

4.3.2 Situation in Artisanal Mining

a) Road

Artisanal mining areas in the country are generally not easily accessible by road. Senkelle is located near the asphalt road connecting Ambo to Nekemte. One of the greatest advantages gained for the development of this sandstone deposit site is that, this main asphalt road crosses very near to the working quarry faces providing access to markets.

The only all weather road running from Shakisso to Hageremariam provides access to Hayadima area. Artisanal miners and residents of the area use tracks branching from the main road all the year round.

b) Water Supply and Electricity

Water is a very scarce commodity in general and as such the artisanal mining areas suffer from lack of safe water. In Hayadima the community mainly depends upon the water from the AGME pipeline of about 20 km coming from Mormora River for the purpose of hydraulic placer gold washing and panning. In Senkelle, water from rivers and springs is used for household consumption. Generally, the artisanal mining areas lack electric power connection.

c) Health and Sanitation

Basic health services are scarce in artisanal mining areas in general. For instance in Hayadima which is located about 60 km from Shakisso the population is being served by only one health post with two health assistants. Sanitary provisions are lacking. The whole population of Senkelle depends on health service facilities in Ambo town, which is about 5 km from the kebele.

d) Housing

Dwellings are built from poor quality materials such as mud walls, thatched roofs etc. In Hayadima in particular walls are made from mud reed or plastic material (which is very common) while roofs are covered with plastics or *waro*.

4.3.3 Institutional Support and Services

At the regional states have responsibility for construction and maintenance of rural roads, in Oromia the Regional Road Authority is handling the development of roads. Electricity and telecommunication service are rendered by Ethiopian Electric Power Corporation and Ethiopian Telecommunication Cooperation respectively. Water supply is decentralized and managed by the regional bureaus.

4.3.4 Issues Arising and Recommendations

The mining industry is highly dependent on the availability of infrastructure. The development of mineral deposits other than those of the very high value and low bulk minerals such as gold and platinum will be constrained by the low level of development of the infrastructure in the country.

In both, case study areas, the development of infrastructure facilities and social services such as water supply, electricity, road networks and communication facilities are generally not adequate.

On the other hand, many of the existing mineral and rock deposits potential are located in remote areas that are difficult to access, and thus their exploration and development require investment in infrastructure.

One of the acute infrastructural problems of the Hayadima case study area is the lack of water supply which has affected the placer mining activities. Although water is not scarce in the target are, Hayadima, adequate water supply facilities are not in place to supply

water to the existing artisanal mining sites. At present, the artisanal mining sites at and surrounding Hayadima area, mainly depends for their water supply at the Adola Gold Mines Enterprise (AGME) water pipe line extended from Mormora river (about 28kms) for hydraulicking placer gold washing.

AGME is the only placer gold mining organization in the region, with gradual production fall (i.e. the number of operational mining sites at a time were used to be in average from 3-4 sites per annum but now there exist only one site under operation) because of lack of financial and easily mineable deposits. This indicates that if the AGME is forced to stop operation in the Hayadima area, the consequence will highly affect the artisanal mining activities which could result in the absolute stoppage of the “wet gold processing method” doubling the current problems of the miners livelihood.

Therefore, if the problem of water supply continues to be the outstanding issue, then the study recommends one alternative/option i.e. the use of possibly “dry mining method” which is not yet properly implemented.

4.4 Building on Social Networks, Culture, Politics

Ethiopia is a multi ethnic state with a multitude of languages. It is home to around 80 ethnic group that vary in population size from 18 million to less than 100. Christianity and Islam are the main religions.

The cultural policy of Ethiopia has been promulgated in 1997. In the policy it is stated that the country’s historical and natural heritage shall be preserved and measures shall be taken to protect heritage from theft, illicit trafficking and illegal exchanges, expatriation and from all sorts of illegal merchandise and an appropriate precondition shall be arranged to protect sites of heritage from damages caused by construction works and other development activities. The heritage of the country shall be conserved and preserved in the manner that they retain their original state and artistic quality.

The study areas are located in one regional state, namely Oromia. But the livelihood patterns of the inhabitants in the study areas vary. In Oddo Shakisso the local inhabitants are pastoralists and agro-pastoralists who depend mainly on livestock husbandry and crop growing to a certain extent, while in Senkelle, the indigenous people are the highland farming community whose livelihood is mainly crop growing integrated with livestock rearing. The households keep small herds of livestock such as cattle for draft power and dairy animals.

They are semi-nomadic pastoralists with villages that are uprooted and moved several times a year. Elas or desert wells are their sources of water both for human beings and animals. They are often thirty meters deep or more and sunk by organized groups capable of mobilizing resources.

The Borena have many cultural attractions like the Borena Cave the paintings of which are said to be more than 5000 years old. The Gada system which is an ancient mode of administration exercised by Oromos was born in Borena where it is still practiced. It is based on organization of the society into age sets involving a complex system of stratification. Elders are in charge of the administration of justice and for maintaining law and order. An assembly takes place every eight years to review the law vis-a-vis the Gada system at an important cultural site in Borena known as Gumii Gayoo. The system services, among the Gujji Oromos, to a lesser extent as historical and cultural attractions and continues to influence many aspects of present day Oromo culture.

The highland artisanal groups in Senkelle are primarily farmers without oxen and land. Others with plough oxen and some tract of land are also involved in quarrying. In Shakisso, the local people, the Gujji constitute a small group in the mining sector. They are involved in gold mining to supplement their income, which is based on livestock husbandry. The majority of the artisanal miners are migrants from other parts of Ethiopia and work in-groups of 4-6 to dig for gold. They live in dilapidated shelters and eat in the local restaurants in the camps.

In terms of relation within a household, the migrant artisanal miners are largely bachelors, who depend on services provided in the camps, while the indigenous miners have household members who are involved in artisanal mining, farming, livestock husbandry and other productive activities.

Interfamily relationships in artisanal mining communities at the study areas are governed by rules established through traditions and community based organizations like *iddir*, *ekub*, *senbete*, (for the followers of the Ethiopian Orthodox church), Christian spiritual associations for protestants, *wenfel*, and *debo* for mutual assistance among the youth as well as adults. The traditional role of *idir* is at the time of death of members in terms of financial support in addition to services rendered at the house of the bereaved. Families establish mutual financial assistance programmes through *ekub* and raise funds for increasing their productive capacity and/or capability to provide amenities to members. They make contributions in cash and/or in kind to other families or individuals in their communities who have problems. Handicapped persons get financial and mutual support from neighbors. However, conflict of interest over land use exists. They are also engaged in trade, i.e., in producing and selling local drinks as well as supplying fuel wood to the market. In Borena area, women are responsible for the construction of dwellings. Hence, girls learn how to build huts from their mothers. They grow very close to their mothers assisting in household chores. Often, they are not given educational opportunities or are kept away from school. Boys are usually involved in outside activities like livestock herding, ploughing, planting, etc. They are given more opportunities to go to school than girls. The views of boys are given more weight in family matters. Husbands are heads of households and as such, have the final say on family affairs although wives are usually consulted.

