stakeholders such as civil society itself, various government bodies and the donor community. It further noted that special care has been taken to ensure compatibility with the civil society support programs, particularly the Government's own program for capacity building of civil society, spearheaded by the Ministry of Capacity Building. To facilitate the NSA support program, the British Council is currently conducting a mapping study that is expected to be completed in the first quarter of year 2004.

3.1 Comment on the JAR Report Regarding NSAs Capacity Building Program of EU and Other Civil Society Support Programes

- Except for participation in meetings to hear about the CSP/NIP, MTR, JAR, civil society did not participate in the design and development of any of these co-operation strategies, expect perhaps on the JAR, this too, but as a parallel process.
- In subsequent meetings, which was attended by the Ministry of Capacity Building, it seems the Government also wants to play a key role in building the capacity of civil

society organisations facilitated by international actors such as the DFID, consultants, some local and international NGOs. However, some CSO representatives expressed their concern that the “conceptualisation” of the term ‘capacity building’ needs to be clear. Experience shows that capacity building does not take into account for example overhead needs of local actors who need them. How can you deliver effective programs when you are constrained by human resources, IT, cannot afford to pay your rent, etc.?

- There were also proposals to correlate the capacity building program with the issues discussed and findings of the mapping exercise. At the meeting where the mapping preliminary results were presented, it was not clear (not yet finalised) how these results would be addressed and mainstreamed into the programming process.
- Currently, there is no official communication on the eligibility criteria, area of support to CSOs except for the amount of the resource allocated (10 million Euro).
- Looking at the JAR 2003 Report, many unaccomplishments are cited due to “capacity problems” attributed to the Government, though some are also applicable to the EC. Under such circumstances, the Cotonou Task Force, CSO team is skeptical of how these two actors can actually build the capacity of NSAs/CSOs.
- Furthermore, when one speaks of capacity building, indicators can and should be developed (for example legal space for CSOs to operate in one form of capacity building). Areas where Government and EC or other will and can develop civil society’s capacity (and vice versa) need to be discussed and agreed.

3.2. Civil Society Organisations Capacity Building Program of Ministry of Capacity Building³

Through the Ministry of Capacity Building (MCB), the Government has initiated the design of 14 programs that will increase the nation’s capability to achieve goals set out in the SDPRP. One program is required to enhance the capacity of the diverse organisations that form civil society and is the responsibility of the Civil Society Organisations Capacity Building Program (CSO-CBP) within the MCB.

As part of the first phase of program design, initial studies on important aspects of civil society were completed. In a subsequent phase, four Task-Forces (TFs) were formed from Government and non-government stakeholders charged with gathering data and preparing reports on different program components. In tandem, donor-sponsored and other studies were initiated that can make a contribution to program design. At the request of the Ministry, DFID contracted a team of consultants to work with the CSO-CBP in preparing the program design, which was supposed to be completed by May 31st


³ Adopted from Ministry of Capacity Building Civil Society Organizations Capacity Building Program, Technical Note #2, March 2004

2004. The consultants' inception report (January 2004) made recommendations for a participatory design process and schedule that would build on the studies already under way and that would meet the given deadline. Relevant activities carried out since the inception phase include:

- i. The TFs have drafted the reports based on the data that they have gathered.
- ii. A series of consultations were held, which brought together Government and civil society stakeholders from the Regions to discuss and comment on the proposed program for civil society capacity building; and
- iii. An Advisory Group (AG) to the CSO-CBP has begun to meet monthly for information exchange, debate and alignment of efforts;

The following are stages in the program design schedule:

- A. The TFs study and collect data on Legal/ regulatory issues, networking, NGOs and CSOs
- B. Findings from studies being conducted by other agencies such as the World Bank, EU and UNDP that are relevant to program design, can be incorporated into program design. The most relevant studies are the Bank's Civil Society Capacity Building and Empowerment Project, EC's study of a selection of non-state actors and work being support by UNDP on the engagement of CSOs with the PRS process;
- C. Data processing based on the output from the data collections and studies mentioned in stage 'A' and produce four technical notes (TN #3 - #6);
- D. An Advisory Group meeting to take place;
- E. Distribution of the produced technical notes (TN #3-#7) based on the decision made at the above mentioned Advisory Group meeting (Stage D), to participants in the Program Design Workshop (stage H);
- F. Stakeholders review period;
- G. Workshop on capacity building practice would be organised;
- H. Workshop on design of program elements;
- I. Formulation of Zero Draft by the MoCB CSO-CBP;
- J. Stakeholder review period;
- K. Stakeholder workshop;
- L. Preparation of Final Draft of program design;
- M. Program Approval and implementation : the final draft program design passes through official approval procedures and proceeds to implementation.

