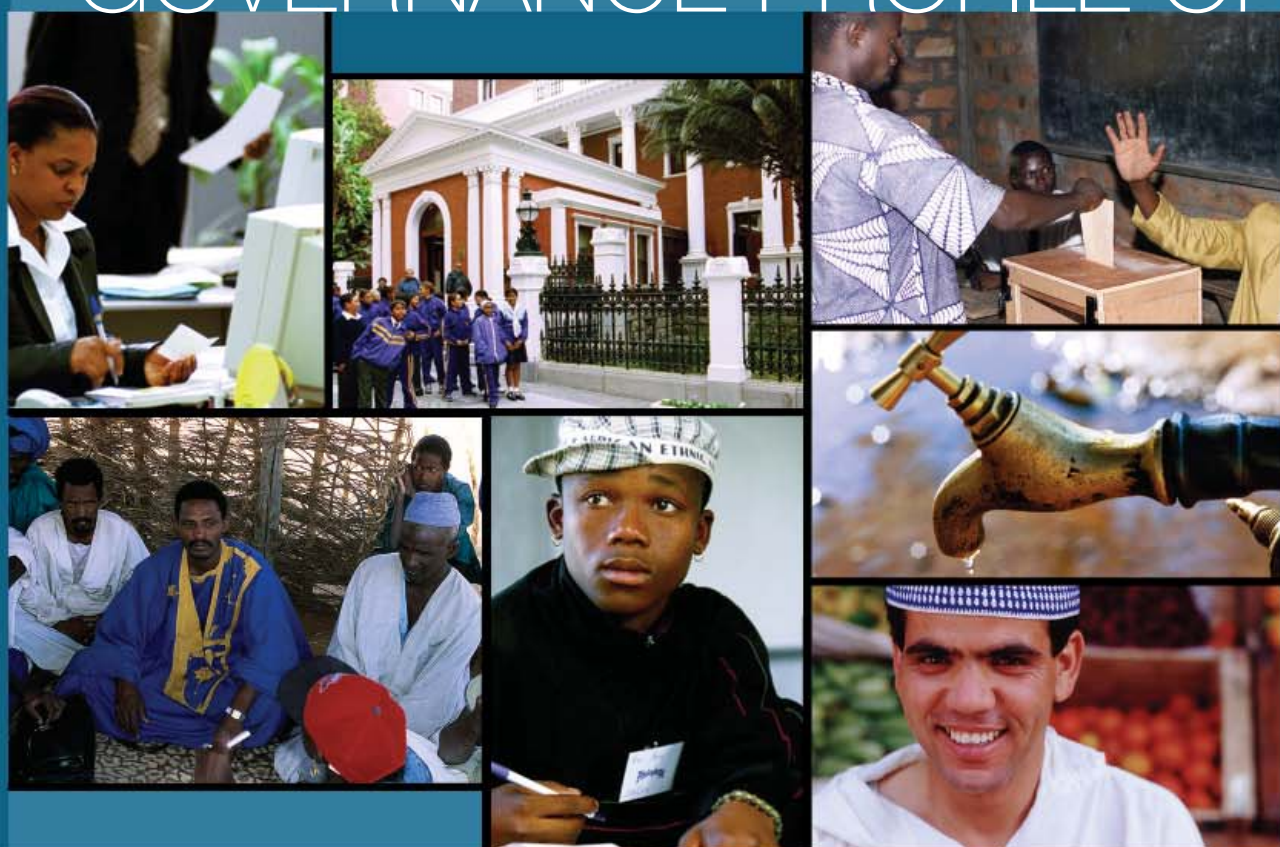




Economic Commission for Africa

GOVERNANCE PROFILE OF



MEASURING AND MONITORING PROGRESS
TOWARDS GOOD GOVERNANCE IN AFRICA

ETHIOPIA

East Africa



Economic Commission for Africa

ECA/DPMD/TP/04/03

GOVERNANCE PROFILE OF **ETHIOPIA**

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Development Policy Management Division

September 2004

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Preface: Overview of Project Methodology

This profile is excerpted from the June 2003 “National Country Report” on governance in Ethiopia contracted by the United Nations Economic Commission for Africa (ECA) to the Regional and Local Development Studies (RLDS) of Addis Ababa University as part of a large-scale project on “Measuring and Monitoring Progress towards Good Governance in Africa” involving 28 African countries. The National Country Report covers the year 2002 during which the household survey and Expert Panel study were conducted and the data analyzed by the authors. All information and data presented in this profile is extracted directly from the report unless otherwise indicated.

The project was conducted with a view to apply objective criteria for measuring and monitoring good governance in Africa, and, in the long run, to assist member countries in developing, sustaining and internalizing the norms of good governance within the public and private realms. To achieve these objectives three separate research instruments were designed and applied in each project country. The first used an Expert Panel to collect data on the perceptions of governance from a group of national experts providing knowledge-based responses to a total of 83 indicators pertinent to the structure, capacity and operation of all governance actors; the second instrument consisted of a national household survey collecting data on public perceptions regarding the accessibility, adequacy and quality of services; and, finally, desk research was conducted on the laws, rules, procedures, capacities and governance practices in the project country.

In order to standardize the caliber of the Expert Panel members across the project countries, and in view of the demanding nature of the expected outcomes in terms of optimizing the reliability, accuracy, and stability of the responses, the composition of the Expert Panel was carefully defined to ensure a fair representation of all stakeholders, whilst stringent quality control was applied to ensure the consistency and reliability of the responses. In order to obtain a balanced representation, the panel members, usually totaling around 100 national experts, were selected on the basis of a number of characteristics, including age, social status, education/field of training and occupation, level of interest in national affairs, political party membership, citizenship, as well as ethnic, gender, religious, and regional representation.

In the case of Ethiopia, the Expert Panel was composed of 80 individuals representing community-based organizations and professional associations, academia, the Chamber of Commerce, labor unions, the Employer’s Federation, private businesses, women’s organizations, religious organizations, retired professionals and active civic leaders, government and opposition political parties and parliamentarians, nongovernmental organizations, government research institutes as well as independent researchers and consultants.

For all countries, the nation-wide sample surveys of households, on the other hand, were carried out by the collaborating research institutions in close co-operation with the National Statistical Office in each project country. Using the household as the ultimate sampling unit, and covering the entire population of households in the country, the study populations were suitably stratified using administrative regions and levels of urbanization, whilst parameter estimates would exclusively relate to the entire nation.

Finally, desk-based research gathering factual data and information on the prevailing political, social and economic conditions of the country was conducted by the collaborating research institutions to complement the perceptions obtained from the national experts and the general population.

Political and Socio-economic Background (1990-2002)

Major political developments since 1990

From 1974 to 1991, Ethiopia was governed by the Provisional Military Administrative Council (PMAC, or Dergue in Amharic), which promulgated the Peoples' Democratic Republic of Ethiopia under a new constitution modeled on a Marxist-Leninist state in September 1987. As a result of a military overthrow in May 1991, the Ethiopian Peoples Revolutionary Democratic Front (EPRDF), a rebel coalition dominated by the Tigray People's Liberation Front (TPLF), assumed state power on the basis of an agreement reached between the TPLF, the Oromo Liberation Front and the Eritrean People's Liberation Front at the London Conference in May 1991.

The EPRDF convened a conference in July of the same year with the objective of designing a transitional programme and administration for the country. The Conference approved the Transitional Charter, which upheld the sanctity of democratic rights and civil liberties, and established the Transitional Government of Ethiopia, which implemented extensive economic reforms and a radical form of federal devolution to nine new regional states.

Following its election in June 1994, the new Constitutional Assembly abrogated the 1987 Constitution and approved its replacement in December 1994. It entered into force in August 1995, establishing the Federal Democratic Republic of Ethiopia (FDRE), which had been preceded by the first multiparty national and regional elections in May 1995.

A legal basis was provided for the establishment of nine regional governments drawn along ethno-linguistic lines as part of the new federal arrangement. Each region was further organized into zones, woredas and kebeles, which were based on the urban dweller and peasant associations established under the Dergue. The regional governments were organized with legislative, executive and judicial branches similar to that of the Federal Government.

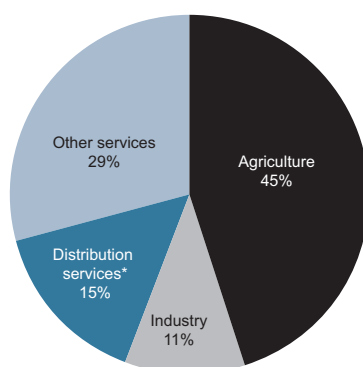
The second national and regional elections were conducted in May 2000 and 2001, reaffirming the predominance of the EPRDF who won the majority of the 547 seats in the Ethiopian Parliament.

Economic developments

After 1991, the Government of Ethiopia adopted a number of economic reforms oriented towards stabilization and structural adjustment measures such as liberalization, devaluation, subsidy removals and other market-oriented measures.

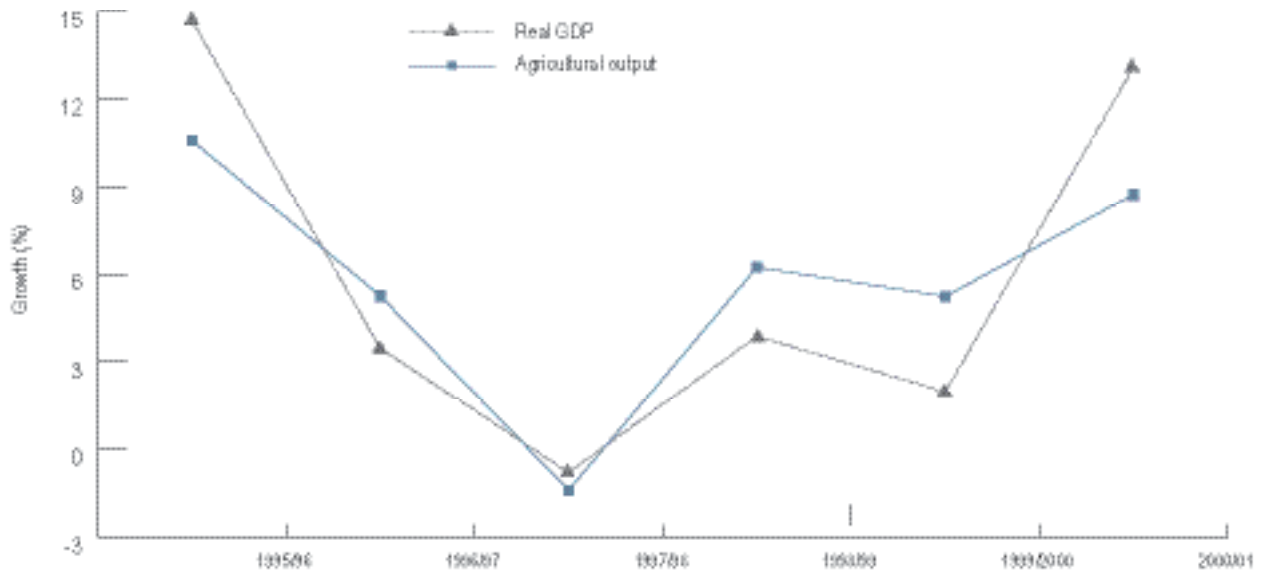
The structure of Ethiopia's economy has hardly changed over the last decades and largely depends on rain-fed agriculture, which accounts for almost half of the GDP and some 85% of total employment (Figure 1 and Figure 2).

Figure 1. GDP composition, 2000/01



*Trade, hotels, restaurants, transport and communication

Figure 2. Trends in real GDP and agricultural output, 1995/96-2000/01



Source: ECA, *Economic Report on Africa 2002*

As illustrated above, agricultural output and real GDP growth are closely linked. The economic development strategy pursued by the Government is now centered on an agricultural development-led industrialization policy with a focus on productivity growth on small farms and labor-intensive industrialization.

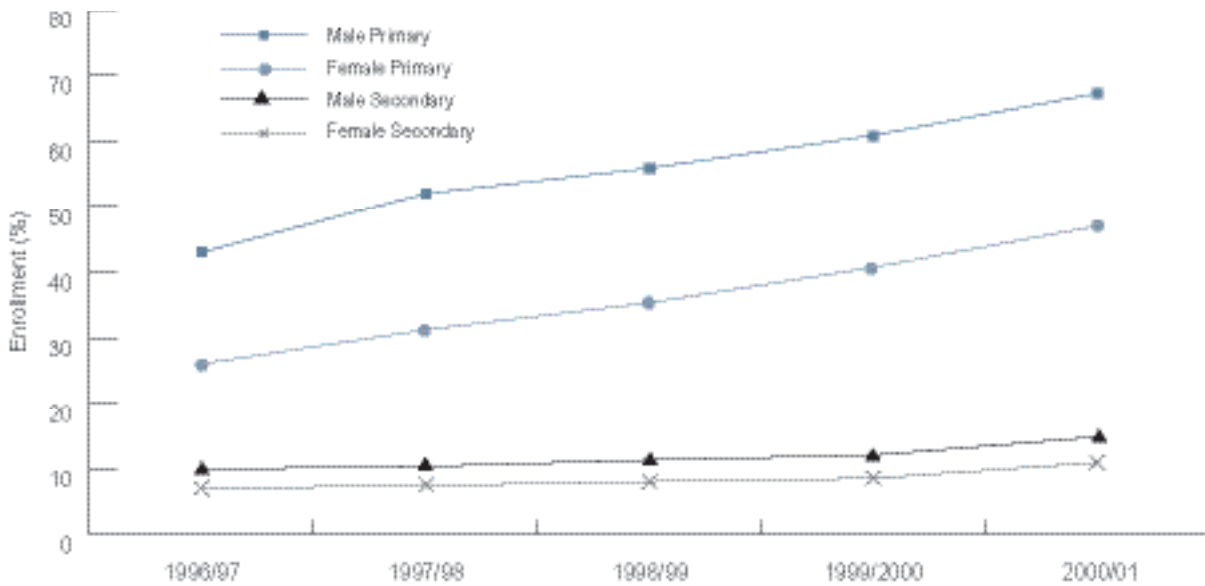
Social developments

The Ethiopian Constitution recognizes the principle of equality of access to economic opportunities, employment and property ownership for women. Following this, the government has formulated a national gender policy, which recognizes equality between the sexes and sets up mechanisms for the improvement of women's conditions, such as the establishment of the Women's Affairs Office within the Prime Minister's Office. The main strategies employed to implement the national policy include gender mainstreaming in sector and development programmes, advocacy and capacity-building initiatives.