In terms of inter-household relation, there is a symbiotic relation between the service providers and artisanal miners. The artisanal miners get credit facilities in terms of food and drinks from the service providers and pay back upon discovery of gold. Some of the service provides used to be x-miners as well. A relation of conflict among the

households is observed due to claiming of site for mining and quarrying, competition for jobs, etc.

Women play a vital role in the life of the Ethiopian society. Despite their immense contribution in the economic, social cultural and political activities they do not usually benefit adequately fully/from the fruits of their labour and are not given an equal chance to compete with men even if existing government policies stipulate that they are equal with men. The constitution of the country also states that there is a need for affirmative action to ensure the equality it envisages.

The role of the Ethiopian family is a main pillar in efforts to deal with poverty. This study supports such thesis. The culture of ingenuity “around which daily life is being organized for that purpose is indeed centered on the family. There has been a major gathering of forces at the household level, which corresponds to privatization of the struggle, in the absence of a welfare state and in the face of the limited governmental services the family has become a major source of support and of alternative strategies.

An element of this study was to investigate the extent to which collective efforts have been developed as has been the case with co-operatives in various other activities. Co-operatives are non-existent in the artisanal mining activities in the study areas (Hayadima and Senkelle). The private household or the individual is, therefore, left facing crisis alone with some help received only from the extended family or close friends. However, in Hayadima, given the mobility of the individual migrant artisanal miner this help was found to be rather small. In some cases a grandmother's or daughter's help in domestic work and child care is said to be useful for allowing the mother to participate in artisanal mining activities. In households seriously affected by poverty, the burden on the mother tends to be over-whelming. The usual problems of survival in this case are intensified by the tensions generated by inability to meet the household's needs and the awareness of sinking into grave livelihood problems.

For a large number of artisanal miners assistance from fellow workers in time of hardship represents efforts in gathering forces and pooling resources described by some interviewees as taking place in times of inability to find gold or when a friend is seriously ill. Thus, conscious efforts are made to avoid tensions within households in order to deal with most pressing issues.

The mining and quarrying enterprises are within the domain of the kebele Association and the safety and security of the miners is kept by this body. Whenever the miners face problems they approach the executive members of the kebele. The Kebele administration rules, regulations and obligations govern them.

Issues Arising and Recommendations

Regional and local governments are empowered to plan and implement policies and programmes to address their specific needs and circumstances as prescribed by the constitution. However, the exercise of political, economic and administrative authority is very weak below the regional level. Therefore, the key role good governance should play in creating the enabling environment and expediting attainment of sustainable livelihood should be adequately addressed. The efforts which are being made to devolve power to the district and lower levels are expected, among other things, to bring about efficient allocation and effective utilization of resources for poverty reduction and ensuring sustainable livelihood.

Artisanal miners have come from various places with differing cultural backgrounds. Their coming together at the sites will create a fusion of cultures. Moreover, the foreign video films which are made available at Hayadima will impact on these cultures.

Pastoralists, agro-pastoralists and farmers are losing their prime land to mines and quarry. Their land holding is diminishing from year to year. Moreover, death of humans and animals by falling into open pits left behind by miners has caused grievances among them.

It is necessary to devise method for the development of these cultures by making positive contributions to each other.

Adequate compensation should be paid to the traditional users of the land so as to avoid conflict and confrontation with the government. The artisanal miners must respect their obligation to fill open pits. Artisanal miners' trade union should be promoted in order to enable those in paid employment to safeguard their interests.

4.5 Developing Human Capacity

4.5.1 Policy Environment

Developing human capacity is a key issue in poverty reduction. Capacity to earn income is obviously the most important factor in raising the standard of living of people or lifting households out of poverty. Good health, strength and education are essential for earning income. But, development of the social sector has been severely constrained by poverty, backwardness and inappropriate policies in Ethiopia. Thus, there are serious limitations regarding access to basic social services. It is, therefore, important to treat some of the basic issues that need to be addressed in this context.

A basic point to be raised in this connection is the government's commitment to create a policy environment which is conducive for human capacity building and poverty reduction. This commitment is shown by the increase in government capital spending on health and education, from less than 10 percent to about 24 percent between 1991/92 and 1997/98¹³. With regard to education and training it is worth noting that the country's previous curricula have been criticized for being too academic without matching with the reality in the world of work. As a result a new education and training policy has been adopted in 1994.

¹³ The Government of Ethiopia- Country Presentation to the Third United Nations Conference on the least developed Countries, Brussels, 14-20 May 2001.

The general objectives of the education and training policy are:

- to develop the physical and mental potential and the problem solving capacity of individuals by expanding education and in particular by providing basic education for all.
- To bringing up citizens who can taken care of and utilize resources wisely, who are trained in various skills, by raising the private and social benefits of education to produce citizens who respect human rights, stand for the well-being of people, as well as for equality, justice and peace, endowed with democratic culture and discipline.
- To bring up citizens who differentiate harmful practices from useful ones, appreciate aesthetics and show positive attitude towards the development and dissemination of science and technology in society.
- To cultivate the cognitive, creative, productive and appreciative potential of citizens by appropriately relating education to environment and social needs.

Among the specific objectives of the policy are to:

- Promote relevant and appropriate education and training through formal and non-formal programmes.
- Provide basic education and integrated knowledge at various levels of vocational training.
- Satisfy the country's need for skilled manpower by providing training in various skills and at different levels.
- Make education, training and research be appropriately integrated with development by focusing on research.

Based on the policy, the 20 years education sector development programme (ESDP) has been designed and the first five-year period of the programme is nearing completion. Vocational and technical education institutions are established both by government and private investors. On-the-job post entry and skill upgrading training and apprenticeship are also offered.

In brief, the policy envisages that citizens in whom humane outlook, countrywide responsibility and democratic values have been inculcated will be brought up with the necessary productive, creative and appreciative capacity in order to participate fruitfully in development and utilization of resources and the environment.

4.5.2 Status of Education

Illiteracy is very high in the artisanal mining communities. Even those who have had some education did not, in most cases, go beyond grade 4 or 5. Shortage of means of livelihood and lack of educational facilities poses major problems negatively affecting human development in the kebeles. For example, there is only one school built by the community at Bore *Shet* of the Hayadima area teaching up to grade 3 with a total enrollment of 225 at the beginning of the current academic year. Of these about 14% dropped out by the middle of the year. (see tables 4.1 and 4.2 for details). As its capacity is very limited it is unable to admit more children. As matter of fact, information obtained from the Director reveals that about 70 applicants had to be turned away because of this reason.

School dropouts as well as other children who have no possibility to go to school work as artisanal miners in the two study areas in order to augment the incomes of their parents. Apart from facing hard work they are exposed to occupational hazards. Their future is indeed gloomy in the absence of socio-economic development programmes in the kebele.