Note:  that the MoCB CSO-CBP already prepared the Zero Draft and disseminated to the stakeholders to give their feedback. A consultation meeting was organised on 22 June 2004 by the Ministry in the presence of CSOs representative, advisory consultants and other actors. Though this activity is a 2004 initiative, it is good to see some of the major concerns of CSOs on the program design as it helps to reinforce NSAs input to JAR.

3.3. Comments on the Civil Society Organisations Capacity Building Program of Ministry of Capacity Building⁴

- Even though MoCB gave CSOs the opportunity to comment on the Zero Draft, it did not give them enough time that could allow them to broadly and sufficiently consult among themselves and submit a comprehensive view of CSOs.
- The Government envisioning of CSOs role not only in service delivery but also in terms of democratisation process is considered by CSOs as a welcome move.
- The program proposed three main strategies: i) Creating an enabling environment; ii) Building partnership; and iii) Building the capacity of CSOs. Though some of the sub-components of these strategies are welcomed broadly by CSOs, they are perplexed by and opposed to the very notion of a Government designed and Government-led program of partnership building and capacity building of CSOs. It is not only imposes a top down government-led change process under all the sub-programs, but also it creates a dangerous possibilities of CSOs being co-opted by the Government and disconnected from their constituencies.
- One of the most important defining features of CSOs is their independence and autonomy that emanates from their nature as part of independent associational life of citizens which is outside of the Government domain. The proposed program strategy blurs this distinction between the two sectors and undercuts the autonomy of CSOs. It is also likely to compromise their independence and integrity, and as a result it erodes the credibility. Capacity building for CSOs should left to CSOs themselves. The role for Government should be creating enabling environment for CSOs.
- Naturally vibrant and healthy CSOs have various and roles that includes:
 - questioning, challenging and critically contest certain policies of the Government;
 - peacefully opposing various government policies and practices;
 - being an alternative to government in a variety of services provision;
 - strengthening democracy by containing the power of the state, creating ways of articulation, aggregating and representing interests outside of political parties and governments; and questioning and reforming existing democratic institutions and procedures.

The proposed program strategy fails to recognise such a nature and role of CSOs and generally assumes their role as only one of implementing and monitoring the government development program.

- There are also practical reasons why the capacity building of CSOs should left to CSOs themselves. The experience, the knowledge and the potential for this task reside not in Government bureaucracy but within the CSOs community itself. It has amassed a wealth of learning and solid experience on institutional growth and development which has even informed the ongoing public sector reform program.

⁴ Adopted from a paper presented at the Stakeholders Consultation Workshop on Draft Program on June 22,2004: entitled '*Preliminary Observation on The Federal Ministry of Capacity Building Draft Program Document Entitled Civil Society Organisations Capacity Building Program*'. It was presented by a representative of ActionAid Ethiopia's, representing CSOs in Ethiopia.

The draft program does not acknowledge such worthwhile developments within the CSOs. It also fail to recognise existing capacity building programs of CSOs and does not show how the proposed program can be co-ordinated with existing efforts to bring a synergy to it.

- As it is a known fact that there is lack of capacity within the Government itself, it needs to focus on its limited resources and energy to build its own capacity and taking all necessary measures to create an enabling environment for other actors (outside of the government domain) in the society.
- The author of the draft program design may seek to argue on the basis of the carefully chosen words in the document which on the face of them may seem to suggest that what is being proposed is for CSOs to build their own capacity. However, the overall intent of the program and the mind set behind it can hardly be disguised because the document clearly states "...Ethiopia is ... unique in having a Government program dedicated to building the capacity of civil society..."(MoCB, 2004). Other than priding itself for being 'unique', the document no where makes a justification for this unprecedented Government intervention into the affairs of CSOs.

IV. THE SECTORAL STRATEGIES OF THE GOVERNMENT: AN OVERVIEW IN RELATION TO THE FOCAL SECTORS

4.1. Sustainable Development and Poverty Reduction Program (SDPRP)⁵

In 2002, the GoE's Sustainable Development and Poverty Reduction Program (SDPRP) was adopted to provide a comprehensive development framework, which took stock of major policy changes and set the development strategies for the coming years. Hence, it is justifiable to briefly look at the document first, as it is a point of departure for most strategies of the Government and donors.⁶

- The document recognises Non-State Actors as an important development force and partners in the whole process of implementation and monitoring. Hence, Regional Governments and Woreda councils are expected to create conducive environments in which resources and technical know-how of CSOs can be properly utilised in support of their plans. In this regard, the document has attempted to mainstream CSOs and the private sector in their relevant roles.
- The document did not give emphasis to analyse strengths and weakness of important development strategies and policies (for instance ADLI, Land policy, etc.) in light of poverty reduction and what needs to be changed in the future. Strategies such as food security are also regarded (especially the demand side) to be addressed in the

⁵ The analysis is mainly adopted from the PRSP Consultations Outcomes Report that is prepared by the NGO PRSP Task Force Secretariat, CRDA in August 2002

⁶ The analysis is mainly focus on those sectors which are both in SDPRP and EC/GOE CSP (i.e. no analysis is made on health; HIV/AIDS; water and sanitation; education; and child and youth sectoral strategies)

framework of ADLI. The inefficiency of one will be reflected on the other unless proper analysis is made.