HIV/AIDS infection rates in Ethiopia are among the highest in Africa. It is estimated that for every thirteen adults, one is infected and in urban areas, the rate is about one out of every six adults. In the medium term, HIV/AIDS thus represents a serious developmental challenge at the demographic, social and economic levels. Cognizant of this fact, a strategic national plan was launched in 2002, while the HIV/AIDS Prevention and Control Office (HAPCO), established in 2000, is now taking a higher profile role.

School enrollment ratios at both primary and secondary levels in Ethiopia, although on the rise, are among the lowest in the world. The gender parity index in primary education indicates that 30% to 40% of girls attend schools at the national level compared to 60% to 70% for boys (Figure 3).

Figure 3. Gross enrollment ratios in primary and secondary education, 1996/97-2000/01



Another major socio-economic challenge faced by the country is food supply, as low agricultural production compounded with high population growth has resulted in a chronic lack of food security. In fact, the country is richly endowed with labor, arable land, natural resources and its agricultural potential is believed to be substantial, as 65% of the total area of the country is suitable for agricultural purposes. At present, however, only approximately 15% of this area is being exploited.

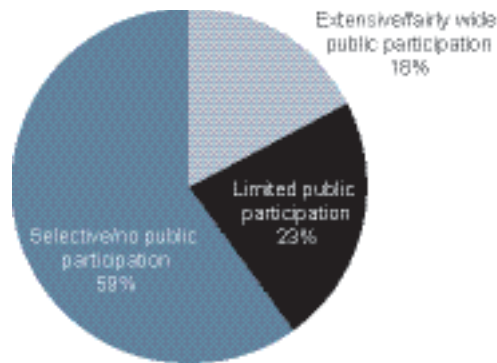
Finally, the country faces a serious problem of unemployment that has a severe impact on the socio-economic development of the country. According to Ethiopia's Central Statistics Authority, unemployment between 1984 and 1994 increased from 0.4% to 0.8% in rural areas, and from 8% to 22% in urban areas. Further evidence of this trend is provided by the ratio of registered job seekers to announced vacancies, which was 3.2 in 1984/5, 3.9 in 1989/90, and then rose sharply to 6.3 in 1996/7. Policy reforms have thus far had little effect on urban unemployment as labour market policies were not directed at the informal sector, employing some 51% of economically active Ethiopians.

Political Representation

Legitimacy of the political framework

The present Ethiopian Government shares the features of a democratic, federal state: adoption of a new constitution; introduction of a multi-party system; and the holding of periodic elections. However, asked whether the political system has mechanisms to encourage public participation in decision-making, the Expert Panel viewed the political framework with suspicion (Figure 4).

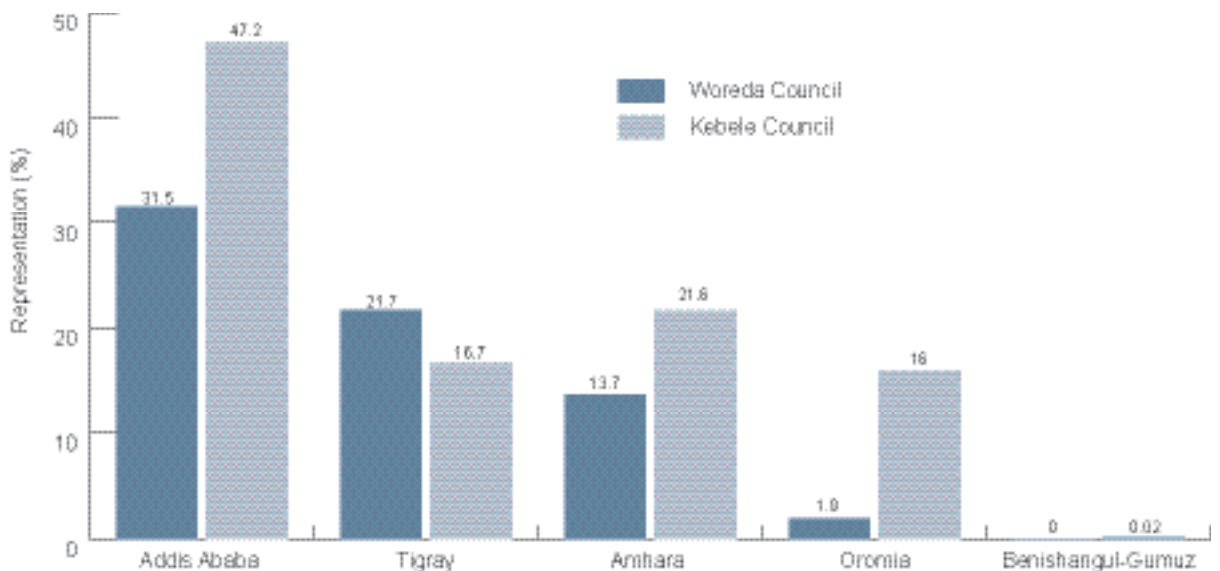
Figure 4. Expert Panel opinion on decision-making participation mechanisms



The federal legislature is bi-cameral and is composed of the House of Peoples' Representatives (HPR) with 547 members and the House of the Federation (HF), which has 110 members representing 58 "nations and nationalities". The tenure of the two houses is 5 years. The majority of the seats in the HPR (87.9%) are controlled by the ruling party, which also dominates all the 12 Standing Committees of the House.

Over half of the Expert Panel (55%) believe that the political system in Ethiopia consists of a multiparty democracy whereby the ruling party allows other parties to register, but it does not allow them to compete freely for political power. The same proportion of experts judged that the regional and local governments of Ethiopia are constituted under a one-party system where voters are assisted by the Government-managed electoral authority to support the election of the ruling party.

Figure 5. Representation of women in selected woreda and kebele councils



The number of women in the National Parliament increased from 1.8% in 1995 to 7.7% in the year 2000, whilst women's representation in the Regional Councils grew from 5.4% to 12.9% between 1995 and 2000 (Figure 5). However, the presence of women in the executive branch of government at higher levels is still minimal.

Political parties

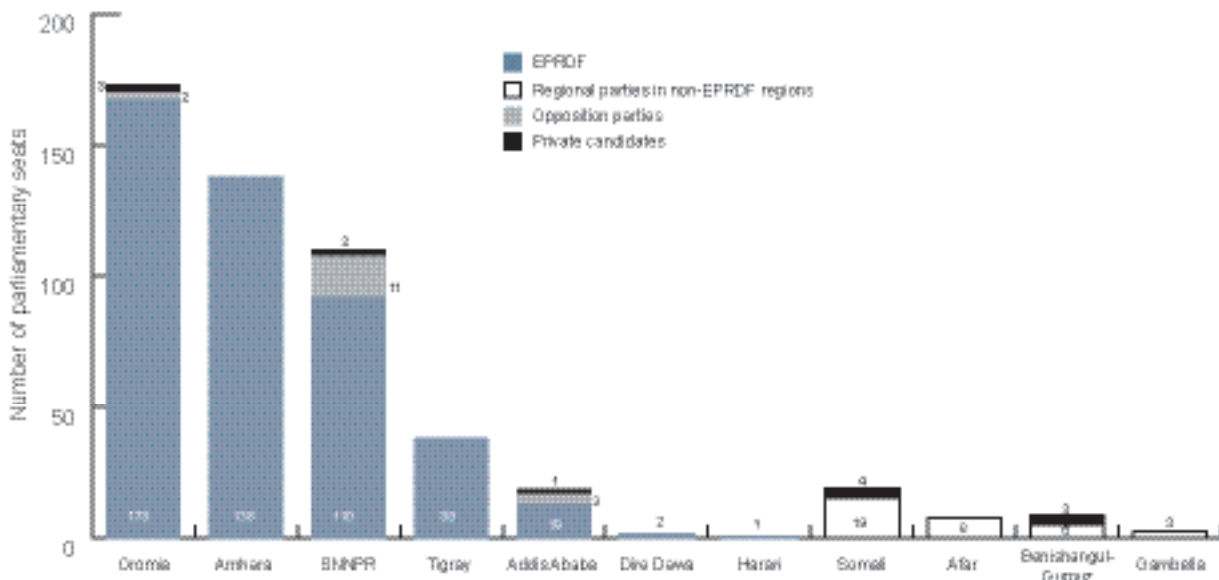
One of the most important developments in the post-1991 Ethiopian politics is the emergence of legally recognized political parties. The Transitional Charter, several Proclamations and the Constitution of the Federal Democratic Republic of Ethiopia provide a legal basis for the establishment and engagement of political parties. Accordingly, Ethiopian citizens above the age of 18

can form a political party upon drawing up internal regulations and a political programme, whilst specific criteria of representation must be fulfilled to register as a regional or a nation-wide party.

However, political party registration and other related practices have not been viewed as fair and credible by several political parties who have complained that the Office of Registration arbitrarily delays the issuing of certificates, allegedly to procrastinate the commencement of their official political activities.

Generally speaking, the political parties that legally operate in the country since 1991 can be classified into three broad categories: (1) ethnic parties under the EPRDF umbrella, (2) regional ethnic parties cooperating with the EPRDF, and (3) the minority ethnic and regional opposition parties (Figure 6). According to the National Election Board, a total of 79 parties operating at the national (9) or regional (70) level were registered by the year 2000. There are also a few opposition political parties operating outside the country.

Figure 6. Representation of parties and private individuals in the House of Peoples' Representatives after the May 2000 elections



Note: *This category includes members of the ruling party and of parties in regional states that co-operate with the EPRDF.

Opposition parties have questioned the credibility of the National Election Board (NEB) in implementing the Party Law alleging that it has been unable to prevent the ruling party itself from violating the provisions of the Proclamation that prohibits engagement in industrial and commercial activities.

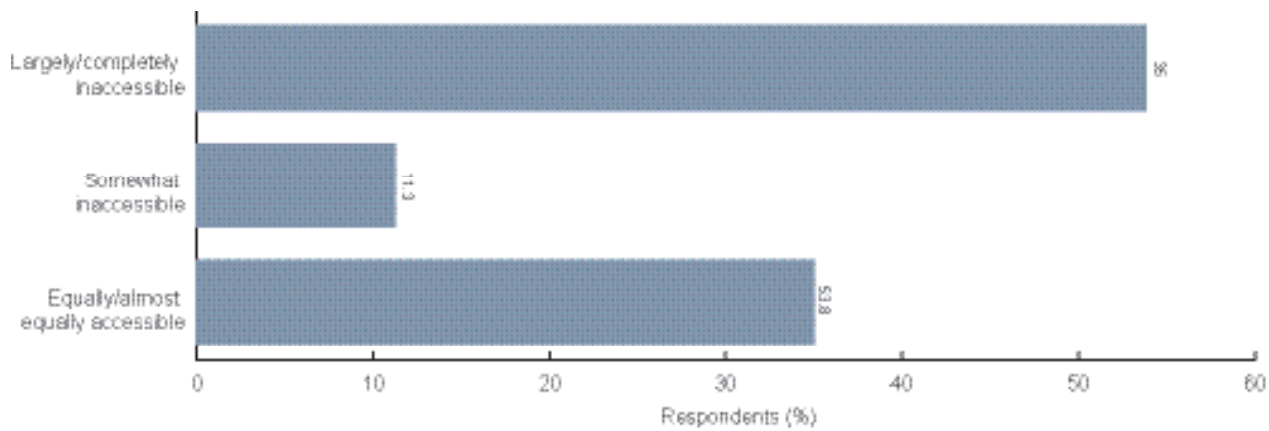
Opposition political parties have also complained about intimidation by government officials and the functionaries of the EPRDF at the local level. They claim that factors such as insecurity, lack of resources, and the pro-party stance of regional governments have inhibited their progress in penetrating areas where they can register large numbers of supporters.

A political culture engrained in hierarchical authority within parties has considerable implications for the democratization process in Ethiopia as efforts towards forging coalitions among political opposition parties, for instance, have in many cases failed.

The Electoral Law provides for political parties to have equal access to state-owned mass media, including radio, television, and the press for campaigning during elections. However, over 90% of the experts interviewed indicated that public mass media and other public resources are not as

accessible to opposition parties as they are to the ruling party during elections (Figure 7).

Figure 7. Expert Panel opinion on opposition parties’ access to public media and other public resources



Legitimacy of the electoral process

The Constitution provides for the establishment of a “National Election Board independent of any influence, to conduct in an impartial manner free and fair elections in Federal and State constituencies”. The House of Peoples’ Representatives appoints the members of the NEB, whilst the Prime Minister recommends the Chief Executive who is also appointed by HPR, and serves as the Board’s Secretary.

Opposition parties and others have argued that the Board is not independent from the ruling party and has served as key instrument for maintaining its dominance. In fact, over half (55%) of the Expert Panel believe that the electoral system is based on an electoral law, electoral commission, and demarcation of electoral districts that are largely or totally unacceptable to all political parties; whilst only 13% of the respondents believe that the current electoral law ensures the autonomy and independence of the electoral system. Other important electoral aspects, such as the electoral authority’s fairness, election security and election control also leave room for improvement according to the majority of experts (Figures 8a, 8b, 8c).