Table 4-1: Enrolment and Dropouts in Bore *Shet* School in Hayadima in the year 2000/2001

Ser .No	Grade	Enrolment			Dropouts			Dropouts Rate in %		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
1	Grade 1	82	25	107	24	9	33	29.3	36	30.8
2	Grade 2	58	9	67	3	2	5	5.2	22.2	7.5
3	Grade 3	20	12	32	0	1	1	0	8.3	3.1
	Total G. 1,2 &3	160	46	206	27	12	39	16.9	26.1	18.9

Source: Bore *Shet* School

Table 4-2: Enrolment and Dropouts in Bore Shet School in Hayadima in the year 2001/2002 (Half year)

Ser .No	Grade	Enrolment			Dropouts			Dropouts Rate in %		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
1	Grade 1	62	23	85	13	6	19	21	26.1	22.4
2	Grade 2	61	14	75	7	0	7	11.5	0	9.3
3	Grade 3	58	7	65	3	2	5	5.2	28.6	7.7
	Total G. 1,2 &3	181	44	225	23	8	31	12.7	18.2	13.8

Source: Bore *Shet* School

4.5.3 Issue Arising and Recommendations

- The educational policy of 1994 focuses mainly on basic education, professional development, and technical and vocational training for the formal sector. It does not include training the informal sector which requires a special treatment.
- The vocational training is not designed to be responsive to the labor market situation of the country.
- Although a lot of discussion has been going on in different forums to address the lack of relevance of training in Ethiopia, this has not been sufficiently implemented to make the training demand driven.
- Much is not said about quality control of training
- There is no strategy for tracer study of graduates.

Although the participation rate in education has increased some discrepancy is observed between males and females. Access to education has shown a much greater increase for males.

In line with the Education Policy, measures must be taken to prompt increased access to education, especially for girls and to make it more relevant to societal and personal needs. Relevant training programmes should also be organized for increasing the productivity of artisanal miners as a means of improving their incomes and livelihoods.

4.6 Safeguarding Human Resources

4.6.1 Policy Environment

Providing health services and preventive measures against diseases and occupational hazards is essential for safeguarding human resources from diseases and industrial accidents in order to maintain a healthy human resource.

The policies for health and occupational safety put in place by the FDRE are included in various legislations. The National Health Policy which is an outcome of a critical examination of the nature, magnitude and root causes of the prevailing health problems of the country has the following elements and priorities.

- Democratization and decentralization of the health service system.
- Development of the preventive and primitive components of health care;
- Development of an equitable and acceptable standard of health service system that will reach all segments of the population within the limits of resources;
- Promoting and strengthening of intersectoral activities;
- Promotion of attitudes and practices conducive to the strengthening of national self-reliance in health development by mobilization and maximally utilizing internal and external resources;
- Assurance of accessibility of health care for all segments of the population;
- Working closely with neighboring countries, regional and international organizations to share information and strengthen collaboration in all activities contributory to health development including the control of factors detrimental to health;
- Development of appropriate capacity building based on assessed needs;
- Provision of health care for the population on a scheme of payment according to ability with special assistance mechanisms for those who cannot afford to pay;

- Promotion of the participation of the private sector and non-governmental organizations in health care priorities of the policy include;
- Information, education and communication (IEC);
- Promotion of occupational health and safety;
- Development of environmental health;
- Rehabilitation of the health infrastructure and;
- Development of an appropriate health service management;
- Development of human resources particularly emphasizing the increase of front-line and middle level health personnel;
- Provision of medicine and medical equipments.

The health development strategy is designed to cover twenty years with a series of five-year programmes. The first Health Sector Development (HSDP) like the National Health Policy is a result of critical examination of the health problems of the country. It gives due emphasis to the needs of the rural population which constitute the overwhelming majority.

4.6.2 Situation in Artisanal Mining

Artisanal mining activity is probably the most hazardous of any occupation. No safety security procedure is considered in artisanal mining activity. During pitting work the air ventilation and illumination/lighting service is insufficient. There is lack of protective measures to prevent the landslide in the pit.

Artisanal mining operators mostly live in small huts which are made from dry wood materials and the roofs are covered with grasses and plastics which can protect them from the sun, rain or the cold during the night. No proper medicines and medical facilities are made available. Poor quality and poorly maintained drinking and processing water is used causing serious water born disease.

Prevailing diseases in Hayadima study site consist of:

- Malaria

- Bloody diarrhea which affects especially children because of malnutrition and lack of sanitation.
- Parasites
- Typhoid
- Pneumonia
- Tuberculosis (T.B.)
- Symptoms of HIV/AIDS are observed in association with the last two diseases by the health staff in the district health center.

HIV/AIDS

Ethiopia is one of the sub-Saharan countries highly affected by HIV/AIDS. At present it ranks third in number of reported cases. Since the beginning of the epidemic in 1984 till June 2000, 83,487 cases were reported to the Ministry of Health. This figure only the visible part of the epidemic as all AIDS cases are not reported because of lack of means of blood testing and other reasons. A total of 2.9 million persons are estimated to live with the virus in the country and out of these, 250,000 are below age five (Ministry of Health 2000). About 750,000 children are estimated to have been orphaned by AIDS.

In the two case study areas, Woreda and Kebele health staff suspect that incidence of HIV/AIDS is rapidly increasing although testing has not been undertaken widely. The main mechanism of transmission is reported to be multi partner sexual contacts and unsafe injections. The underlying factors for the spread of the disease recognized by key informants include prostitution, economic migration, low awareness of the disease, gender inequality resulting in the inability of women to negotiate about sex, taboo and presence of a considerable number of ex-soldiers. With regard to impact of the disease, the loss of young adults in their most productive years of life will certainly affect over all economic output and growth of the district or for that matter the country affecting human and social capital. Among others the disease reduces productivity causes death or incapacitation of income earners and increases pressure on women to earn income as well as care for the sick.

Despite the rapid increase of the disease, no sensitization is undertaken at both study areas. A committee which is recently set up in Senkelle to involve the elderly, “eders”, the Orthodox church and the school is not yet operational – No concrete steps are taken to combat the problem in Hayadima.

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4.6.3 Institutional Support and Services

- Malaria: spraying and distribution of anti-malaria medicine.
- HIV/AIDS: one sensitization effort through the joint action of the woreda Health Office and WIBS.

Health Facilities

- One hospital set up in Odo-Shakisso for providing service to the staff of AGME and their families giving service to other residents of the district.
- One health post in Hayadima to give service to the kebele residents.
- Medical staff of the hospital comprising of 2 doctors, 1 senior nurse, and 12 health assistants.
- Medical staff under the supervision of the district health office: 9 health assistants, 4 junior nurses and 2 primary health workers of these 1 health assistant and 1 primary health worker are posted at the Hayadima Health Post.

4.6.4 Issues Arising and Recommendations

a) Limitation of Health Institutions

The number of health institutions in the artisanal mining areas is too small when compared to the size of the population. Moreover, the lack of capacity of the existing institutions in terms of skilled manpower, equipments and medicine is another factor which affects negatively the extent and intensity of services.