Agriculture and Natural Resources

- The justification given in the document is that ADLI raises the employment of labour force and enhances productivity of land resources aimed at capital accumulation. The assumption made here is that land and labour are the two major factors of production in Ethiopia. Proper analysis and review of the policy should have been made based on results of the last 10 years.
- The document states that land holdings will be registered and certificates of user right will be provided. While such a measure is one positive step forward, it may not necessarily be an adequate incentive to guarantee long-term investment. Therefore, it would be necessary to consider long-term certification of user right in order to ensure sustained productivity, agricultural growth, food security and poverty reduction in the longer term.
- The land policy does not solve the problem of non-availability of land for young farmers. As suggested by the document, the solution to this problem rests on **creating on-farm job opportunity and voluntary resettlement**. The fact that land cannot be mortgaged and compensation will be paid to farmers for the capital invested on the land does not encourage farmers to work on the land. First thing, farmers are poor and they cannot invest significant capital on the land that is worth compensating their toil on the land throughout their life. They still remain poor during compensation as well. This does not encourage farmers to invest, if at all they have the capital to do so.

Food Security

- In the medium and long term, resettling people from drought prone areas is seen as the objective of food security strategy. Food security to these vulnerable groups is expected to be covered from the proceeds of other schemes. Also food subsidies for a particular vulnerable group is envisaged.
- Resettlement Program is said to be implemented first within regions rather than across regions. A clear strategy as to how to resettle people across regions should have been drawn in the event of shortages of land within a region. Whether resettlement works for an urban areas is also not clear. Rural vulnerability is suggested to be combated by cash for work programs, where food will be procured locally. These need follow up during implementation.
- The overall objective of the FSS is to ensure food security at the household level; while the development policies and strategies (ADLI) would focus on ensuring national food self-sufficiency. To promote urban-rural interdependence (supply and demand linkage), improved credit services for food insecure rural and urban households are envisaged. But, the urban side seems dim and there is a need for further strategies in this regard.

- The extension service component does not give enough emphasis and analysis on protecting and promoting the indigenous wealth of crops and livestock, such as root crops (e.g. *enset*) and promoting trypano-resistant cattle. It is not clear whether the “menu-based extension package” considers such issues or not.
- The FSS is reluctant and does not take safety measures in the case of erratic or absence of rainfall in “adequate rainfall areas”. The necessary precaution needs to be taken and planned in advance of “inadequate rainfall” occurring.
- There is no mention of subsidy for poor farmers in the document. Although subsidy is the forbidden territory of the World Bank and IMF when it comes to developing countries, poverty reduction needs to have at least an implicit subsidy on different targeted sectors.

Urban Development and Management

- The SDPRP has not given proper consideration to the informal sector, though it is a “job-generating sector”, especially for the poor. Studies show that marginalized groups particularly women occupy the sector to maintain their livelihood. Therefore, this sector should be strategized and properly planned as a viable poverty reducing measure. Problems related to the informal sector with reference to lack of market space, protection, etc., need to be treated and strategies drawn accordingly to address the problem. This would greatly benefit women.
- Formulation of urban development policy is one of the strategies. But, this policy needs to be participatory and CSOs need to follow it up closely and initiate grass roots consultations along with Woreda Councils.
- The role of CSOs in Urban Governance has not come out as anticipated. CSOs believe that good governance is one of the necessities of poverty reduction measures. A governance system that is based on participatory approaches will assist transparency and thereby poverty reduction.

Pastorals

- Settlement still is taken as one of the strategies for pastoral communities in the final PRSP despite not having any support in the consultation process of the PRSP. The document states that a pastoral project is under preparation (financed by the WB) to address problems of pastoral areas in a holistic manner and will be implemented over the next three years. The nature and adequacy of the project/program is not clear from the document and it needs continuous scrutiny and a follow-up through planned intervention and feedback.
- While strategy for the development of institutions that administer pastureland has been considered, strategies that administer conflicts have not come out clearly. But, these strategies are very important in pastoral areas.

- Drought, conflict and the gradual encroachment of pastoral land by farmers is eroding their lifestyle. The pastoralists, in any strategy, need to be understood better and increasingly involved in decision-making;
- A Parliamentary Committee has been set up as an advocacy lobby for pastoralists. There is also a 20 member Pastoralist Forum in the civil society sector. The EC in implementing or reviewing its CSP could ensure, through such pro-pastoralist structures, the reversing and neglect of pastoralists' isolation.