Figure 8a. Expert Panel opinion on the Electoral authority’s fairness

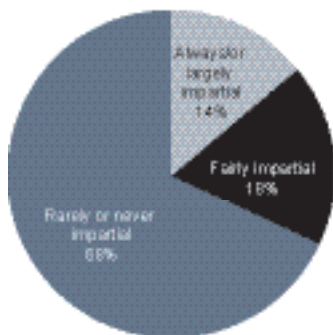


Figure 8b. Expert Panel opinion on election security

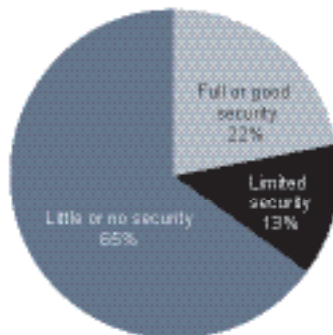
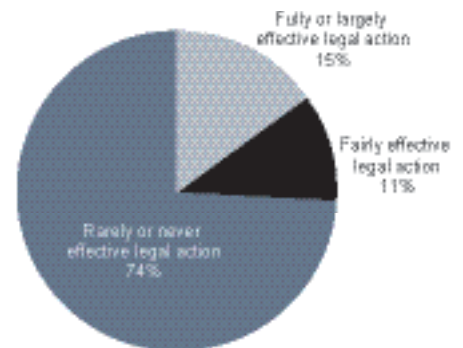


Figure 8c. Expert Panel opinion on election control against violations

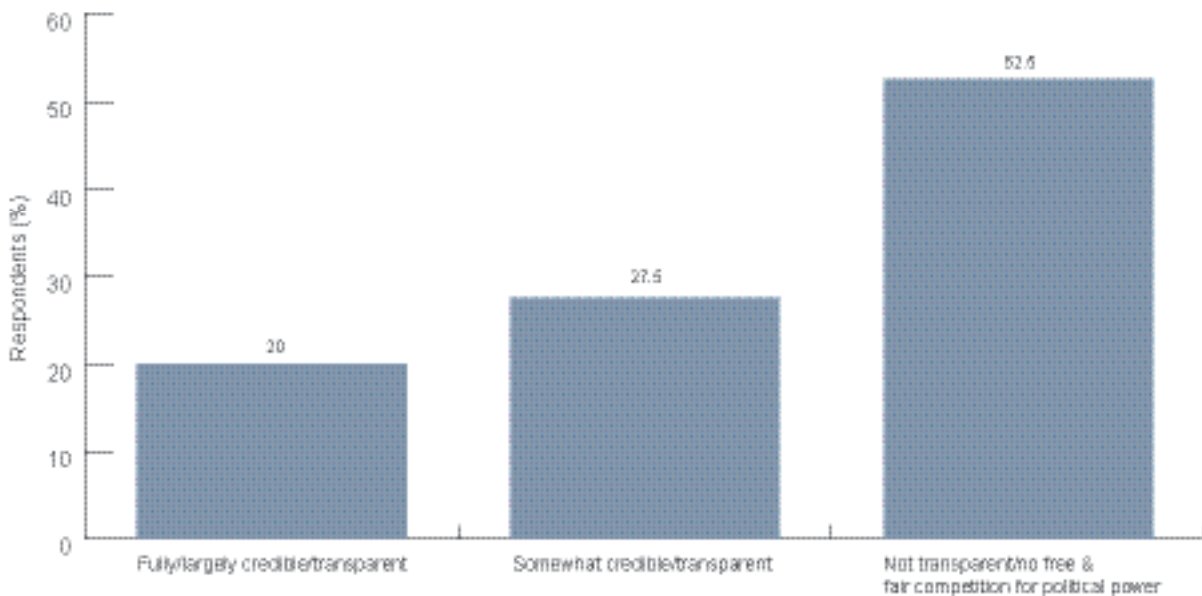


In terms of logistical and technical capacity, the NEB has made considerable progress since its inception in 1993. It has, up to now, succeeded in getting election materials to polling stations on time, as well as trained and assigned personnel necessary for the conducting of elections across the country. The NEB has also developed the relevant manuals, directives and guidelines supporting the tasks of field electoral officers.

On the other hand, its capacity to ensure the conduct of free and fair elections as well as widening the narrow political space in the country, is limited as most electoral processes, such as voting, electoral observation, counting and the announcing of results, are allegedly being influenced by the ruling party. Those discrepancies between the letter and practice of the Electoral Law came to a climax during the 2000 Local Elections in Southern Ethiopia, where suspected fraud and voter intimidation led the Board to order re-elections in 2001.

The credibility and transparency of electoral outcomes has also been challenged by opposition parties who have frequently boycotted elections. Queried about the credibility and transparency of the registration, voting and results' reporting, the Expert Panel expressed serious doubts about the electoral system (Figure 9).

Figure 9. Expert Panel opinion about the electoral system's transparency



Economic Management and Corporate Governance

Enabling policy environment and regulatory framework

Since 1992, the government has launched a series of economic reform programmes towards achieving broad-based growth in a market-driven stable macro-economic environment. Specific policy objectives include reducing the fiscal deficit and ensuring money supply growth at a rate consistent with targets for inflation, growth, and balance of payments.

The most recent overall framework for reform efforts is provided by the Government's five-year development plan (2000-2005) as well as an Interim Poverty Reduction Strategy Paper prepared in November 2000 and referred to as the Sustainable Development and Poverty Reduction Programme (SDPRP). Although covering a wide range of issues, both initiatives tend to focus on four main objectives: short- to medium-term macroeconomic adjustment (in particular reducing the fiscal deficit), structural reforms including privatization and trade deregulation, poverty reduction and food security, and agricultural development-led industrialization (ADLI).

The ADLI approach aims to increase agricultural production, employment, and rural incomes, as well as foreign exchange earnings from agricultural exports, which will in turn lead to the development and expansion of other productive sectors through backward and forward linkages. In line with this, the government has been undertaking a number of measures including the liberalization of agricultural prices and improving the functioning of markets, the devaluation and further depreciation of the exchange rate, strengthening rural institutions by providing extension services,

seeds, fertilizer, credit and improving the provision of roads, education and health infrastructure.

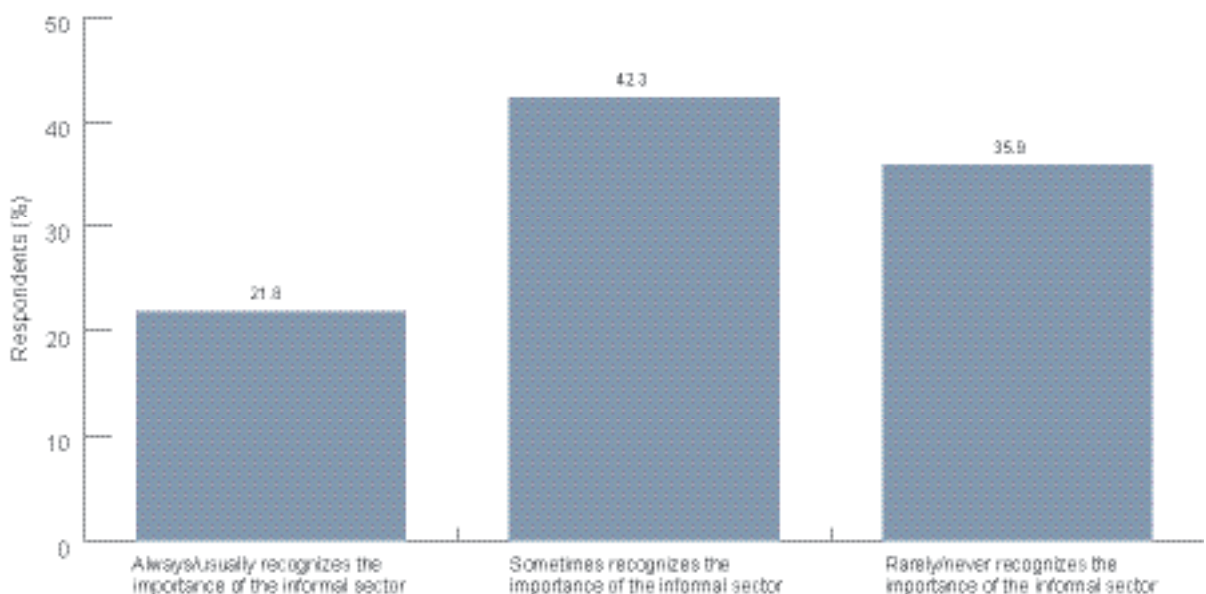
Even though progress achieved to date in terms of reducing poverty and creating new labour-intensive industries has been relatively modest, recent economic and policy trends have been encouraging as the services and industrial sectors expanded considerably, domestic revenue as a proportion of GDP increased steadily, and reforms remained largely on track.

Addressing the reasons for the modest progress achieved in the agricultural sector, the Prime Minister himself, in a speech held in June 2003 pointed out the following: “We believe our agricultural markets are not working properly because we have not made adequate investments in rural infrastructure, in rural marketing institutions such as cooperative and market support institutions ... We need to invest in rural roads, irrigation and water harvesting facilities, in building storage and marketing networks, building up the required institutional infrastructure to radically improve rural markets and technological change in agriculture.”

External observers, however, point out that a continuing challenge to the government’s development strategy revolves around the issue of land tenure and governance, as farmers presently cannot own, sell or mortgage land, thereby discouraging investment and impeding the development of several key sectors, whilst land reallocation schemes and policies have yet to yield the intended results.

Acknowledging the existence of a large informal sector, the Government has taken steps to strengthen both informal and formal micro-enterprises. The National Micro and Small Enterprise Development and Promotion Strategy thus contains provisions for the waiving of licenses for small and micro-enterprises, whilst also facilitating access to credit services and loans. In despite of this, only 6% of the interviewed experts believed that the Government always recognizes the importance of the informal sector (Figure 10), actively encouraging its development towards the formal sector – whilst a sizeable 42% indicated that, although sometimes recognizing its importance in the economy, the Government provides no encouragement towards its development.

Figure 10. Expert Panel opinion on government support to the informal sector

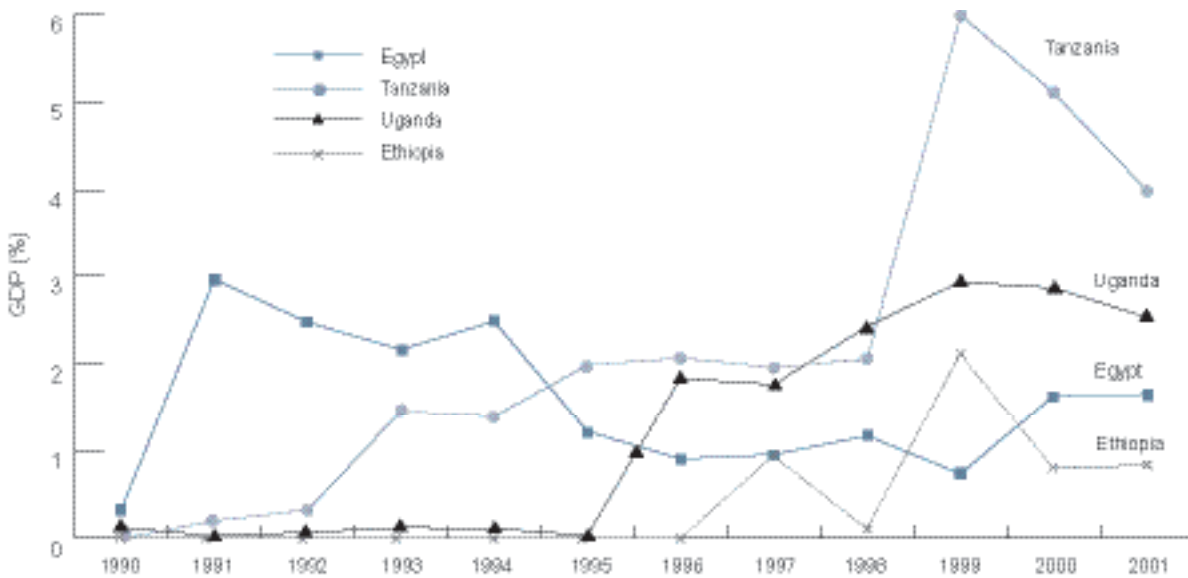


The Government has also attempted to enhance the role of the private sector by providing investment incentives to attract domestic and foreign direct investment. Thus, discriminatory taxes, credit, and foreign trade provisions were eliminated whilst administrative procedures were streamlined and simplified. In June 1996, the Government also revised its investment code and the Investment Office of Ethiopia was upgraded to the Ethiopian Investment Authority (EIA), which became the principal government organization responsible for promoting, coordinating

and facilitating foreign direct investment in Ethiopia. In addition, Regional Investment Offices were established to promote and handle domestic investments in their respective regions.

The Government acknowledges that foreign investment is currently low (Figure 11) as fewer than 35 foreign firms are active, almost all of them located in Addis Ababa or Bahir Dar. However, the climate is improving, and several developments are planned or underway, mainly in agro-industry.

Figure 11. Foreign direct investment as a percentage of GDP, selected countries, 1990-2001



Public financial management and accountability

Addressing the chronic budget deficit and adjusting other imbalances related to fiscal policy continue to be among the key objectives of the Government to restore economic stability in Ethiopia (Figure 12a). Important policy measures have thus been taken to manage the fiscal deficit (Figure 12b) at a sustainable level and avoid inflationary borrowing from the banking sector, whilst simultaneously enhancing government revenue and controlling growth in government expenditure. Further policy packages were aimed at improving the institutional mechanisms to increase efficiency in fiscal administration. Although still subject to relatively large fluctuations due to the dependence on the yearly performance of the agricultural sector, the combined effect of conservative fiscal and monetary policies have led to a stabilization of economic indicators and narrowing of the fiscal deficit.