It is also noted from the PRA in Hayadima that the existing trained staff in government health institutions do not give enough attention or proper treatment to clients. Medicine is difficult to obtain in the artisanal mining areas because pharmacies or drug stores are found in distant towns or villages. When it is available in nearby villages it is sold by unprofessional persons. Hayadima is a site where such a situation prevails.

Budgetary provisions should be increased in order to strengthen existing health institutions (health posts, clinics etc) in terms of staff and equipment and establish new ones. Provision of health education as well as basic health services to artisanal miners must also be given due attention in planning additional health services in order to alleviate the problem.

b) Absence of Sanitation Facilities

Unplanned in-migration of people from other regions has created congestion in the settlements in Hayadima where temporary (make shift) dwellings are built without any sanitary provision. Two or three persons squeeze in 2 sq.m space. Nobody seems to bother about building latrines. Garbage is disposed of haphazardly around dwellings. The environmental conditions are so bad that they expose the settlers to epidemic diseases.

The situation obviously requires a greater attention of the government for being improved. However, it demands contributions from all concerned bodies, i.e., the

artisanal miners themselves, NGO's and donors should also be made to regulate the inflow of miners receiving ends by designing suitable strategies for concerned Regional States.

meaningful in the long term. Attempts should be made to regulate the inflow of miners both at the source and the receiving ends by designing suitable strategies and enlisting the co-operation of

c) Need for Health Education

The knowledge of artisanal miners about health issues in their communities on prevention of diseases is very limited. Therefore, health education programmes should be expanded in mining areas.

issues is very limited. Activity of health education and sensitization is very limited. It should include artisanal miners.

d) Poor Occupational Safety

Occupational safety and health measures are not being taken. Nobody takes heed of the hazardous working conditions. Measures must be taken to implement the provisions of proclaimed laws. The institutional framework of the Bureau of Labour and Social Affairs has to be strengthened at different levels (Region, zone and district) if inspection services are to be provided at regular intervals.

at the artisanal mining sites. Measures must be taken to implement the provisions of Law No. 42 of 1990 and other relevant laws. The Bureau of Labour and Social Affairs has to be strengthened at different levels (Region, zone and district) if inspection services are to be provided at regular intervals.

5 INSTITUTIONS INVOLVED IN BUILDING A PROCESS FOR DEVELOPING SUSTAINABLE LIVELIHOODS AMONG ARTISANAL MINING COMMUNITIES

5.1 Community Participation In Development Efforts

5.1.1 Introduction

Sustainability of projects depends largely upon the extent of community participation in issues involving them. It is important that communities actively participate in the identification of priority action areas so as to solve the myriad of problems that keep them in poverty. Kebeles, e.g. Hayadima and Senkelle – Farsi, the lowest formal administrative units, are expected to create conducive environment for community participation. However, due to lack of capacity, they are not able to ensure that rural people are active and involved in their own development.

5.1.2 Community Based Planning

As districts are the lowest (primary) level hierarchies, they are also the lowest planning units. In the whole exercise of development planning as practiced in the region, the role of communities in influencing the development planning process is minimal. An exception is the experience Ethiopian Social Rehabilitation and Development Fund (ESRDF) in which beneficiary communities played crucial roles from planning up to implementation phase of projects. Project Committees are formed to organize to communities. The communities are required to contribute 10% of the total project cost in the form of labor, material, or in cash. Together with the responsible government offices, the communities are also responsible for the award of project contracts. The communities are given training in project monitoring and they actively monitor the progress of the project. No payment is made to contractors unless otherwise the community project committees agree that the activity has been accomplished as originally planned. The

communities have shown that given appropriate training, they are able to see whether or not an activity is up to the desired quality.

In projects financed from government budget, the contribution of communities per se is insignificant. The contribution, which is often taken for participation, comes at the implementation phase of the project.

5.1.3 Role of Communities in Maintenance and Running of Projects

After the completion of projects, the maintenance and operation of service giving facilities is largely the responsibility of government. But that does not mean communities have no role in the maintenance and running of projects. In such projects as irrigation facilities and water supply schemes, committees from the beneficiaries are formed and trained in the day-to-day running of projects and minor maintenances. Large-scale maintenances are done by offices/departments responsible for such schemes.

Generally speaking, the role of communities in planning and implementation is weak. The following are some of the problems contributing to the weak role of communities:

- Inability by development professionals to see the communities as equal partners in development;
- Low level of awareness by communities regarding the right to participate in issues affecting them;
- The absence of mechanisms for participation of the communities: Apart from the rhetoric of the benefits of community participation, how to operationalize it is not clear.

5.1.4 Building the Capacities of Communities to Manage Development

Effective participation of communities in managing development requires capacity building in terms of manpower, developing institutions and effective working practices.

Kebeles lack capacity in terms of all of the aspects of capacity mentioned above. At present building the capacity of, especially of the lower tiers of government, is top on the agenda of the government. The lower levels of government often lack adequate organizational, administrative and technical skills to design and implement development programs and projects.

According to the current restructuring process that is being undertaken in the country, Kebeles are going to be reorganized in such a way that they have three branches of government, viz., Kebele councils (legislative branch), executive branch (Kebele cabinets) and Kebele social courts.

Apart from this, the assignment of technical staff to districts is being carried out so as to enhance the capacity of the local government in terms of organizational aspects. This, however, is not enough. As there is shortage of skilled manpower in general, providing training to the existing staff and members of the communities is an alternative solution. Training community organizations can empower the communities to better identify and prioritize their needs and develop strategies to meet them¹⁴.

5.1.5 Issues Arising and Recommendations

With decentralization top on the agenda of the regional as well as the federal government, an important issue that arises is whether or not the decentralization process delivers the promised result. It is believed that decentralization is going to improve the quality of service delivery because it makes it relatively easier to better incorporate local needs more effectively than it is without decentralization.

The reorganization of the Kebeles is particularly believed to contribute to this through encouraging genuine participation. All assumptions about decentralization may not hold if there is no genuine participation. While moving the level of decision making closer to the people may reflect local needs better than the conditions under which the decision

¹⁴ The World Bank (1996). The World Bank Participation Sourcebook. Washington, D.C.

making is far removed, it is not a guarantee that it is the complete reflection of the actual local priorities. Therefore, in addition to the formal institutional mechanisms of participation through local representatives, alternative local mechanisms for participation should be explored. There are wide varieties of local informal institutions such as *Idir*, *Iqub*, *Debo*, etc that should be explored to make the participatory process more effective.

Participation of the community in the planning process is not institutionalized which means that the provision of services largely depends on the working practices of the concerned service providers. Ideally, the planning of projects should start from the communities. In the absence of institutionalized participation, there is no way of ensuring the existence of genuine participation. There is the need for developing guidelines for operationalizing participation that takes local realities into consideration.

Genuine participation also requires capacity building. As indicated above, communities lack administrative, organizational and technical capacity to plan and implement development plans and projects.