Gender

- Gender is mainstreamed in education, health, political participation, reducing women's workload, legal environment, confronting harmful traditional practices, etc.
- The reproductive role of women (family caring, house maintenance, etc) has also been taken into account, which is equally important as their productive role also counts in poverty reduction.
- The capacity building aspect of gender issue requires consistent follow-up during implementation and monitoring.

4.2. Agricultural Development Lead Industrialisation (ADLI)

As agriculture is the backbone of Ethiopia's economy, it has received priority attention and much effort has been made to increase productivity in the sector. In 1993, ADLI was adopted as the core long-term development strategy of the country. Its main objective is to achieve productivity growth in the peasant agriculture sector and thereby bringing about an improvement in the standard of living of the rural population. Key elements are: the provision of agricultural inputs (improved seeds, fertiliser), extension, credit to increase agricultural production and the rehabilitation and construction of rural road: in order to better integrate the smallholder sector in the economy (CSP, P. 3). The strategy also singles out the possibility of the increasing role of agricultural exports. This implies that agriculture has to be made internationally competitive, and that part of its production has to be oriented towards exports.

Based on the above assumptions, ADLI projected that the Ethiopian economy should grow in real terms by 5.7 per cent per annum until 2015 to reduce poverty by half from its current level (44 per cent of the population) [Narula, Subhash 2003].

4.3. Food Security Strategy

Food insecurity in Ethiopia is a multi-faceted, chronic and a widespread phenomenon; compounded by a fast population growth and increasing level of vulnerability. In view of the problems the Government in 1996 adopted a strategy directed towards the

alleviation of food insecurity. The strategy, though has so far not been actively implemented, addresses both the supply and demand sides of the food equation. It has three components: (i) economic growth and employment generation; (ii) entitlement/access and target programs, including nutrition and health interventions and (iii) emergency capabilities. Each of the components will contribute to availability and entitlement in its own way [CSP, P.45].

Government has so far failed to take up its co-ordination role on food security, as testified by the absence of a central government body to address policy and strategy issues in this field. The institutional set-up at Federal and Regional level needs to be revised in order to finally implement the Federal Food Security Strategy [*op cit*].

A National Food Security Program (NFSP) was established in 1998, targeting food insecurity in four regions. Donor support was sought to implement this program. However, due to the outbreak of the Ethio-Eritrean War, donors' commitments were not forthcoming. Donor agencies faced a growing concern about the fungibility of budget support for this program. The CSP stated that the boarder war has entailed important setbacks in economic reform and in poverty alleviation. The huge military expenditure needed to mobilise and maintain a sizeable and well-equipped army considerably reduced the room for development-focused expenditures.

To Increase availability of food, the strategy focuses on sound macro-economic policies, which give the maximum sustainable incentives to food production and the reduction of marketing costs through the provision of infrastructure and the promotion of competition. It furthermore embraces the ADLI strategy with its initial focus on an increase in agricultural production through expanded extension, credit and input supply programs.

4.4 Rural and Agricultural Development Policies and Strategies

Government has recently produced a white paper on the strategy and policy of rural development, the major contents of which are the following:

- The need for exploring backward and forward linkages within an economic system - linkages among the aspects of rural development activities;
- Considering variation in agricultural systems according to different agro-ecological zones of the country;
- A labour-intensive agricultural development strategy, rather than capital-intensive production processes;
- Enhance the productive capacity of farmers and enable them improve their productivity through the provision of agricultural extension and advisory services on a continuous basis; and
- Ensuring farmers' access to technology that enables them enhance productivity

Access to Land and Tenure Security

The Land Policy states that land belongs to the people and that the Government, particularly Regional Governments, administer it on behalf of the people. The question of access to land should, therefore, be addressed from the point of view of both output growth and the welfare of the people.

The land ownership policy stipulates that every farmer who wants to make a livelihood from farming is entitled to have a plot of land free of charge. Because land is state owned, it cannot be sold or exchanged for other property or be mortgaged.

Market

The outlet that farmers normally target for their marketable surplus is the domestic market. Within the short and medium term, the major market outlets for agricultural products will most likely be the towns and cities. As the urban population and its standard of living improve over time, the demand for agricultural products will also increase. At the same time, industries that use agricultural raw materials will expand. Thus, agricultural development should be essentially market-driven and target both the domestic and foreign market outlets.