Figure 12a. Inflation trends, 1995/96-2001/02

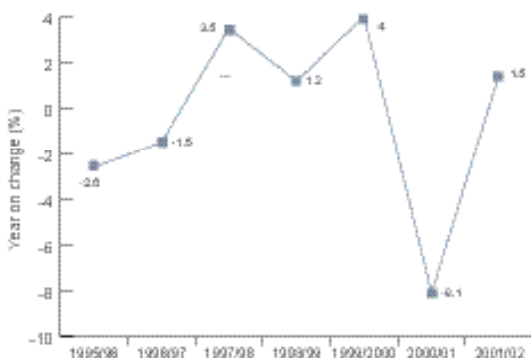
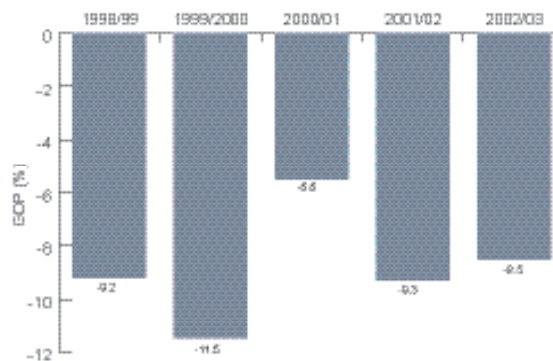


Figure 12b. Fiscal balance, 1998/99-2002/03



Sources: ECA, Economic Report on Africa 2002 and Economist Intelligence Unit, Ethiopia Country Profile 2004

In terms of revenue mobilization efficiency, the government has undertaken a number of steps to increase its tax base and combat tax evasion, which is thought to be widespread. A separate Ministry of Revenue was thus created dealing exclusively with revenue collection from private and non-private sources. Other initiatives include the introduction of a 15% value-added tax in January 2003, replacing the former less efficient sales tax, strengthening the large taxpayers unit that accounts for approximately 75% of federal revenue, the expansion of branch offices to the regions and the introduction of taxpayer identification numbers.

With regards to the overall transparency of the taxation system, however, the majority of experts seem to doubt (Figure 13a) whether businesses or the general public are fully aware of the tax system procedures, increasing the risk of arbitrary taxation levied by tax collection officers and other malpractices (Figure 13b).

Figure 13a. Expert opinion on tax system transparency

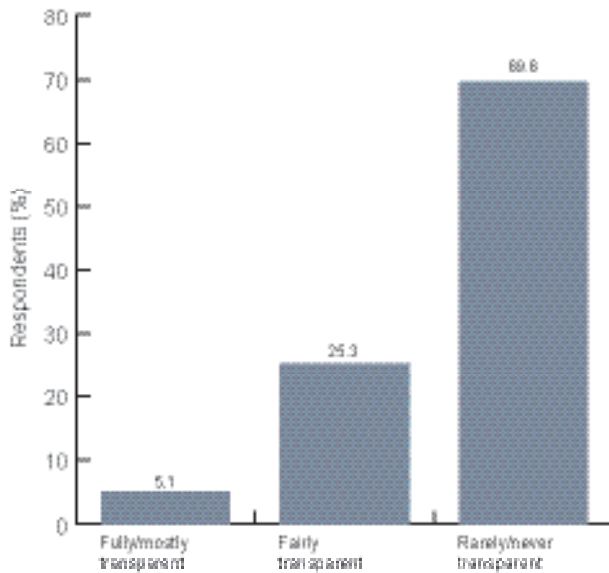
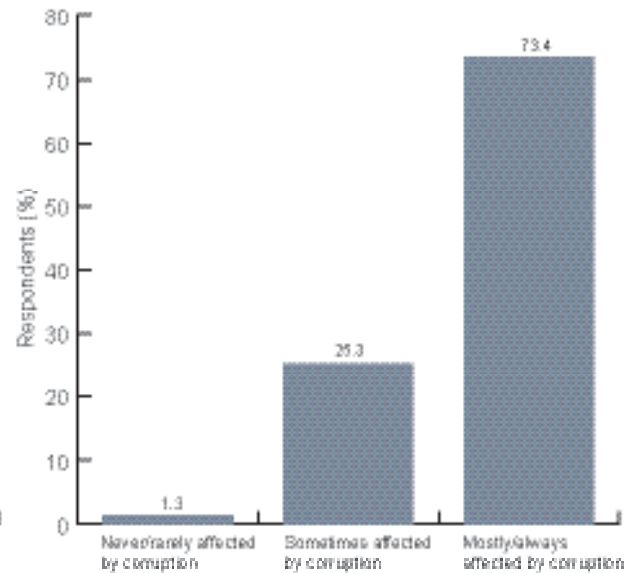


Figure 13b. Expert opinion on tax collection corruption



Integrity of monetary and financial systems

Since the early 1990s, and as part of its broader reform initiative, the Government has created a framework of laws, institutions and regulations under which the monetary and financial sectors are operating. This framework also laid the legal grounds for private entry into the financial sector, although financial liberalization is being approached extremely cautiously, with foreign competitors still being barred from entry. In terms of monetary policy, there has been a gradual shift away from direct and towards indirect monetary instruments, such as interest rate adjustments and open market operations for government securities aimed at financing the deficit.

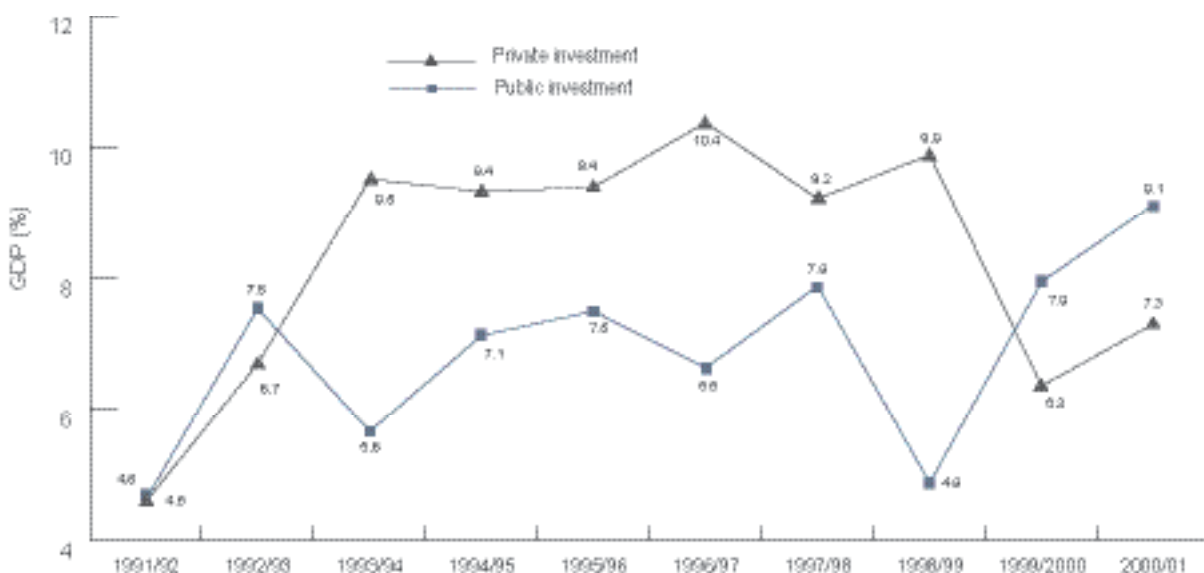
The introduction of a competitive financial sector necessitated major structural reforms, the establishment of a strong supervisory and regulatory framework and a restructuring of the central bank, the National Bank of Ethiopia (established in 1964). The Monetary and Banking Proclamation of 1994 established the National Bank of Ethiopia as an autonomous institution with the power to license and supervise banks, insurances companies and other financial institutions. The Bank is governed by a Board that includes the Ministers of Finance, Economic Development, and Trade, which limits the Bank's independence from the Executive. These ties are further evidenced by the repeated borrowing requested by the Government to finance its deficit beyond the limits specified in the Monetary and Banking Act of 1994. Recently a number of efforts were undertaken to strengthen the Bank's supervisory and regulatory role, as well as its accounting and reporting capacity.

Private sector development and corporate governance

Low inflation, low interest rates and a realistic exchange rate, continuing trade reforms and privatization of state-owned companies, less state intervention, a deregulated labour market and a streamlined tax system have helped to gradually create a more conducive environment for private sector development. An investment code was issued in 1992, creating space for private investment through a number of incentives. Investment offices were established at the federal and regional levels to coordinate and facilitate private sector investment, and minimum threshold levels for foreign direct investment (FDI) were gradually reduced.

Despite those efforts, private investment growth rates in Ethiopia have remained low (Figure 14). Some investors have complained through the Chamber of Commerce about unfair competition from party-affiliated companies and the high costs, short payment periods, and lengthy bureaucratic procedures involved in acquiring land. Furthermore, the current mode of the decentralized administration system poses several problems on private sector development as it constrains the free flow of goods, services, capital and people among the different regions. There have been several reports of private investors being unable to operate freely in some regional states. Finally, contract enforcement is often hampered by lengthy court procedures involving high transaction costs.

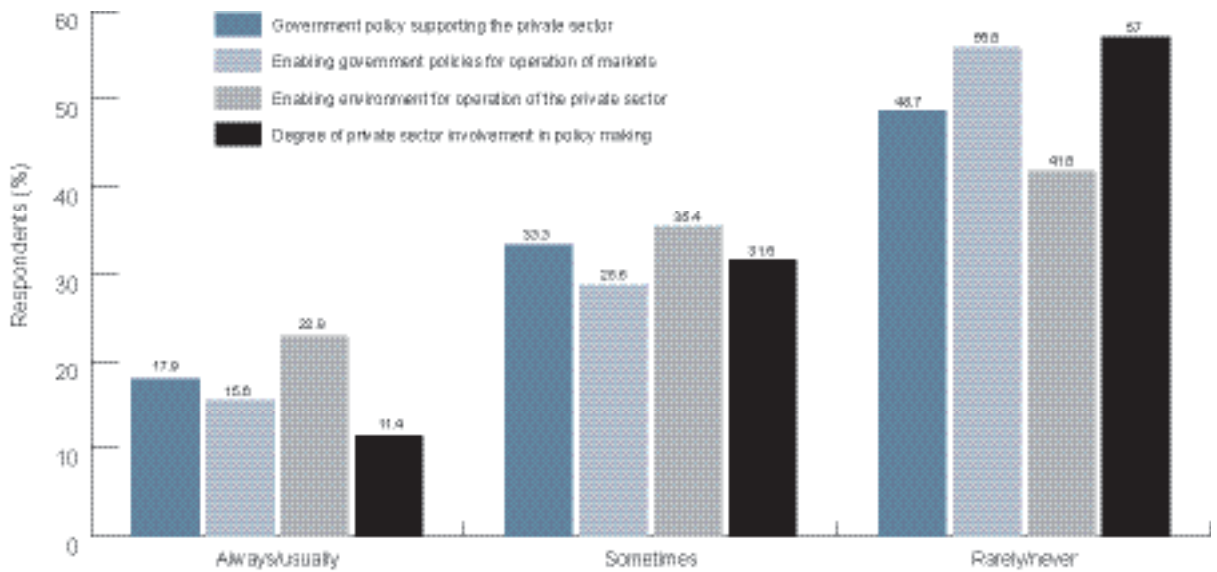
Figure 14. Private and public investment in Ethiopia, 1991/92-2000/01



Source: ECA, *Economic Report on Africa 2002*

In an effort to address some of those shortcomings, the Government has established the Public-Private Consultative Forum to initiate a dialogue with the business community and with a view to eventually creating a more structured, institutionalized co-operation between the two sectors. Despite these efforts, however, most experts view the support provided to the private sector with some skepticism (Figure 15).

Figure 15. Expert Panel opinion on the degree of government support to the private sector



Accounting and auditing systems

In order to ascertain the proper implementation of plans and programs through an effective monitoring of administrative, developmental and service-rendering institutions in the country, the Office of the Federal Auditor General was established in 1997. Having adopted internationally accepted auditing practices and procedures, the Office is empowered to undertake the financial and performance audits of the government offices and organizations that are engaged in production, distribution, service rendering, regulatory or any other trading organization wholly or partially owned by the government. The Office has been highly effective in meeting its planned auditing targets, accomplishing no less than 92%, 80% and 95% of its plan for the successive years of 1999, 2000 and 2001. Structurally, the Office of the Federal Auditor General is accountable to the Council of Peoples' Representatives who appoint the Auditor. Furthermore, the Office is independent with respect to the employment and administration of its own personnel in accordance with rules and regulations issued by the Council of Peoples' Representatives.

The Office of the Federal Auditor General presents its findings or audit reports to the respective government office to take corrective measures within 30 day from the date of delivery. The Office also reviews the government's annual report containing its receipts and expenditures, assets and liabilities as well as financial statistical data. The Office then submits a consolidated annual audit report together with comments provided by the Ministry of Finance to the Council of Peoples' Representatives, during a televised parliamentary session. It is up to the House of Peoples' Representatives to ensure that the recommendations of the audit report are implemented. If, however, criminal offences such as significant cash differences between the receipts and the expenditure are found within a government office, the case is forwarded to the Attorney General to take direct legal action.

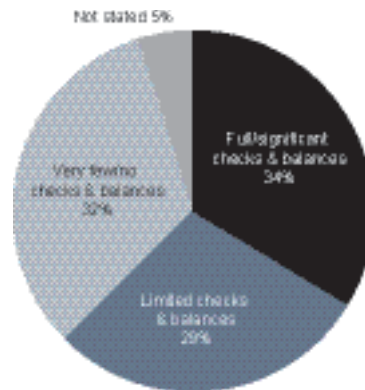
Institutional Effectiveness and Accountability

The Constitution and checks and balances

The Constitution of the Federal Democratic Republic of Ethiopia (FDRE) formally contains provisions for ensuring checks and balances between the three branches of government. The Constitution has further provided for a system of checks and balances between the federal and regional governments by dividing power between the two tiers of government. Since 1995, the Government of Ethiopia has indeed embarked on a decentralization policy aimed at transferring significant powers, functions and resources to regional, zonal and woreda levels of government.

The Constitution has formally granted considerable autonomy and independent decision-making authority to these sub-national levels of government. However, the system of checks and balances is not viewed as altogether effective by the Panel of Experts (Figure 16), given the predominance of the ruling party, which controls both the Executive and the Legislature and greatly influences the activities of the Judiciary.