The communities have several ways of managing their own affairs, especially the social ones. Through local institutions, they make laws and abide by them. But there is no support from the formal institutional structures to enforce such local laws on those who refuse to abide by them. Results from the consultation process held at Woreda levels regarding the formulation of Poverty Reduction Strategy Paper of Ethiopia substantiate this assertion. The participants of the consultations have indicated that though local elders came together and passed laws in order to put an end to harmful local practices such as abduction of girls, they had no support from the Woreda administrations to enforce their laws¹. It is therefore essential that local informal institutions and formal institutions are better integrated and supportive of the others' actions that are oriented towards the reduction of poverty.

The above-mentioned report has also shown that communities are not aware of their role in monitoring the activities of elected officials. They are not aware of their constitutional

rights. The decentralization process that is being undertaken is not going to yield the desired results if communities do not monitor the activities of their representatives. Making this happen requires awareness creation at community level regarding the rights and duties of the communities in order to enable the artisanal miners to organize themselves, make their voices heard and to be active participants in the development process. In other words, effective democratic form of governance is yet to develop.

5.2 Development Efforts at District Level

5.2.1 Introduction

Districts constitute an important local government structures. According to proclamation number 7/1992 which for the first time provided for the establishment of tiers of government within the spirit of federal arrangement, “the basic unit of hierarchy of every national/regional transitional self-government shall be the Woreda”¹⁵ ii. The Woreda administrations were given all the powers necessary to prepare, determine and implement within its own areas plans concerning social services and economic development.

Legislative powers at Woreda level are entrusted with the Woreda councils. Council members are elected by the residents of each Kebele in the district on the basis of direct and free elections. Members of district councils are accountable to their electorate.

Districts, though identified as lowest administrative hierarchies with legislative powers, haven’t exercised such powers.

Woredas, as opposed to Regions, are not well-defined entities. It is up to the Region to decide on the boundaries of Woredas. Number of Woredas goes up or down depending

¹⁵ Transitional government of Ethiopia (1992). Proclamation #7/1992. Addis Ababa

on administrative conveniences. Regions, on the other hand, are “delimited on the basis of the settlement patterns, languages, identity and consent of the people concerned”¹⁶.

5.2.2 Services Provided

Three important legal documents govern the provision of services at district level. These are:

- Proclamation number 7/1992;
- The Constitution of Federal Democratic Republic Ethiopia;
- The Regional Constitution;

While proclamation number 7/1992 provided for the establishment of the administrative hierarchies of the country, Regional and Federal Constitutions on the other hand further strengthened the intention of the government to devolve power to lowest levels of government.

The Constitution of FDRE provides for the overall legal framework within which the allocations of tasks between various tiers of government are made. Article 50 (4) of the constitution states that adequate power shall be granted to the lowest level of government to enable the people to participate directly in the administration of such units.¹⁷ This was further operationalized when the tasks to be performed at district level were further elaborated in the Constitutions of the Regions. According to the regional constitution of Oromia, the largest regional state in Ethiopia, for example, the districts shall have different organs with legislative, executive and judiciary powers. The regional constitution also provides the basis for the allocation of responsibilities in the delivery of

¹⁶ Federal Democratic Republic of Ethiopia (1995). The Constitution of Federal Democratic Republic of Ethiopia. Addis Ababa.

¹⁷ Ibid

services between regional and district levels. The districts, among other things, perform the delivery of the following services.¹⁸

- Administration of all primary and lower secondary schools;
- Administration of intermediate public health establishments;
- Construct and maintain lower level feeder roads in the rural areas;
- Preserve and administer basic agricultural services and natural resources;
- Deliberate up on and approve plans and programs with regard to social services, economic development and public administration of the district;
- Mobilize the populace for development activities;
- Ensure peace and security in the district.

As shown above, the districts were given substantial powers. However, the powers of the districts remained unexercised because of the fact that all the necessary branches of government were not fully established in all districts.

Apart from organizational constraints, the districts were further constrained by the shortage of skilled manpower in all fields. Similarly not all offices were established in all districts and the organizational strengths of sector offices varied from district to district. The result of such organizational handicap on the delivery of services in terms of quality and quantity is evident.

The districts have not also exercised their power of deliberating and approving plans and programs because of the fact that they did not have adequate financial capacity to do so. The Region controlled the utilization of available financial resources, which put effective power in the hand of the region. In the delivery of services, districts remained implementers of directives from zonal and regional levels. All the decisions were made at either zonal or regional level. While some of the services were delivered at district level (including agricultural extension services, primary education, primary health care

¹⁸ Regional Government of Oromia (1995). The Regional Constitution of Oromia National Regional State. Addis Ababa.

including vaccination), decisions involving the financing of such services are made at regional level, with zones having considerable influence on the decisions that are being made at regional level. It is, therefore, difficult to attribute the district budget to a single particular service with a given sector. The bulk of services provided by the districts are in areas of education and health services followed by agriculture.

At the moment, the shortcomings of the previous state of affairs in decision-making are being recognized. Attempts are being made to push the decentralization process further down to the district level—a move that is long overdue considering the fact that the decentralization process started almost a decade ago. Starting from the next fiscal year (July 8, 2002), all districts will be allocated block grants over which they will have full control over its utilization. Necessary conditions are also being put in place to assign skilled employees from zonal and regional levels down to Woreda level. The new restructuring process also involves the establishment of Sector Offices that were not established up to now.

5.2.3 Quality and Client Focus of Services

The standard of delivery of services at district level is generally poor. Factors contributing to this state of affairs are shortage of service-giving facilities, shortage of skilled manpower within the available facilities, shortage of budget and limited institutional setup of the districts (not all organs of government are established at district level). This applies to the provision of primary education, health care services, agricultural extension services and credit services.

5.2.4 Planning Process¹⁹

The discussion in the above sections have shown that district have substantial legal power to make decisions, which largely remained unexercised. This, however, does not mean

¹⁹ The following discussion is based on the experience up to now. With the decentralization process gaining momentum at the present, district are going to be allocated block grants, which substantially changes the planning at district level.

that in the process of decision-making at higher levels, the districts are not consulted. The districts had very important contribution in the planning process adopted by the region. They had important roles in identifying priority areas, though they had no power to influence the allocation of financial resources and the decision regarding whether to accept a particular project or to reject it lies at the regional level. The districts were systematically consulted in order to ensure that the decisions made at regional level are based on, and are the reflections of actual conditions at district level.

The planning approach at all levels is sectoral as well as spatial. Each year, all the districts within a particular zone submit their own plans (though without any ceiling) which highlights the felt-needs of the people of the district. At the same time, sectoral offices at district level submit a copy of their plan submitted to district offices to their parent office at zonal level. District plans, which are submitted to zonal office of administration as well as zonal planning body (the Department of Finance and Economic Development), are the reflections of district priorities. District plans are the consolidations of sectoral plans at district level. They are submitted to zonal level organs only after careful deliberation by the Executive Committee of the District Council.