4.5. Comments on the ADLI, Food Security and Rural and Agricultural Strategies

- Although Ethiopia's territory extends over about a million square kilometres, almost half of the 67-million population does not have enough land for minimum food production. Plots are tiny, the national average is one hectare, and this undermines agricultural intensification." Viable farm sizes" is thus important so as to maximise and intensify harvests, as plot size is far more important for reaping benefits than agricultural inputs. Given the frightening rate of increase in rural population and the already small size of holdings, poverty reduction needs an effort beyond reliance on the farming sector [EEA, 2002].
- Conducive land policies, which guarantee tenure security and provision of incentives for proper management and use of land, forests and water, need to be enacted in order to have sustained development. The current policy creates tenure insecurity for the majority of the smallholder farmers (0.5 to 2.0 ha) and prevents them from long-term planning and investing to improve their holdings. In this regards, the present land tenure and land use policies will continue to have a negative impact on production and the productivity of resource-poor farmers. Moreover, the Government development policy, ADLI, does not seem to provide the necessary incentives to the rural sector such as provision of cheaper energy, machinery, farm equipment and tools, chemicals and other services to spin the wheel for accelerated development [Zemedu Work].

- Under the current poor conditions of infrastructure as well as the prevailing traditional technological conditions of production in the subsistence sector, would be a mistake to assume that agricultural output would be stimulated under the trickle-down effects of the growth of the export crop sector.
- Export growth is expected to be a key component in the shift to higher growth rates in Ethiopia. But export is not playing that role. Export value has been declining, part of which can be explained by the collapse of coffee price since 1996. Export promotion, as a growth strategy, is not working very well in Ethiopia. Ethiopia is not even properly utilising the market access opportunities given by African Growth Opportunity Act (AGOA) and 'ALL BUT ARMS' Of the US and the European Union, respectively [Amin Abdella: 2002].
- In Ethiopia, the terrain is so difficult to bring a significant size of land under irrigation, having in mind the current level of coverage of less than 5 %. However, as the country's coffee is so unique that it is organic, it has helped to fetch high price relative to coffee of other nations. And Ethiopia has vast area of land (more than 20 millions of hectares) which is ecologically highly suitable to grow coffee.

Generally evaluated in an appropriately historical perspective, adopting ADLI as a strategy may hardly achieve the required level of development due to the following reasons [Amin Abdella, *ibid.*]:

- i. Agriculture is widely dispersed geographically and favors dispersed industry, requiring vast investment in infrastructure of various types, which is unthinkable given the current trend.
- ii. Accelerated agricultural growth cannot directly bring high overall growth rates in output or employment. Owing to the constraints of limited land area, the biological nature of agricultural production, and the dispersed, variable production system.
- iii. Moreover, the agricultural sector can at best provide employment for its own increased population,
- iv. Agricultural growth alone obviously cannot supply the broadening of consumption patterns beyond food that all people desire.



Some of the comments mentioned under SDPRP above, especially in Rural Development, Food Security and ADLI Strategies could also be referred to and be taken into account.

V. KEY DEVELOPMENTS IN ETHIOPIA (POLITICAL ECONOMIC AND SOCIAL SITUATION) – SOME COMMENTS WITH RESPECT TO JAR REPORT

On Human Rights Situation of the Country:

The JAR did not clearly show the human rights situation and its current trend. While various human rights organizations in and out of the country such as Ethiopian Human Rights Council (EHRCO), Amnesty International and Human Rights Watch, have been reporting serious human rights violations, the JAR only mentioned very few cases. E.g. It did not even mention the Gambella conflict (some reported it as the Gambella Genocide) where hundreds of civilian citizens died.

The following paragraph that describes the human rights situation of the country, is quoted from the introduction part of “The 2003 Country Report” of the US Bureau of Democracy, Human Rights and Labour.

The Government's human rights record remained poor; although there were some improvements in a few areas, serious problems remained. Security forces committed a number of unlawful killings and at times beat, tortured, and mistreated detainees. Prison conditions remained poor. The Government continued to arrest and detain persons arbitrarily, particularly those suspected of sympathizing with or being members of the Oromo Liberation Front (OLF). Thousands of suspects remained in detention without charge, and lengthy pretrial detention continued to be a problem. The Government sometimes infringed on citizens' privacy rights, and the law regarding search warrants was often ignored. The Government restricted freedom of the press and continued to detain or imprison members of the press. Journalists continued to practice self-censorship. The Government at times restricted freedom of assembly, particularly of opposition party members; security forces at times used excessive force to disperse demonstrations. The Government limited freedom of association, but the non-governmental organization (NGO) registration process continued to improve. On occasion, local authorities infringed on freedom of religion. The Government restricted freedom of movement. Numerous internally displaced persons (IDPs) from internal ethnic conflicts remained in the country. During the year, neither the Human Rights Commission (HRC) nor the Office of the Ombudsman was operational. Violence and societal discrimination against women and abuse of children remained problems. Female genital mutilation (FGM) was widespread. The exploitation of children for economic and sexual purposes remained a problem. Societal discrimination against persons with disabilities and discrimination against religious and ethnic minorities continued. Forced labor, including forced child labor, and child labor, particularly in the informal sector, continued to be a problem. Trafficking in persons remained a serious problem [USA, 2004].