Figure 16. Expert Panel opinion on checks and balances as provided by the Constitution



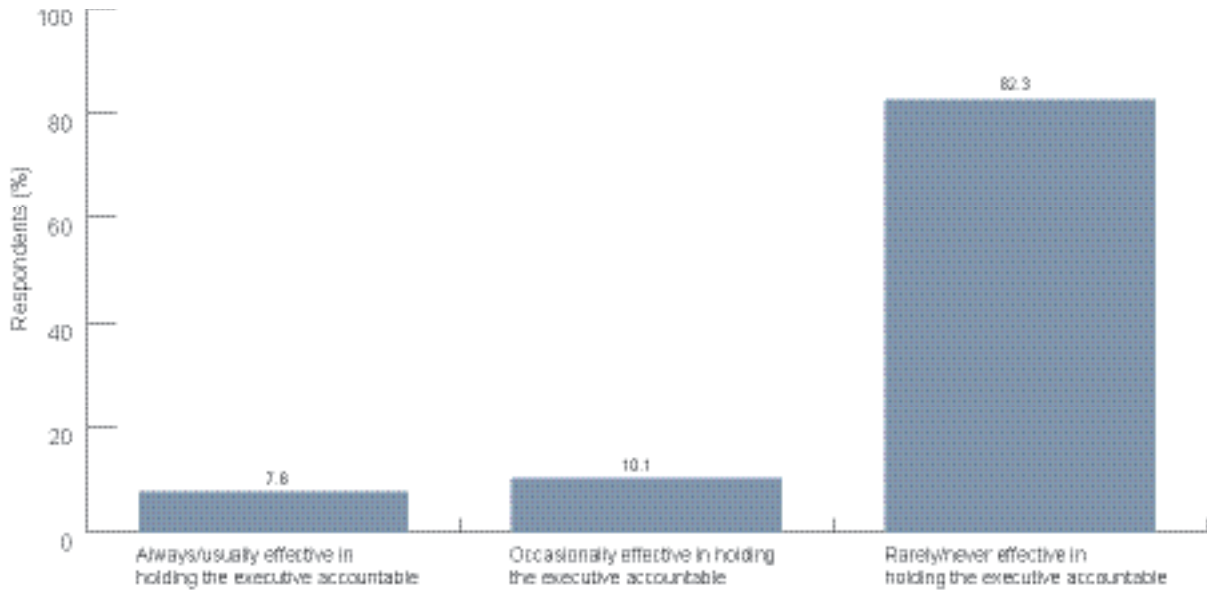
Perhaps reflecting this ambiguity between the existing legal framework and the actual practices, the experts are divided in their review: about a third acknowledged that there are checks and balances in place, close to another third thought that they are limited, whilst the remaining third doubted the presence of any checks and balances existing between the three branches of government.

The Legislature

According to the Constitution, the House of Peoples' Representatives is the supreme lawmaking body in all matters under federal jurisdiction. Furthermore, the Council of Ministers is responsible to the House of Peoples' Representatives in all its decisions and submits draft laws to the House on any matter falling within its competence. Further, the House has the power to call and question the Prime Minister and other federal officials and to investigate the Executive's conduct and discharge of its responsibilities.

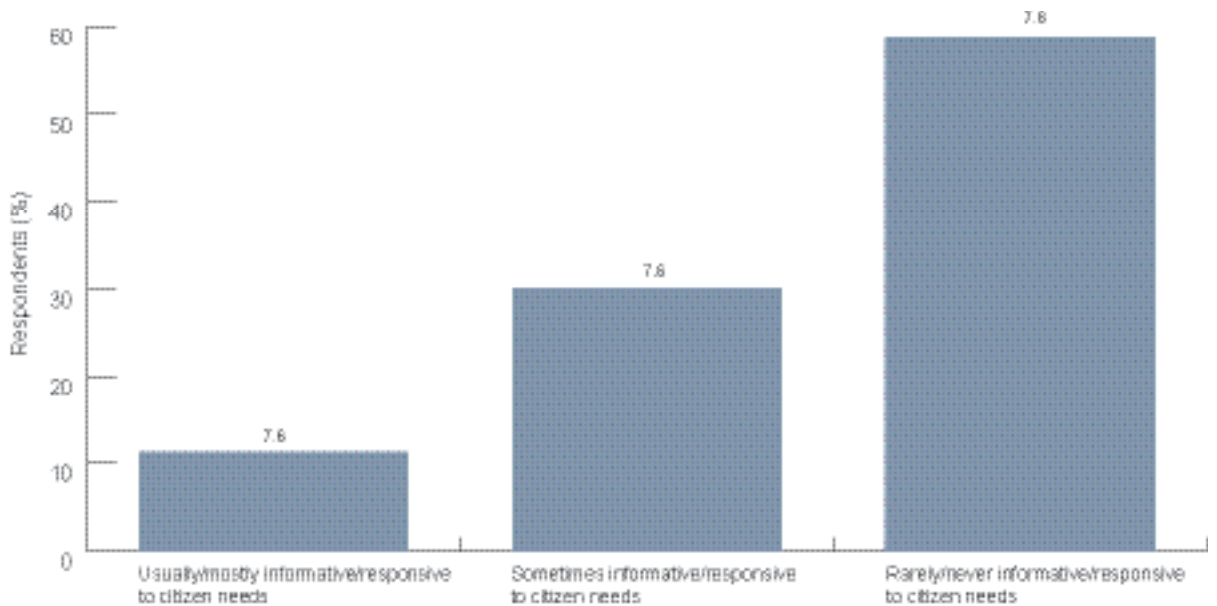
The House of the Federation, on the other hand, has the power to interpret the Constitution. Where any federal or state law is contested as being unconstitutional, the House of the Federation forms a special committee to take a final decision. The members of the House of the Federation are elected by the State Council and are composed of at least one representative of each nation and nationality. Despite those detailed constitutional provisions, however, it appears that the autonomy and effectiveness of the Legislature are severely limited in Ethiopia. Thus, over 80% of the experts questioned indicated that the Legislature is largely ineffective in holding the Executive accountable (Figure 17).

Figure 17. Expert Panel opinion on the Parliament's effectiveness in holding the Executive accountable



Similarly, close to 59% of the Expert Panel members seriously doubted the Parliament's capacity for legislating and debating on issues of national importance (Figure 18).

Figure 18. Expert Panel opinion on the relevance of parliamentary debates



The availability of a strong opposition gives the electorate choices and a platform to voice its concerns and is thus a measure of the depth of participatory democracy and pluralistic character of a political system. Over 90% of the experts observed, however, that the opposition has virtually no influence on the Government's policy, programmes, or legislation.

In order to address those shortcomings, training programmes and workshops have been organized to enhance the legislature's capacity to legislate on major national issues. Furthermore, to its credit, three-quarters of the experts deemed overall corruption levels among parliamentarians to be low (Figure 19).

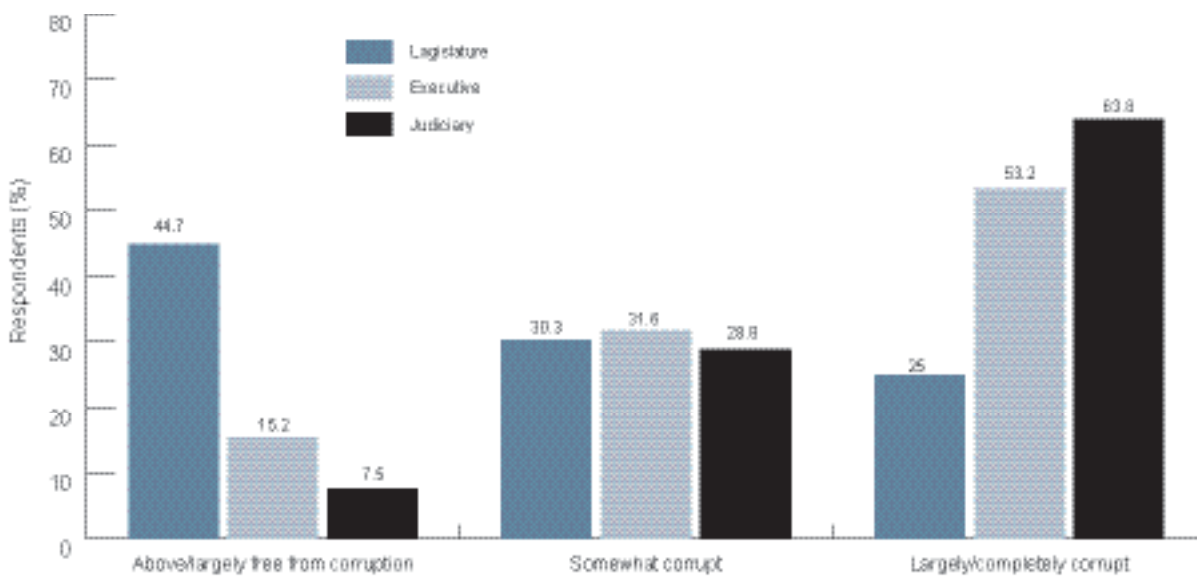
The Judiciary

The Judiciary within the central government consists of three-tiers: the Federal Supreme Court, Federal High Court and Federal First Instance Court. The organization of courts at the regional levels mirrors the one at the national level. In 2002, there were a total of 111 judges serving at the three tiers of the federal court system, of which 35 were women.

The Constitution provides for an independent Judiciary. Judges of the Federal Courts are appointed by the House of Peoples' Representatives and the Regional State judges are appointed by the Regional State Council, after consultation with those most competent to advise on the subject – the Federal Judicial Administration Commission and the State Judicial Administration Commission.

However, with the ruling party maintaining a large majority in Parliament and equally dominating the Federal Judicial Administration Commission, over 80% of the Expert Panel believed that the Judiciary was dependent on other branches of government to at least some degree. Furthermore, over 60% of the experts responded that the Judiciary is fairly or completely corrupt, thereby ranking it as significantly more corrupt than the legislative or executive branches of government (Figure 19).

Figure 19. Expert Panel opinion on the corruption status of the Legislature, Executive and Judiciary



To address some of these issues, the Ethiopian Government has launched a comprehensive justice system reform programme to make the judicial process more objective, reliable, responsive, and independent. According to the Ministry of Justice, the reforms are intended to remove impediments of access to justice at all levels by ensuring that legal services are less expensive, justice institutions more accessible, and legal services less time consuming or delayed.

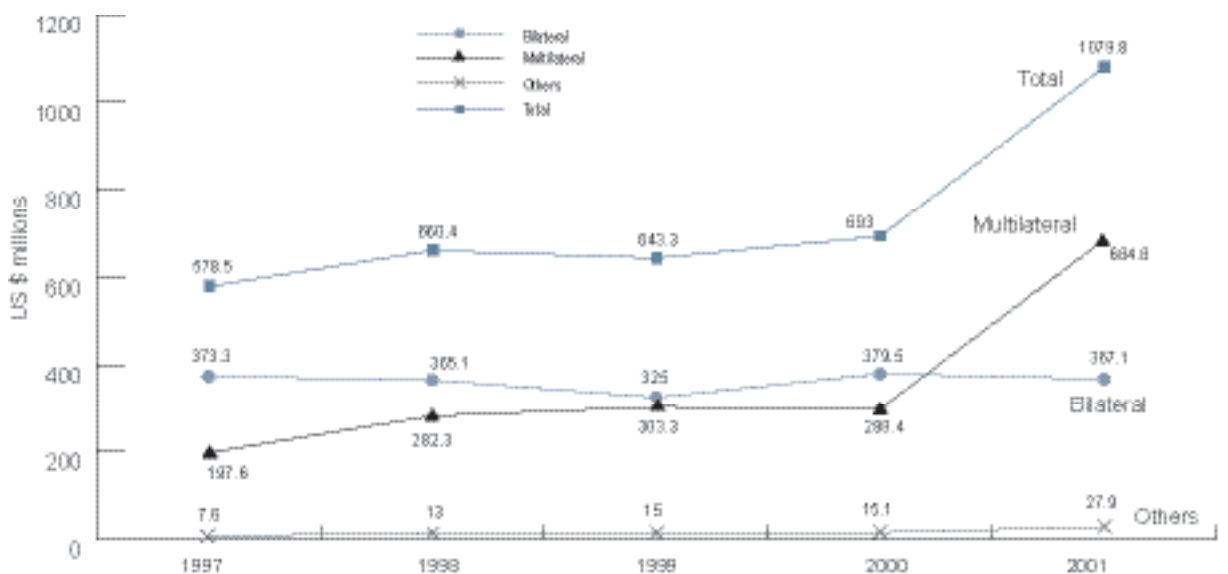
Thus, training programs for prosecutors and some 3,000 judges in the woredas were implemented in order to address the immediate shortage of manpower. In addition, regular skills upgrading programmes and measures to enhance the capacity of the country's colleges and universities to increase enrollment in legal studies are planned. Further, the Justice and Legal System Research Institute was established under the Ministry of Justice to undertake a comprehensive law reform and revision programme to harmonize existing laws with the Constitution.

The Executive

The Ethiopian government is based on the parliamentary system whereby the political party or parties with the greatest number of seats form and lead the executive. The Parliament appoints the Prime Minister from the dominant party, and the Prime Minister in turn appoints the ministers and vice-ministers. Though the appointment of the ministers is approved by the Parliament, they are accountable to the Prime Minister alone. Currently, the Federal Executive branch is organized into 18 ministries, 8 commissions, 15 authorities, 10 agencies, and 11 parastatal organizations, each with a different organizational setup.

Regarding the independence of the Executive, the experts presented a rather mixed picture. Indeed, whilst free from external influence in all or most major areas of policy according to just over a third of the Expert Panel members, the remainder of the panel thought that many policy areas were in fact being influenced to varying degrees by external actors – a perception that can probably be traced back to the country's dependence on foreign aid, especially during crisis years (Figure 20). Indeed, despite higher government revenues, foreign grants remain an important factor, averaging 4.1% of GDP in the years from 1998/99 to 2001/02, and more than doubling to 8.8% of GDP in 2002/03 due to the emergency drought assistance .