The planning process at the district level is constrained by the absence of planning body at this level. This is a manifestation or a reflection of the extent to which the powers and functions of the district remain unexercised. The present restructuring process is expected to alleviate this problem as a planning body is going to be established at district level.

The district plans, which are submitted to the zonal planning and economic development office also play the role of checking whether or not the plans submitted by zonal sector offices to the department of finance and economic development reflect the local priorities. In case priority area plans submitted by the districts and plans submitted by zonal sector departments do not agree, the plans submitted by districts take the upper hand. Districts decide, for example, the site of projects and no one above the district level has the authority to change this decision.

While districts have considerable roles in the delivery of services, it is a different story when it comes to the implementation of projects. Award of contracts and monitoring and supervision of projects are undertaken by offices at zonal level. The manner in which projects are monitored and coordinated is discussed under section 14.5.

Zonal offices of finance and economic development play key role in the overall planning process. Zonal offices of finance and economic development screen, consolidate and prioritize sectoral plans submitted by zonal departments and spatial plans submitted by districts. The consolidated plans are submitted to zonal administration office for approval. Inclusion in zonal annual plans is an important first step because those requests that are not in zonal plans are not going to be accepted at the level of the region even if sector bureaus submit them.

5.2.5 Coordination and Monitoring

The coordination and monitoring of activities at district level is by sectoral offices as well as district administration. Sectoral offices monitor the day-to-day activities of their offices while it is the responsibility of the offices of district administration to coordinate and monitor the activities of the executive branches of government at the district level.

According to article 85 (1a) and 85 (1b) of the revised constitution of the Regional State of Oromia, the council of Woreda administration personally and collectively directs the activities of government agencies in the district.²⁰

The activities of sector offices at Woreda level are also monitored by their parent offices at zonal and regional levels. There is, however, no fixed time schedule according to which the monitoring of activities at district level takes place. All offices have their own mechanisms and frequency of monitoring and no uniformity exists.

²⁰ The Regional State of Oromia (2001). A proclamation to approve the revised regional constitution. Addis Ababa.

At Woreda level, projects are monitored and coordinated in relatively better ways than the day-to-day activities of sector offices. A committee, which is called Project Committee, was established in all districts. The committee monitors the status of project implementation in the district and it reports its findings to similar committee at zonal level so that necessary actions are taken.

Generally speaking, the coordination and monitoring of development activities at district level is weak due to organizational and skilled manpower limitations. The current process of decentralization, which is still evolving and working itself out, is hoped to be one step forward in the process of strengthening and enhancing the capacities of the lowest levels of government (districts and kebeles) in coordinating and monitoring the activities of these levels of governance so that the people at large are served efficiently and effectively.

5.2.6 Accountability

Two types of accountability might be identified at every level of governance.²¹ These are accountability of government workers to local officials and accountability of elected leaders to the people.

Accountability of civil servants to officials at district level remain difficult up to now, not because of insufficient legal basis to do so but failure in implementing them. Transferring, hiring, firing and promotion of civil servants at district level is largely the responsibility of zonal and regional offices. District officials have little say in such matters, which made the accountability of civil servants to local officials rather weak.

Accountability of elected officials to the people is largely through elections that are being held in five years. Such mechanisms enable the people to vote corrupt and inefficient officials out of office. The problem associated with accountability through election is that elections are undertaken within given intervals and offer only broad citizen control over

²¹ <http://www1.worldbank.org/publicsetor/decentralization/accountability.htm>

government.²² Such mechanisms are not responsive to particular acts or misbehaviors. While there are mechanisms by which elected officials are removed from office if the electorate loses faith in them, for practical purpose such mechanisms are not witnessed up to now in all the districts of the region.

Periodic evaluation of the activities of elected officials might be one such mechanism, but the success of such mechanism depends upon the extent to which the general public is aware of its role in monitoring the activities of elected officials. During the recent public consultation on the Interim Poverty Reduction Strategy of Ethiopia, the participants have indicated that the role of the general public in monitoring the activities of officials is weak because of the fact that they are not aware of having such powers. The accountability of elected officials is further constrained by lack of participation in several forums that might have been used for such purpose. People rarely attend such meetings, and if they do attend, they hardly express their feelings.

The other aspect of accountability of district officials, which for practical purpose is more important, is the accountability to zonal administration. According to the regional constitution of Oromia issued in 1995, the executive committee of the district council is dually accountable to the district council and the respective zonal administrations. During the last 5—7 years, many district officials lost their post not by their electorate but by periodic assessments by zonal administrations and internal self-assessments. Zones remained powerful as far as monitoring and controlling the activities of the districts is concerned. They kept tight control over the activities of the districts.

Within the present spirit of decentralization, the responsibility of district officials to zonal administration is likely to be changed, as the power of zones is likely to be weakened. According to the revised constitution of the region, the council of Woreda administration is accountable to the administrator and the Woreda Council, while the administrator is accountable to the Woreda Council and the Regional President. Within this framework,

²² Ibid

zones are likely to be facilitators between the districts and the region. For practical purpose, zones may be viewed as extensions of the regional government.

5.2.7 Organization of Work at Kebele Level

The districts organize works at community level primarily through institutions established at *Kebele* level and through the tasks that the *Kebeles* are empowered to perform. One important mechanism is through meetings held at Kebele level and the other is calling Kebele officials to district centers and discussing the issues at hand.

5.2.8 Issues and Recommendations

The important issue at hand is whether or not the present restructuring in favor of devolution of power to districts and *Kebeles* is going to deliver the promised result of poverty reduction through enhancing community participation. Up until now, planning has been undertaken under situations of strong power of decision-making at regional level. At the moment the necessary legal and institutional framework that is believed to change this situation and empowers the district is being put in place. They have the power to plan and implement development programs in a way that they see it fit. These activities are going to be financed from block grants that are going to be allocated from the regional governments to districts. The district will prepare and implement their own budget. The move is a radical one and for it to be effective, the following issues should be taken into consideration.

- The expenditure assignment (the allocation of tasks) among different tiers of regional government is not yet clear. No document that clearly shows the responsibilities of districts, zones and the region exists. The regional constitution only highlights the broad task and not very clear when it comes to the specifics. It does not show where the responsibility of region ends and where the responsibilities of districts begin. It is important that clear assignment of responsibilities between various tiers of government is put in place.