On the Issue of Decentralisation:

The Government is involved in an unprecedented and ambitious program of decentralisation. CSOs welcome the decentralisation program as a means to bring decision-making closer to the citizen. However, disbursement at regional and sub-regional levels have been low over the last two years and that as part of the decentralisation process, efforts should be made to improve this.

The process of decentralisation will do little to enhance good governance if the reforms are limited to fiscal decentralization and fail to address the ability of Ethiopian citizens and local communities to participate in the decision-making process. Free and fair elections are the most effective means of achieving this empowerment. While the commitments to strengthen participation and deepen democracy in the SDPRP are welcome, it is essential that the Government of Ethiopia adopts a more explicit commitment to holding those national, regional and local elections that fall within the current PRSP cycle in a fully democratic manner [EU, 2003].

On Private Sector Development:

As explained above (under Macro-Economic Support program on page 5), enough emphasis and support were not given for the development of the private sector.

JAR also mentioned that telephone and the Internet service has been improving. But the improvement should have been measured in terms of quality not in number or quantity. The monopoly of the system by the Government has curtailed improvement in the management of these services though, in number, it is true that there are more mobile phones available.

On Education:

The Report indicates that there is a dramatic increase in student population at primary school level. But, it does not say much about the deterioration in the quality of education nor how much has been achieved by way of narrowing down the gap between boys and girls enrolment. To make matters worse, the situation of the gender gap deteriorates further as one goes up to high school and university levels. Therefore, there is need to increase efforts in addressing such crucially important issues.

Increasing the number of students enrolled in and of itself should not be taken as an end. One should equally pay attention to improving the quality of education as well as addressing the wide gender gap. There are also allegations that students are allowed to repeat classes thus decreasing the possibility of new intakes in primary schools.

On Health:

As it is, the health sector budget is very low. To make matters worse, the 2003 budget was further reduced when compared with 2002. With the dramatic spread of HIV/AIDS and malaria in the country, one wonders why the budget was reduced in the first place. Wouldn't such a measure contribute to exacerbating or shortening the average life expectancy (42 years) of the average person? There is need for explanation.

On Per Capita Income:

The per capita income level and life expectancy figures are really disheartening. According to the report, Ethiopia ranks 171st out of 174 countries in the world on Human Development Index. Although there is a reported decline in the defence budget by 4.2% in 2003 as compared with the previous year which was 5%, one wonders how the said

amount compares with the standard rate of, military spending set for developing countries.

On Population Growth:

There is no mention in the Report of possible measures that need to be taken in order to cope up with the estimated 2.7% population growth per year, which is about two million people. Can we afford to continue having such a high rate of population growth, which obviously impacts on reducing the national GDP or the per capita income?

It seems that the amount of budget earmarked for both education and health as a percentage of GDP are 5.6% and 1.5%, respectively, and are definitely very low and need drastic improvement.

On Government's Consultation of Civil Society:

There is mention about Government openness, consultations and debates on different issues, including land policy. However, even if admittedly there are debates or discussions in conferences and workshops as well as on electronic media, however, seldom would one notice change of policy on the part of the Government. This, therefore, inevitably raises the question: - "What is the use of debates or discussions unless the Government is frank enough to admit its limitations or lack of capacity for implementation of its policies and consequently introduces drastic changes in improving the lot of the general public?"

VI. PARTICIPATION OF NON-STATE ACTORS

Cotonou's radical departure from previous conventions is that it includes the formal participation of civil society and private sector, even if the extent to which this happens varies. Accordingly, NSAs are supposed to be consulted and actively participate in the following areas: the development of development strategies and NIP; the formulation of strategies for specific sector; performance review (annual, mid-term and end-term); and promoting public-private partnership. It is the first time that a wide range of NSAs are invited to become development partners and their participation is not limited to project implementation, but extends to political dialogue, policy formulation and monitoring and evaluation of the cooperation progress.

Mainstreaming the principle of NSA participation in the development process is a learning process, requiring time, experimentation, stocktaking of the best practices, flexibility and institutional/procedural adaptation. This means adopting country-specific approaches to dialogue with NSAs duly taking into account of varying political conditions, levels of organisation of these actors and existing traditions or mechanisms for dialogue. It means accepting and providing adequate information flow, sensitisation, support to the structuring of NSA in platforms, fora, or associations at different levels, etc. Although some of these issues may not be present from the beginning, they are however, longer-term objectives for the genuine involvement of these actors. This requires putting in place the human and financial resources to ensure a proper support and

follow-up to dialogue process at the level of partner countries' Governments, NSAs and Delegations. Enhanced co-ordination with member states and other donors is an effective way to strengthen political dialogue with national authorities and to facilitate and support NSAs' capacity to all the opportunities offered in the development process [SW, IAG and APF: 2003].