Figure 20. Net official development assistance to Ethiopia, 1997-2001



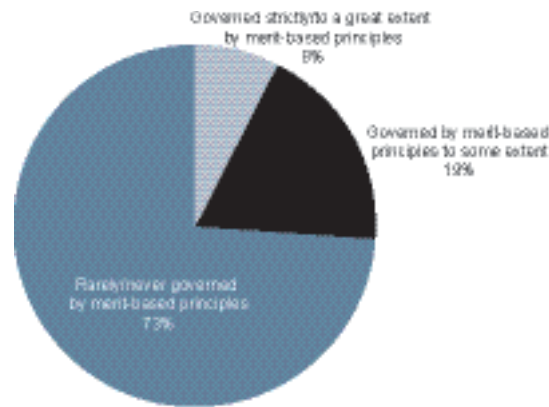
Source: Economist Intelligence Unit, Ethiopia Country Profile 2004

A critical issue in the organizational structure of the different branches of government is the procedures they implement in monitoring and improving performance and their availability to the public. Thus, every ministry reports monthly to the Ministry of Finance about its performance, which in turn compares it against the monthly plan of institutions that is used as a basis for allocating budgets. Regarding internal monitoring a task force study revealed that the vast majority of Ethiopian public sector institutions do not have internal audit management. In some institutions there are no internal audit units, while in others the internal audit is reduced to checking transactions ex-ante or conducting limited special investigations.

Civil servants are professionals recruited on the basis of the civil law of Ethiopia. The Ethiopian Civil Service Proclamation stipulates that there shall be no discrimination among job seekers or civil servants on the basis of ethnicity, sex, religion or political outlook. The law also promulgates that promotion of civil servants be undertaken on the basis of outstanding performance and anticipation of aptitude for the new position and seniority.

Those legal conditions were questioned by the opinion of the Expert Panel, however, which expressed doubts whether merit-based principles are effectively being applied for the appointment, promotion and career development for civil servants (Figure 21).

Figure 21. Expert Panel opinion on appointments, promotions and career development of civil servants



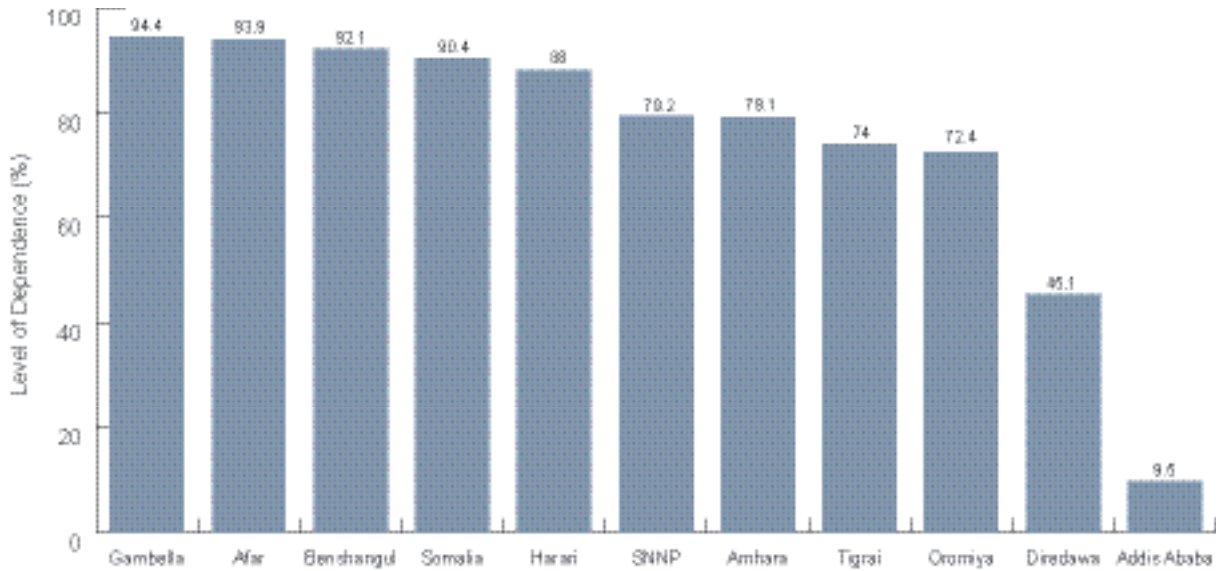
Similar proportions of the panel also call into question the effectiveness of internal or external accountability mechanisms in the civil service. Further, a clear majority (over 80%) of the panel has responded that citizens have very little, if any, respect for the integrity of the civil service. Aware of those problems, the government has launched civil service reform programs to rectify the situation.

Apart from the central government and the civil service, the decentralized local governments constitute the remaining part of the executive structure in Ethiopia. In fact, the regional institutions employ no less than 87% of the public servants and are organized into legislative, executive and judicial branches similar to those of the Federal Government. Each region has a regional executive, administration, an elected assembly, an official language, a separate flag and a court system. The powers and functions of the states include enacting and executing the state constitution and other laws, collecting resources, and planning and executing development policies.

According to a new organizational structure implemented since June 2002, the woredas have expanded their organization and functions to include Capacity Building, Rural Development, Information, Security, Administration and Court Departments. The woreda arrangement consists of a council, an executive committee and sector offices. The Woreda Council is accountable to the people by whom they are elected and to the Zonal Executive Committee and through it to the Regional Administrative Committee.

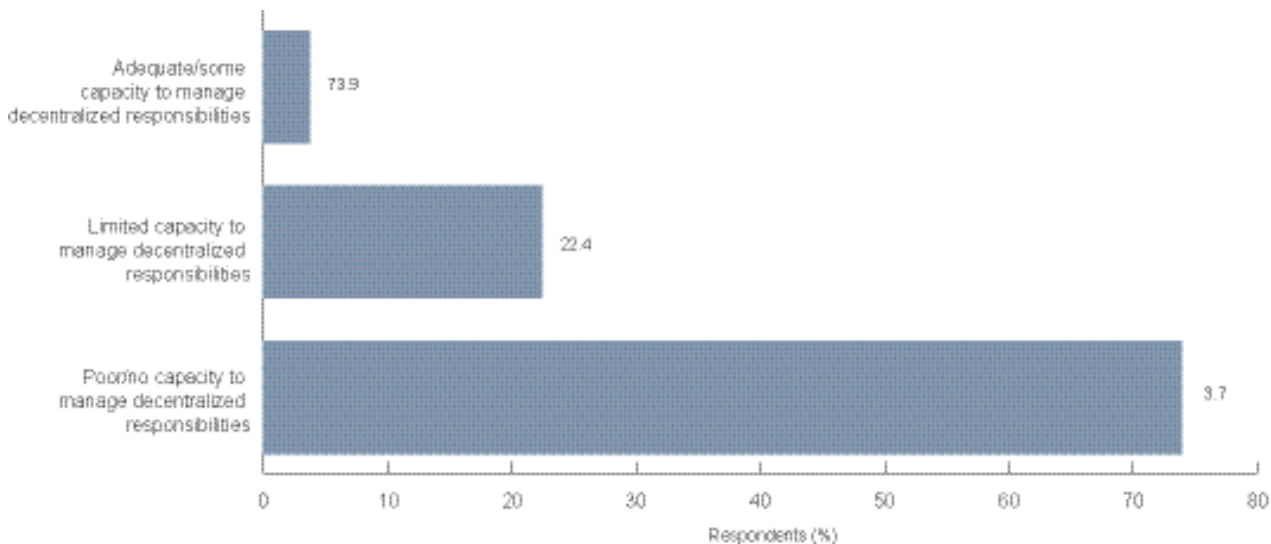
Despite the considerable amount of powers and responsibilities assigned to regional government structures by the Constitution, they tend to be highly dependent on federal financial transfers to fulfill their duties, which in turn considerably restricts their autonomy from the central government (Figure 22). To ensure the equity of transfers, subsidies to regional governments are calculated on the basis of indicators including population size, level of development and revenue generating capacity.

Figure 22. Level of dependence on central subsidies/transfers by region, 1999/2000



A further problem appears to be the shortage of managerial capacity at the local level, as administrators heading the woredas rarely have any formal education beyond 12th grade, for instance. Accordingly, nearly three-quarters of the experts interviewed stated that local government administrations have only a very limited capacity to manage the decentralized responsibilities effectively (Figure 23). Cognizant of this fact, the central Government has launched training programmes in agricultural development, basic management skills, financial management, integrated rural development and ethics for the elected officials for woredas, zones and regions.

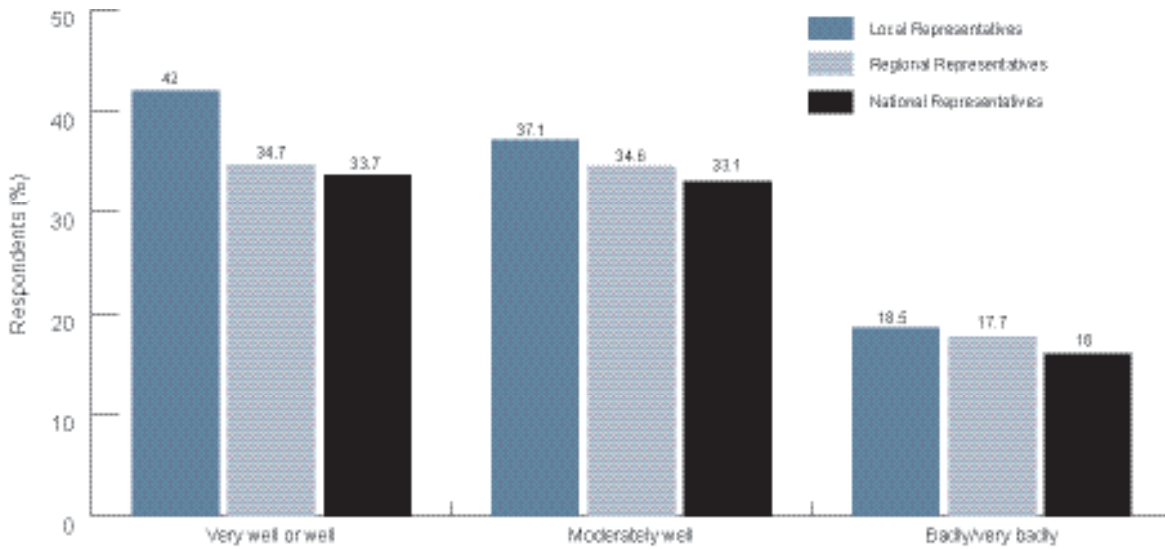
Figure 23. Expert Panel opinion on local government capacity



The problem of capacity remains formidable, though, in light of the scale and range of responsibilities carried by the local governments. In addition to training, the problem of poor remuneration and difficult living conditions need to be addressed if qualified people are to be attracted to the local and regional governments.

At the same time, a large number of household survey respondents (42%) indicated that their interests were being very well or well looked after by their local elected representatives, compared to 35% by their regional, and 33% by their national representatives (Figure 24).

Figure 24. Household survey perceptions on the performance of local, regional and national representatives



Human rights, the rule of law and enforcement

The official public watchdog organizations in Ethiopia include the Auditor General and the Budget and Finance Affairs Standing Committee of the Parliament, as well as the Human Rights Commission and the Office of the Ombudsman, and in the case of the latter two, appropriate legislation exists, but neither is yet established.

By law, these institutions are supposed to be independent of the executive in order to exercise effective oversight over the Government, ensure the protection of civil rights and uphold the rule of law. However, the relative weakness of the legislature in terms of access to information and lack of experience coupled with the dominance of the executive in Ethiopian politics has resulted in only limited control by these watchdog organizations.

Moreover, over 80% of the Expert Panel members strongly doubted that human rights violations in general, and those committed by the police and prisons in particular, are reported or adequately monitored (Figure 25b) by the Government, whilst arrests are frequently carried out without charges and excessive force is frequently used by the law enforcement organs to silence public discontent. In addition, over 60% of the panel responded that the police is both poorly trained and equipped to discharge its duties efficiently, resulting in an overall low confidence (Figure 25a) citizens have in the ability of law enforcement organs to protect them from crime.