- Revenue assignment between the tiers of the regional government is also not in place. The districts have the power to collect certain taxes but there is still no rule governing revenue sharing between the region and the districts. As it stands, the region has control over the utilization of all revenue sources that lies within the control of the region within the framework of federal—regional revenue sharing arrangement. The absence of clear assignment of revenues may have adverse impact on the total yield of revenues as district may lack the incentive to collect them, especially if the districts have potentially high-yielding revenue sources. It is important that the districts have revenue sources, which they call their own in order that revenues are collected efficiently.
- Another important issue that arises from the decentralization process is that the districts are so many and financial resources are so small, and this may result in the loss of the advantages from economies of scale. Some argue that²³ devolution of budget down to the district level could result in impractically small allocations. The problem becomes very serious when it comes to the allocation of foreign loans and assistances, as they are solely specific grants for particular sectors. Mid-level service providing institutions such as health centers and lower secondary schools (grades 9-10) may suffer as the budget allocation for the districts are likely to be small and it may not be enough to finance the establishment of such functions.
- *Technical and Managerial Capacity.* Though districts had important contributions in the overall planning process, they had little experience in managing such immense responsibilities, especially financial responsibilities. Districts do not have adequate capacity to implement and maintain projects and they do not have the requisite skills to manage large budgets effectively. This lack of capacity may not equally apply to all districts as those in better-served areas have relatively experienced and skilled staff and adjusting to the new responsibilities may not be

²³ The World Bank (1999). Ethiopia-Public Expenditure Review. Volume Two. Addis Ababa

very difficult. Generally, there is acute shortage of skilled manpower all over the region but the problem gets worse as it goes down within the hierarchies of government. Therefore, assessing and improving local capacity is very important as large responsibilities are transferred from regions towards districts and *Kebeles*.

- *Organizational capacity:* In most cases, key organizations or offices whose services are largely provided at the district and community levels are absent, and in those areas where such offices are established they are ill-equipped, ill staffed and under-funded. The latter situation also applies for offices established in all districts.
- *Information flows and monitoring:* Information is the key to accountability. Information may be about the utilization of financial resources and about the status of performance of planned activities. Information on financial resources is essential at every level. At the local level, they inform local people and encourage public participation in the political process. At regional and national levels, they enable monitoring and evaluating local activities funded by financial transfers from regions to the districts. Information is also required at regional and local levels to see whether or not activities of national and/or regional importance are adequately performed.

Although the mechanisms for such information flows from districts towards regions are more or less in place, how local people get such information is not clear enough. One important issue as far as district—region information flow is concerned is the issue of timeliness. Reports should reach the desired levels on time in order to make decisions on time. Some issues may seriously affect the quality and quantity of services provided, unless decisions are made on time.

5.3 Responsibilities at the Regional Level

5.3.1 Introduction

Regions are the most important levels of government as far as the decentralization process in the country is concerned. They were established in 1992 and are the focal points of the principle of decentralization in the country. As opposed to districts, regions are well-defined entities whose boundaries are more or less fixed. Constitutionally, regions are delimited on the basis of the settlement patterns, language, identity and the consent of the people concerned. Oromia National Regional State is one such region established in 1992. Currently there are 14 zones, two special zones (the city administrations of Jimma and Adama), 190 districts, and 15 special districts (mainly zonal towns).

5.3.2 Services Provided

Regions have legislative, executive and judiciary powers and are responsible for the bulk of services that are provided by government bodies. They have the full power of formulating and executing economic, social and development policies, strategies and plans of the regional state. Proclamation number 7/1992, the Regional Constitution and the Constitution of FDRE form the legal bases for the allocation of tasks to be performed by the region. The region, among other things, performs the following tasks.

- Formulate and execute economic, social and development policies and strategies and plans of the region/state;
- Issue laws relating to the sources of revenue of the state and to approve its own budget;
- Establish establishments necessary for social and economic developments;
- Issue designs, directives and strategies for the development and protection of the environment;

- Establish additional units of hierarchy between the Woreda and the Regional level where it is found necessary taking into account the special circumstances of the size of the population;
- Establish and administer a state police force and to maintain public order and peace within the state;

It is up to the regions to devise and implement appropriate organizational structure in order to ensure that the tasks are performed economically and efficiently.

5.3.3 Decentralization, Deconcentration and Division

Although the process of decentralization in the country started a decade ago with the establishment of regions, the process never went beyond that. Regions maintained the power to make decisions and sub-regional organs were merely playing the roles similar to that of deconcentrated agencies. As indicated above, the problem is not the absence of legal framework but the failure in implementing it. As far back as 1995, the Regional Constitution has recognized the Woredas, as having legislative, executive and judiciary powers, but such recognition was not put into practice. Districts remained weak and they were implementing targets that were given to them by higher-level organs—the zones. The zones, in turn, were implementing what was decided at the regional level. The regions have maintained effective decision-making powers. Districts were not preparing and approving their own plans and budgets as indicated in the constitution. Recently, such limitation in the decentralization process in the country was recognized and necessary measures are being taken to devolve power from the region down to the district and communities (Kebele).

Not all functions, however, go down to the district level. Such important functions as the administration of hospitals, higher secondary (preparatory) schools (grades 11-12), provision of technical and vocational education, construction of roads, construction of irrigation schemes, provision of urban water supply services, etc. will remain in the responsibilities of the Region.

Zones, which so far played important roles in the delivery of services within the region, will no longer perform similar tasks they used to perform, as their sizes are substantially reduced in terms of manpower. Their functions are also transferred to the districts.

5.3.4 Quality of Support and Supervisions

The support provided by the region to lower tiers of government takes the form of supply of logistics, skill development training, technical advice in the tasks performed at the lower tiers of government, financial support, procurement of supplies, etc.

The quality of support provided by the region depends upon the availability of funds and the skill of manpower required for providing a given support. Generally speaking, the level of support provided is inadequate partly because of the fact that the regional organs themselves are not in the position that enables them to provide the support in terms of the availability of skilled manpower and financial resources.

5.3.5 Planning

The planning system at the level of the region resembles that of planning at zonal level discussed earlier except that at regional level, there is the power of decision-making. The approach practiced at the level of the region is both sectoral and spatial.

All sector bureaus established at regional level plan for all activities performed by them. Regional sector bureaus approve plans for the day-to-day activities of their bureaus based on the approved recurrent budget for any given year. The bureaus approve and then disaggregate the targets by zones while the zones in turn disaggregate the targets approved by the regional bureaus by districts. It is, however, hard to assert that there is a link between such targets and their recurrent budget.

Sectoral plans regarding capital budget are integrated within the spatial plans that are prepared by the planning bodies at regional and zonal levels.

Spatial planning applies largely to the public sector investment planning (the capital budget), which has sectoral dimensions as well. Bureau of Finance and Economic Development²⁴ prepares such spatial plans at the regional level, while zonal offices of planning and economic development prepares such plans at zonal level. Planning at the regional level takes in to consideration the plans submitted by zonal planning offices as well as plans submitted by sector bureaus for inclusion in the capital budget of the region.

Spatial plans regarding routine activities of sector bureaus were attempted in 1995 and 1996 but abandoned and no such plan was attempted since then. Experiences of the two years have shown that linking the targets and the recurrent budget is a difficult task. The fact that there is no link between the recurrent budget and the targets implies that the approval of budget by the regional council is undertaken without due consideration of sectoral targets.

5.3.6 Coordination and Monitoring

Monitoring of approved plans at the level of the region was done mainly through reporting, on-site visits and periodic review meetings. All of them are undertaken by sectoral bureaus as well as the Bureau of Financing and Economic Development (BOFED).