In this regards, NSAs in Ethiopia were not engaged in the design of the CSP at the inception, though there were three consultations held with an insignificant number of NGOs (estimated 12 NGOs) to get their input. NSAs became aware of the Cotonou Agreement and showed interest to involve in the process one year after the CSP was launched. Between 3 – 5 November 2003 APFO, IAG and Saferworld held a Cotonou consultation, which brought together for the first time 70 Ethiopian NSAs to enhance their understanding of and involvement in the Cotonou Agreement.

The consultation workshop enabled participants to learn more about the ACP-EU partnership, to identify key elements for the development of a practical immediate and medium-term strategy, to understand the EU approach to conflict prevention in ACP countries, and to share some basic skills and information on how to address conflict in the framework of the Cotonou Agreement. At the end of the workshop, the participants formed an interim Task Force whose members are representatives from nine Ethiopian CSOs. The participants defined the responsibilities of the Task Force and developed an action plan with activities that the Task Force should undertake until a permanent structure is formed.

Responsibilities

- Ensuring inclusiveness of as much NSAs as possible in the Cotonou process;
- Creating awareness of NSAs about Cotonou;
- Engaging in dialogue with EU and NAO;
- Following up different mapping activities;
- Networking with Sub-regional and Regional NSAs;
- Facilitating the establishment of a permanent structure

Activities

- Organising national workshop where the majority of NSAs would be represented and elect Interim Committee for Non State Actors on Cotonou-Ethiopia (ICNCE)
- Actively involving in all ACP-EU partnership
- Closely following up the mapping process
- Repackaging materials to help NSAs understand Cotonou
- Organising training using EU trainers/facilitators
- Identifying areas of collaboration with sub-regional and regional NSAs of ACP countries
- Working towards the establishment of sub-regional and regional NSAs structure
- Developing a plan of action, and
- Facilitating the establishment of a permanent committee.

The Task Force has been doing its proposed activities and so far, scored good track records. It is in the process of calling for a broader consultation soon to widen its constituency and collectively decide on the most appropriate modality for engagement by civil society in Cotonou issues. And this is also a separate and parallel forum to that of the Steering and Evaluation Committees proposed by the EC and NAO. The idea is that these committees are meant for the operational level of appraising proposals for funding.

Even though the NSAs showed their effort to participate in the process of Cotonou, both EC and the NAO did not give due emphasis for their active participation and there is lack of political will to engage NSAs meaningfully. It seems that both parties call for NSAs, participation just to fulfil what is stated in the Cotonou agreement and CSP as a requirement. Furthermore, there still remain various issues and constraints related to stakeholders' (EC, NAO and NSA) capacity, knowledge and awareness and specific modalities for engagement.

Some Comments and Recommendations on NSAs' Participation

Civil society have a legitimate and crucial role to play, as they are gradually acquiring a significant role in influencing development agendas, public policies and international discourse on several issues, including rights, trade, and peace issues. Civil society and NGOs have experience at grassroots level and potential wide outreach capacity, national/regional and world-wide network, which enables them to influence issues.

As in the Cotonou Agreement, it is stated that NSAs have a role to play in MTRs and should be actively involved in the process. To facilitate that, it is suggested to send the layout of the 2003 joint annual report and a copy of the latest finalised joint annual report to NSAs for inputs. MTR is a key instrument in the Cotonou Agreement in enhancing partnerships - an opportunity to continue, start or improve on co-operation and dialogue. However, there has been lack of clarity and vagueness of differences and similarities between the JAR and MTR. It is not really clear, where one sends and the other starts. Technically, while the JAR is a review of the NIP, MTR is a review of the *whole* CSP. The practice so far indicates that since there is not much programming to review (MTR), the JAR and MTR are used interchangeably.

The following are comments and recommendation that should be considered in order to enhance or enable CSOs to engage in Cotonou.

- NSAs/CSOs need to be proactive and learn about different reviews such as Annual and Mid Term Review plans and objectives and seek ways of engaging and where necessary, develop and propose alternative models and approaches. In this regard, CSOs should assist each other and organise themselves in order to achieve timely input.
- There is a need to clarify distinctions and relationships between the JAR (which is a joint assessment of implementation progress achieved) and the MTR (which involves

a systematic examination of program implementation of the CSP, focal sectors, resource allocation etc), in order for CSOs/NSAs to clearly understand and systematically involve in the process on ongoing basis rather than in an ad hoc manner during reviews. In this regard, concrete modalities should be developed jointly by EC, the Government and NSAs as to how NSAs should be associated with the process.