Figure 25a. Expert Panel opinion on citizen’s confidence in law enforcement

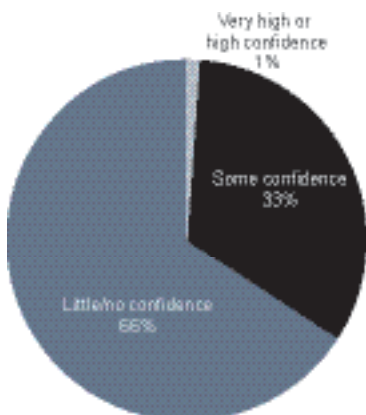
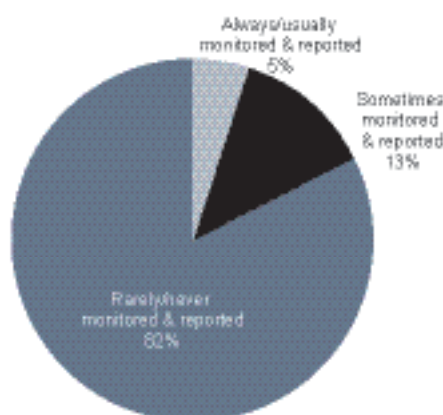
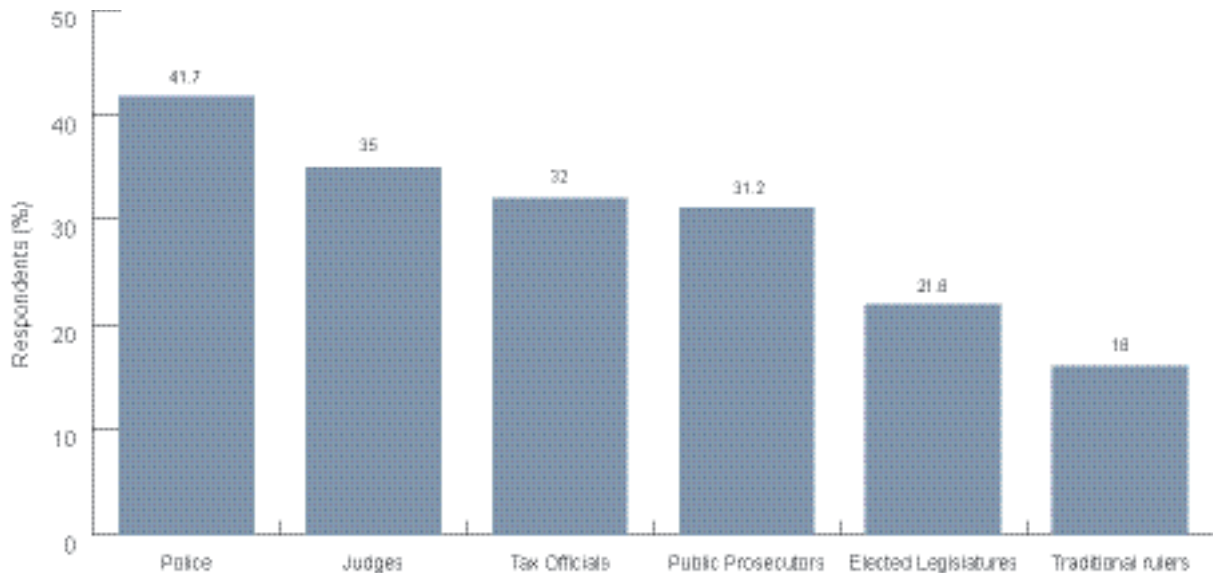


Figure 25b. Expert Panel opinion on monitoring violations of human rights by the police and prisons



The above observations by the Expert Panel are supported by data from the household survey, which revealed that citizens judge that, among officials whose duty it is to uphold the rule of law, the police are the most likely to seek bribes (Figure 26).

Figure 26. Household survey results on perception of corruption in the public sector

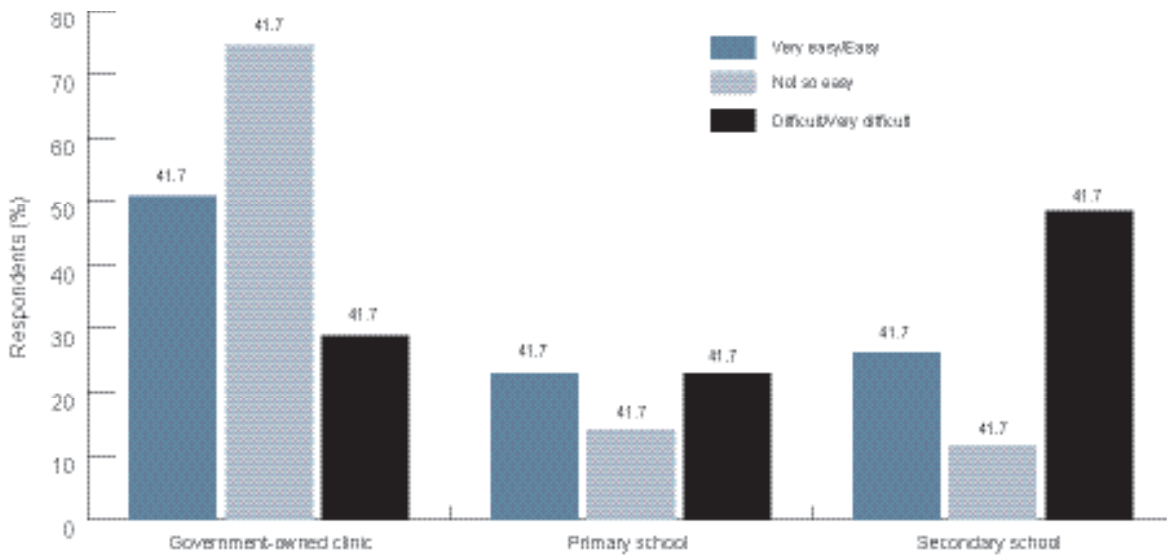


Access, affordability, quality and pro-poor and gender orientations of service delivery institutions

The overall perception emerging from the household survey results is that the quality of, and access to, public services is relatively poor. Although primary education and government clinics are reported to be easy to reach for most of the public (Figure 27), the majority of the surveyed population does not have access to basic utilities such as a reliable clean water supply (69%), electricity (74%) or a safe waste disposal (83%). Commonly cited problems affecting these public services relate to inadequate facilities and resources combined with the lack of administrative and technical capacity at the local level.

Half of the households surveyed believe that access to the nearest government-owned clinic is relatively easy while nearly three-quarters mentioned that it is easy or very easy to reach a primary school. In comparison, though, nearly half of the households indicated that access to secondary school is difficult or very difficult (Figure 27). This is in line with a welfare monitoring study cited by the research collaborator that found that in 1999/2000, the mean distance to reach a health center in Ethiopia was 7 kilometers whilst the average distances to primary schools and secondary schools were 3 kilometers and 19 kilometers, respectively.

Figure 27. Access to government-owned clinics, primary and secondary schools

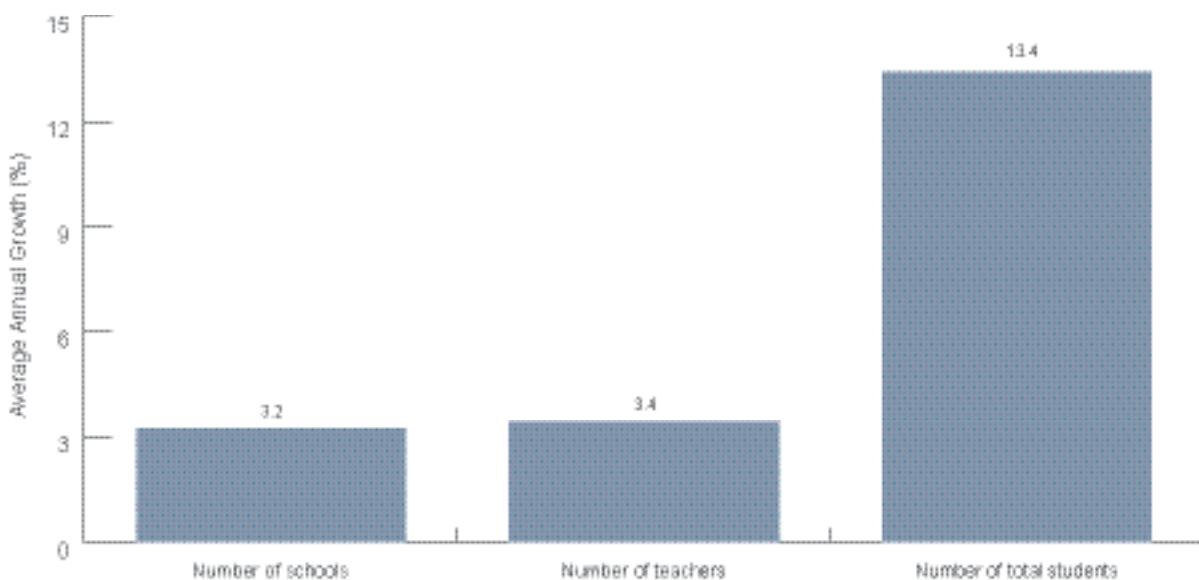


In addition to accessibility, the study had estimated that the average annual cost of government non-fee paying schools was 31 birr (or about 3.4% of annual income based on a per capita income of US\$100), while the annual cost for public schools and church-related schools were 376 birr and 1,169 birr, or 44% and 136% of annual income, respectively. This indicates that fee-charging schools lie well beyond the means of low-income households.

The costs incurred by households in obtaining medical services from government-owned medical facilities have been rated as fairly costly by 28.4%, costly by 28.2% and very costly by 17.5% of households, indicating that health services in Ethiopia are beyond the reach of the majority of the people. The proportion of households who mentioned that it is not costly is 23.7%.

Finally, the adequacy and quality of services are important attributes of service provisions. The education system requires large investments in buildings, texts books, teaching aids, school equipment, and qualified teachers to sustain the quality of education. It is, therefore, quite worrying that the growth rate of schools and teachers has just been one-quarter of the growth of new students over recent years (Figure 28).

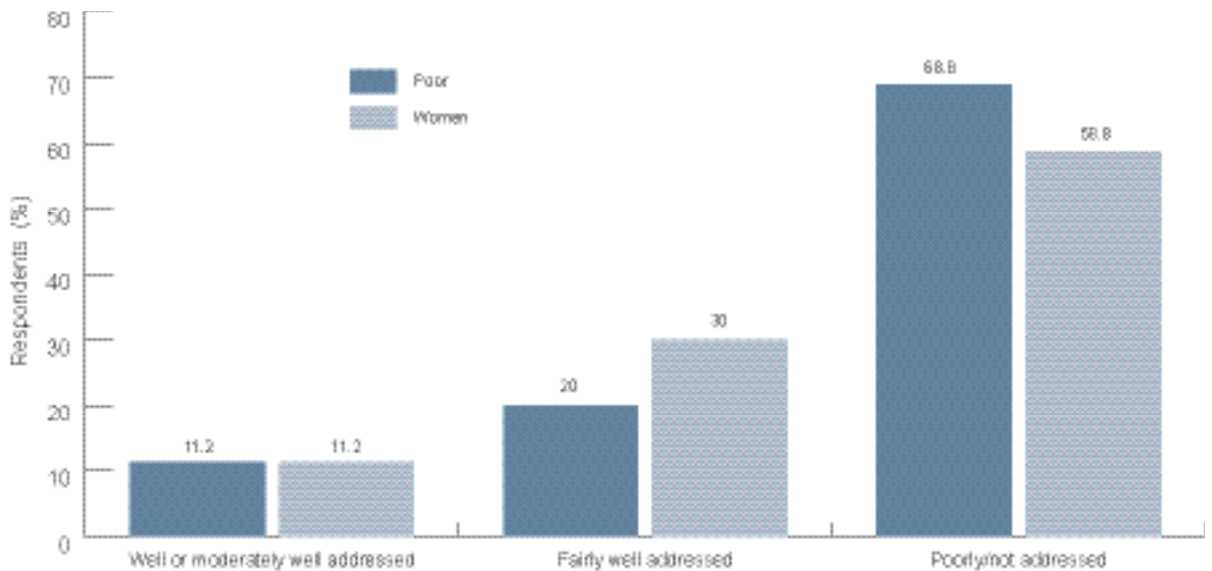
Figure 28. Average annual growth rates of schools, numbers of teachers and students, 1996-2001



Similarly the health sector has been plagued by numerous structural problems. Thus, whilst some 42% of the surveyed households rated the quality of primary education as “good”, it is only 27% who rated the quality of the health service to be “good”, and over 40% rated it as “poor” or “very poor”.

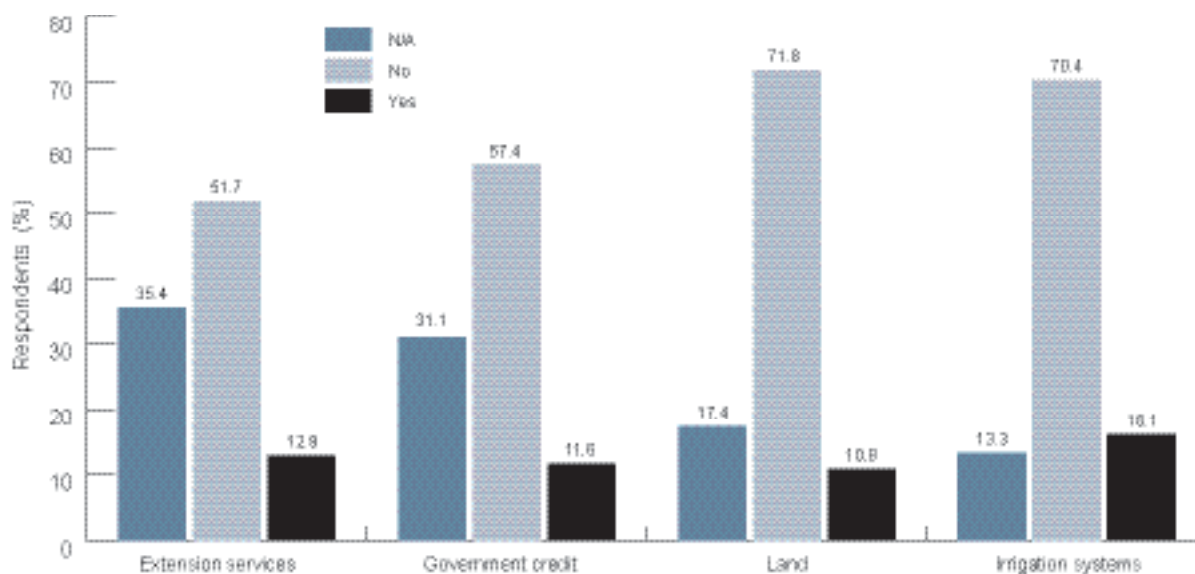
Furthermore, the majority of the experts believe that the services are neither oriented towards the poor or women (Figure 29). To address this problem, the national education policy attempts to raise the enrollment rate and school retention of girls, whilst the education sector development programme aims at mainstreaming gender in different components, such as teacher training, curriculum, capacity building and through distance education to enhance the participation and performance of female students at different levels. In this regard, one of the target components of the health sector development programme is to promote family health focusing particularly on mothers, children and youth.

Figure 29. Expert Panel opinion on government services’ relevance to the needs of the poor and women



The main productive resource of the country is land. However, only 17% of household respondents indicated that they have easy access to agricultural land, whilst just 13% have an irrigation system in place (Figure 30). At the same time, Ethiopia exhibits one of the lowest utilization rates in the world of improved technologies, such as chemical fertilizers, high yielding varieties and pesticides.

Figure 30. Household survey results regarding access to land, extension services, credit and irrigation



To address some of these shortcomings, the research collaborators reported that a new system of agricultural extension, known as the Participatory Demonstration and Training Extension System (PADETES), aims at transferring improved technologies to farmers, and by 1997/98, PADETES had been managing nearly 3 million demonstration plots across the country.

Non-state actors

Traditionally, Ethiopia has limited experience in involving non-state actors in the policy process. Over the past 10 years, however, non-state actors have increasingly assumed significant roles in the Ethiopian Government and politics even though their practical contribution in terms of influencing government policy making and decision processes has yet to be seen, with perhaps the exception of the highly reputed Ethiopian Human Rights Council (EHRCO).

The Constitution states that “every person has the right to form associations for any cause or purpose.” However, civil society organizations (CSOs) play only a marginal role in influencing policy making and implementation processes pertaining to vital areas that affect themselves and society at large. For instance, close to 80% of the experts interviewed reported that CSOs are rarely or never consulted on conflict prevention and/or conflict resolution issues.

Civil society associations and organizations can only operate if they are duly registered within the Ministry of Justice and, according to almost half of the experts, they do not enjoy full and complete independence to provide an alternative voice for the citizenry or in promoting accountability and transparency in government as CSOs are subject to being closed down or harassed if in disagreement with the ruling party policy. A majority of expert respondents (70%) also affirmed that CSOs have little or no influence on government policies and programs.

The Constitution guarantees freedom of the press, and censorship is officially prohibited. However, the media in Ethiopia is controlled by the state, and the private press is subject to tight surveillance by the government. A recently drafted press law providing, among other things, for the imprisonment of journalists who make reporting errors, has been widely viewed as stifling the free press.

Institutional Capacity Building and Governance

The relation between strong, capable institutions and good governance has been clearly acknowledged by most African governments over recent years. Efficient and effective institutions are indeed understood to be essential prerequisites for establishing and entrenching a culture of accountability and transparency in the management of national affairs. Therefore, capacity in the context of the ECA project “Measuring and Monitoring Progress towards Good Governance in Africa” is about capacity to promote democratic governance, to improve the structures and institutions of economic policy making, invigorate the strength of civil society to contribute to national development, and create a context of social empowerment for the people – in which they can contribute meaningfully to decisions that affect their life chances and the developmental process.

Capacity has been described as representing the ‘missing link’ in the African development and democratization process, and this view is indeed amply supported by the evidence collected throughout the project countries. Despite the differing contexts and circumstances, certain capacity gaps appear to be cross-cutting, affecting both state and non-state actors and institutions throughout the continent. Without being exhaustive, some of the most critical capacity gaps that need to be addressed include the following:

- Most legislatures in Africa lack the necessary institutional capacities to perform their constitutionally mandated functions. Some of the most common deficiencies identified include inadequately educated legislators, who lack relevant knowledge, access to information, sophistication, freedom and independence that would enable them to perform their mandated duties efficiently and effectively.
- Judiciaries in many African countries do not enjoy operational independence as the Executive determines the appointment, promotion and remuneration of judicial officers. The prospects of career mobility for judges therefore largely depend on how well they can court and patronize the Executive. In most cases, the budget and funds of the Judiciary are controlled by the Ministry of Justice, creating lengthy bureaucratic procedures and often resulting in discriminatory funding used against ‘erring’ courts and judges.
- The capacity gaps cutting across the institutions of the Executive, including the central and regional/local government tiers, the civil service, public parastatals and the electoral authority, generally concern the employment of inadequately trained, remunerated and motivated human resources, which often results in corruption, misuse of office and poor government service delivery, especially at the decentralized levels of government.
- Capacity gaps also affect civil society organizations in Africa, which often fail to fulfill their role of expanding the political space and enhancing participation. Weaknesses include their internal organization, poor management and leadership skills, limited resources and human capacity, and concentration in African capitals, which limits their presence in rural areas where they are sometimes most needed.
- Many political parties across Africa are also largely failing to mobilize and aggregate public opinion. This is partly due to adverse regulations and practices imposed by ruling parties, and partly due to their weak leadership and internal governance structures, which limits their capability to effectively articulate issues, engage in meaningful and organized debates, and promote their political principles or visions of society.
- Finally, the private sector contribution to good governance remains inadequate across many African countries, which is often a consequence of unstable policy frameworks and unpredictable regulatory enforcement capacities. Furthermore, existing mechanisms for consultations and partnerships between the public and private sectors remain weak and unstructured, whilst only few African countries have adopted policies acknowledging the existence and promoting the development of the rapidly growing informal sectors towards the formal sector.

Whilst these are some of the most commonly observed shortcomings affecting the capacity of African states, each country also has its own, specific capacity issues to address and prioritize in

light of both, the differing stages of development with regards to the capacities of institutions of governance, and of existing resource constraints. Therefore, there must be flexibility and a considerable degree of local ownership in the identification and prioritization of capacity building requirements. In the case of Ethiopia some of the specific capacity gaps identified in the study are being discussed below.

Major capacity gap areas identified in the country study

Without being exhaustive, nor necessarily in order of priority, some of the major capacity gaps identified in the Ethiopian Country Report include the following:

- To further consolidate a conducive environment for competitive politics and to enhance the legitimacy and transparency of the electoral process, the capacity and independence of the National Electoral Board to conduct free and fair elections need to be substantially strengthened.
- The effectiveness of the Legislature, the civil service, local governments and political parties suffers from a lack of adequately trained and educated human resources. Regular, accelerated short-term trainings could address this issue effectively.
- The principles guiding the appointment, promotion and career development of civil servants, including the law enforcement organs, need to be enforced to improve their motivation and capacity.
- Local governments need to be equipped with the adequate authority, physical and human resources to discharge their duties and deliver services more effectively, especially with regards to the poor and women.
- The interface between the Government and civil society, as well as government and the private sector needs more structured to enhance their contribution and influence in the policy-making process.
- Public watchdog institutions need to be strengthened and provided with adequate oversight and enforcement powers as well as resources to enhance the transparency and accountability of government actions.
- Civil society organizations and private media suffer from a lack of access to resources, which is partly due to an adverse regulatory environment discouraging their growth and capacity development.

Measures to address capacity gaps within state and non-state actors

Seeking to address some of the above issues, the government developed a multi-sectoral national capacity building strategy which is being implemented by the Ministry of Capacity Building established for the purpose of coordinating the different capacity building efforts throughout the country. The capacity building strategy upholds the principles of decentralization, regional autonomy and efficiency and its basic tenets are to lessen the role of the state in the economy in favor of the private sector, to enhance popular participation in economic management across sectors and regions and to promote good governance, accountability and transparency.

The capacity building programs currently implemented in the public sector are being applied at the levels of higher education and vocational trainings, civil service, justice system and tax system reforms, district level decentralization, urban management and development, access to information and communication technologies, as well as civil society and NGOs. The capacity building programs also include the private sector, and more specifically the construction sector, co-operative development, as well as the textile and garment industry.

Enhancing the capacity of the Legislature is also an important component of the government's "Comprehensive Strategic Public Sector Capacity Building Program". The program aims to enhance the capacity of the legislature by enhancing the institutional capacity of parliamentary and affiliated organs including skills upgrading for members of parliament on parliamentary procedures and upgrading their legal skills; and enhancing the institutional capacity of legislative and affiliated organs, systems and processes of law making and related tasks. Similar capacity-building measures have developed for the Judiciary and Executive branches of government.

Finally, the PRSP process provided a window of opportunity to non-state actors to influence public policy-making and enhance their capacity in this regard by forming a partnership between NGOs and civil society organizations under the umbrella of the Christian Relief and Development Association (CRDA). The main objective of this exercise was to influence the policies and priorities of the government as contained in the strategic document.

Annex I: ECA Project on “Measuring and Monitoring Progress towards Good Governance in Africa”

The Economic Commission for Africa conceived of this project in the late 1990s in response to the emerging consensus that good governance is central to Africa’s development agenda and progress, as well as to the growing demand for sustained improvements to Africa’s governance situation.

The project has been conducted in phases; by the end of 2003, it encompassed the following 28 countries:

Benin, Botswana, Burkina Faso, Cameroon, Chad, Egypt, Ethiopia, Gabon, Gambia, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

Plans for 2004-2006 include adding some 12 additional countries to the study.

Project Groundwork

In order to conceptualize the project, ECA convened a series of workshops in 1999, tapping on expertise from within the continent and outside, consulting widely with relevant universities, research institutions and organizations, such as the Organization of Economic Co-operation and Development (OECD), the United Nations Development Program (UNDP), and the African Development Bank (ADB), Organization of African Unity (OAU), and many others with the following objectives in mind:

- To agree on the components of good governance, in all its dimensions, taking into account the disparate cultural, historical, and other socio-political factors across the African continent. A call for the development of a list of qualitative and quantitative indicators to measure governance emerged.
- To establish criteria for measuring and monitoring governance in the face of the disparate historical, socio-political, and economic disparities among African states. The need to create a dynamic mechanism for periodic cross-national assessment of the performance of African states thus became a central element to the advancement of good governance on the continent.
- To identify ways and means to create and sustain Africa’s ownership and commitment to good governance norms and practices in the context of African realities. Consensus building among the various stakeholders, especially between civil society and the state, was deemed essential.
- To build research capacity in the area of governance.

Methodology

A research instrument with three components was designed to obtain information on the state of governance in Africa, as reflected by the political, economic, and social affairs in each country. The three research components consist of:

- An opinion-based study using a national Expert Panel, comprised of a group of national experts whose numbers ranged from about 70 to about 120 across project countries. In each of the 28 project countries, members of the Expert Panel were carefully drawn to ensure representation with regard to age, social status, education and field of training, political orientation, the private sector, civil society organizations, and ethnic, regional and religious background as well as gender balance.

The research instrument was in 'cafeteria' format, and it was formulated and fine-tuned by distinguished groups of experts on Africa in conferences held at ECA in September 1999, March 2000 and April 2001, and then subjected to a pre-test in South Africa and Benin before the final project launch in October 2001. The subject matter of the research encompassed: (i) Political Representation, which included the political system, distribution of power, political party freedom and security and the credibility of the electoral process; (ii) Institutional effectiveness and accountability, which included the effectiveness of the three branches of government, with some emphasis on the Executive branch; (iii) Human Rights and Rule of Law; (iv) Civil Society Organizations, which looked into their independence, operational environment and their effectiveness; and (v) Economic Management, which looked into investment policies, the tax system and the impact of corruption. Once collected, the data from each Expert Panel study were further subjected to rigid quality control to ensure that they were consistent and reliable.

- A national sample survey using a stratified two-stage probability sample ranging from some 1,300 to 3,000 households across Africa to represent a cross-section of the population (i.e., rural and urban, poor and middle class, the educated and the illiterate) to gauge perceptions of principal national problems and the accessibility, adequacy, and efficiency of government services.

The questionnaire for the national household surveys was in closed form. It was jointly designed by experts at ECA and by external partners who have had rich research experience in related studies in several countries. However, the implementation of the household surveys was left entirely to research collaborators in each project country, but close quality control was undertaken by ECA to ensure that all surveys had national coverage and were sound in scientific design and implementation.

The household sample survey in each project country was carried out either in close collaboration with the National Statistical Office, or with the principal sampling experts of the same office, to ensure that it utilized the official sampling frame, stratification, and survey infrastructure so as to enhance the credibility of the final outcome. Consistent with sound scientific survey practice, details on sampling methodology, measures of error, copies of all research instruments and other relevant information are provided in appendices of all country reports.

- Desk-based research of factual information and hard data to supplement and complement the Expert Panel perceptions and national household surveys.

Project Implementation

Preparation and pre-testing of research instruments

The preparation of the research instruments was completed by mid-2001. The instruments were then pre-tested in Benin in August 2001 and South Africa in September 2001. As a result, minor modifications were made to ensure validity and technical soundness.

Selection of collaborating institutions

Only national organizations were considered to conduct the studies. Capacity assessment missions were undertaken to identify research institutions to partake in a highly competitive bidding process, which resulted in the selection of a single collaborating partner or consortium per country. In the case of Ethiopia, five institutions were invited to submit bids, only two did so, and one was selected.

Pre-launch workshops

Selected research institutions were invited to a 3-day Pre-launch Workshop at ECA in August 2002 to familiarize them with the methodology to ensure cross-national comparability of research

implementation, and to agree on the work plan for each country based on a master work plan proposed by ECA.

National launch workshops

Each country held a National Launch Workshop with representatives of government, civil society, and other stakeholder groups to introduce the project, promote a suitable implementation environment and ensure the development of national ownership. The National Launch Workshop for Ethiopia was held on September 20, 2002.

National country reports

The collaborating institutions collected the data, obtained ECA's quality control clearance, analyzed it, and produced the National Country Report. ECA provided technical oversight to ensure conformity with its detailed instructions and agreed-upon work plans and report formats, and reviewed the final results.

National stakeholder and sub-regional workshops

The National Country Reports were presented at National Stakeholders Workshops in each country and subsequently at three Sub-regional Workshops (North Africa and the Horn, Southern and Eastern Africa, and West and Central Africa) during the months of November and December 2003.

African Governance Report (AGR)

The inaugural issue of the African Governance Report, a new ECA biennial, is being produced as a synthesis of the first 28 National Country Reports. The Overview will be presented to African Heads of State and all key stakeholders at the Fourth African Development Forum (ADF IV), 11-16 October 2004, in Addis Ababa, Ethiopia.

Annex II: Basic Data

	1998	2001	2002
Land area ('000 square kilometers)	1097
Population (millions)	61.3	65.8	67.3
Life expectancy (years)	42.2	42.1
Illiteracy total (% aged 15 and above)	63.2	59.7	58.5
Illiteracy female (% aged 15 and above)	71.4	67.6	66.2
GDP (current US\$ billions)	6.5	6.2	6.0
GDP growth (annual %)	-1.2	7.7	5.0

Source: <http://www.worldbank.org/data/countrydata/countrydata.html>.