- One of the elements to be looked at in both the JAR and MTR is the description and **quality of the participatory approach and consultation process** of NSAs, adopted by the EC and NAO in the process. NSAs are also to be provided with feedback on the inputs and concerns they raise, as well as be informed of the next steps of the process in the MTR. Important elements of the review are: the provision of finances for NSAs, activities undertaken, results achieved, and the rate of commitment and disbursement.
- Addressing poverty and conflict prevention needs to be worked within a strategic framework, which addresses vulnerabilities that exist at various levels (local, national, regional and international), as every conflict has different causes, dynamics and consequences. There is a need to examine the relationship between political, economic and social factors in order to identify strategic responses. Government and EC has to ensure that CSOs have adequate and the necessary space to engage in a holistic manner.
- NSAs/CSOs should be allowed to do case studies/action oriented researches on whether and how focal sectors (i.e. budget support, roads for example) do and can address poverty and underdevelopment and issues such as conflict, gender etc. They should also be encouraged to engage in the review of or refinement of indicators in focal sectors
- CSP sectoral strategies need to ensure that programs and resource allocations do not further create tensions between civil societies or communities.

BIBLIOGRAPHY

- Saferworld (June, 2002): **Understanding the EU** – A Civil Society Guide to development and Conflict Prevention Policies: Saferworld and the Conflict Prevention Network with Africa Peace Forum and InterAfrica Group
- ActionAid Ethiopia (2004) ***Preliminary Observation on The Federal Ministry of Capacity Building Draft Program Document Entitled Civil Society Organisations Capacity Building Program***, paper presented at the Stakeholders Consultation Workshop on the Draft Program Design, on June 22,2004
- Amin Abdella, (2002): ***Agriculture Development-led Industrialization (ADLI) and Export -led Growth***: Compatibility Analysis, paper submitted to the First Ethiopian Economic Association International Conference.
- Collier, P, (1997): ***Globalization: What Should Be the African Policy Response?*** Oxford University Center For the Study of African Economies, Oxford. COMESA Website.
- CRDA (2002): ***PRSP Consultations Outcomes Report***: prepared by the NGO PRSP Task Force Secretariat, CRDA, August 2002.
- CRDA (2003): ***Brief comment on Annual Progress Report (APR) of the SDPRP***, The NGO PRSP Task Force Secretariat, November, 2003
- EEA (2002): **Second Annual Report On The Ethiopian Economy**, Ethiopian Economic Association, Addis Ababa.
- EEPA (2002): Report On Ethiopian Export Performance, Addis Ababa
- EU (2003): ***Issues at Stake***, EU's Report, June 2003, From EU Web-site.
- Government of Ethiopia and EC (2001): ***'Country Strategy Paper and Indicative Program*** (CSP) for the period 2002 – 2007, Agreement signed between the Ethiopian Government and European Community.
- Government of Ethiopia and EC (2004): ***First Draft Joint Annual Report*** (JAR) to Ethiopia/European Commission Cooperation, 2003, GOE and EC.
- Haile Kibret (2001): **Growth Policies and The Experience Of African Economies: Some Reflections**: Economic Focus Vol.3 No.6 Feb- Mar, 2001.
- ICO (1998): ***Coffee Profile, Ethiopia, 1998***; International Coffee Organization (ICO)

- Krugman, Paul (1988): ***External Shocks And Domestic*** Policy Responses In R. Dornbusch And F. Leslie H. Helmers(Eds.).
- Ministry of Capacity Building (2004): ***Civil Society Organisations Capacity Building Program Design***, Draft Document, Prepared by Federal Ministry of Capacity Building, May 2004.
- MoFED (2002) ***Ethiopia: Sustainable Development and Poverty Reduction Strategy Paper (SDPRSP)***, Addis Ababa.
- Mulat Demeke (2002) ***Rethinking Our Development Strategy: The Need To Utilize Opportunities Presented By ICT*** " Economic Focus" Vol. 5 No.2 July-Aug, 2002.
- Narula, Subhash (2003): ***ADLI - How Realistic an Approach?***, Reporter Newspaper, Media Communication Center (MCC), January 22, 2003.
- Shaikh, Anwar and Degol Hailu (2001) ***External Sector And Exchange Rate Management***, SOAS, London.
- SW, IAG and APF (2003): ***NSA involvement in the development process***: Draft guidelines
- SW, IAG and APF (2004): ***Mid Term Reviews, an opportunity to promote conflict prevention and the role of civil society***, paper for Joint Parliamentary Assembly, Addis Ababa, Ethiopia, February 2004
- UNCTAD (2000): External Resource Flows And Requirements For Finance
- USA (2004): ***Ethiopia: Country Reports on Human Rights Practices - 2003***; Released by the Bureau of Democracy, Human Rights, and Labor, February 25, 20004
- Zemedu Worku: ***Is Sustainable Food Security Possible in Ethiopia?***; Forum for Social Studies Website.