Reporting is done monthly as well as quarterly. Monthly reports are submitted by sectoral departments at zonal level regarding the status of project implementation. The report is not very detailed and it highlights the financial and physical achievements only. Detailed reports including problems encountered, actions taken to alleviate the problems and recommendations for future actions are submitted quarterly. Quarterly reports to BOFED

²⁴ According to the present restructuring process, Bureau of Planning and Economic Development and Bureau of Finance have become one office and their new name is Bureau of Finance and Economic Development. This applies to all tiers of government.

are submitted from zonal planning offices and sector bureaus. One important problem encountered repeatedly as far as such report is concerned is lack of consistency between the two sources of reports.

On-site visits are undertaken both by BOFED and sector bureaus, but there is no fixed time schedule for undertaking such visits. Experience so far shows that they were undertaken at least twice per year and lasted for two to three weeks. The frequencies of the visits depend on availability of funds and logistics, especially vehicles. On-site visits regarding the routine activities of sector bureaus are done solely by themselves and there is no fixed time schedule for it as well.

Like on-site visits, review meetings have no fixed time schedule. For monitoring the status of projects implementation, such meetings are held at the end of second and third quarters. Such meetings are called by the regional administration. Sectoral review meetings are undertaken quarterly and they are called by the concerned sectors.

5.3.7 Issues Arising and Recommendations

The most important issue at the moment is the devolution of power from the region to the districts and Kebeles. The process is so radical and the region is committing itself to such process without adequate preparation. It is being undertaken under the situation of inadequate information about the process itself and the expected consequences, lack of capacity at district level in terms of qualified personnel, inadequate institutional setup (not many offices are represented in all districts) and shortage of logistics. Complicating the issue is the absence of clear demarcation regarding the tasks of various tiers of government. There is also no provision for the sharing of revenue sources among the various tiers of government. These may have negative consequence in the delivery of services.

Though no written document exists about the allocation of responsibilities, from the present trend one can surmise that the provision of lower secondary school education

(grades 9—10) and the health centers are likely to be the responsibilities of the districts. The problem, however, is that the manpower required for running such functions effectively comes from limited training institutions. If by chance, which is likely considering huge backlog of such facilities, many of the districts decide to construct such facilities, they may remain unutilized because of shortage of skilled manpower.

Another scenario is that such services may not even be provided due to shortage of budget. Transfer of budget in the form of block grant may result in stretching of scarce resources and under such circumstances whatever is left after the allocation of the block grant to recurrent expenditure requirement of the districts may not be enough to finance the establishment of such functions as health centers and lower secondary schools. The following points are recommended to solve these and other similar problems.

- (a) It is important that at this early stage of decentralization to the district level, functions with high investment requirements and which are better planned at regional level considering the requirements during the operational phase of the projects be the responsibilities of the regional government.
- (b) Adequate incentive package should be put in place to attract skilled manpower to the less served districts.
- (c) For any decentralization process to lead to the required result, there exists high need for timely flow of information. Given the large number of districts and the shortage of dependable means of communication in the region, it is likely that information flows might not be as smooth as it should be. It is important that zones are strengthened to smooth out the flow of information between the districts and the regional levels.
- (d) The issue of capacity at regional level is also equally important to the issue of capacity at district level. Regions need to develop their capacity in terms of manpower, logistics and organizational effectiveness. It is only when regions

have sufficient capacity that they are able to give support to the lower tiers of government.

5.4 Federal Level Responsibilities

5.4.1 Introduction

Organs of government at federal level are supposed to perform the following major tasks.²⁵

- Initiate policies, prepare plans and budgets and upon approval implement them;
- Ensure the enforcement of laws, regulations and directives of the federal government;
- Undertake studies and research;
- Give assistance and advice to regional governments, and follow up the proper implementation of laws, regulations and directives by the executive organs.

Available laws require that regional organs submit periodic activity reports to the concerned central executive organ. However, there seems to be little adherence to the above requirement as reports to federal level organs are sent often late, while the central organs said little about these reports. There exists no common ground as far as the whole federal-regional arrangement is concerned. There is no clear-cut mechanism regarding how federal organs follow up the activities of regional organs.

5.4.2 Summary of Policy Situation—Poverty Reduction Strategy

As part of the recent move towards the preparation of Poverty Reduction Strategy Papers (PRSP) by heavily indebted poor countries (HIPC) in order to qualify for debt reduction and concessionary lending from the World Bank and the IMF, Ethiopia has prepared an Interim PRSP (I-PRSP) until such time that the full PRSP is prepared. In its I-PRSP, the

²⁵ Transitional Government of Ethiopia (1993). Proclamation number 41/1993. Addis Ababa

government has indicated the summary of its current policies that are targeted towards poverty reduction. According to the I-PRSP, the poverty reduction strategy of the country has four key elements.²⁶ These are:

- (a) Agricultural Development Led Industrialization (ADLI) strategy which is the core element of the country's poverty reduction strategy;
- (b) Civil Service and Judicial Reforms;
- (c) Decentralization and Empowerment; and,
- (d) Capacity building.

a) ADLI

According to the I-PRSP, ADLI is not only about agricultural development, though agricultural development constitutes the first stage of economic development of the country. Within the concept of ADLI, agriculture and industry are brought into a single framework of development whereby agriculture is viewed as an important vehicle for industrialization by providing a market base and not simply as a source of raw material and capital accumulation.

b) Judiciary and Civil Service Reform

Judiciary and civil service reforms relate to the political transformation being undertaken since 1991 and they are undertaken to further consolidate the gains of economic reforms undertaken earlier. They generally aim to bring about qualitative changes in the governance, transparency and accountability within the public sector.

c) Decentralization and Empowerment

With the devolution of power to regional governments, implementation of development programs have been shifted to the regions. Further decentralization to the district level is

²⁶ FDRE (2000) Ethiopia- Interim PRSP. Addis Ababa

believed to create considerable space for tackling poverty directly at the grassroots level by providing a base for meaningful participation by the people in the local development programs.

d) Capacity Building

The capacity building strategy of the country is expected to provide support to the other three elements of the country's poverty reduction strategy. Capacity building comprises the development of human resources, building and strengthening institutions, and establishment of effective working practices. Currently, several programs are designed to implement the capacity building strategy.

In addition to the above four key elements of the country's poverty reduction strategy, there are sector programs such as health, education and roads that form part of the government budget. Food Security, National Policy for Women, and a program to fight HIV/AIDS were also emphasized in the country's poverty reduction strategy.

5.4.3 Transfers

Most of the high yielding revenue sources are within the control of federal government, while the bulk of expenditures are incurred at the level of regions. Transfers are necessary to correct this imbalance—called vertical imbalance. They are also necessary to ensure equity among regions—called horizontal imbalance. At the moment, apart from Addis Ababa city administration, all regions receive transfers from the federal government. Federal transfers towards regions constitute the largest share of regional budget. The share of federal transfers from government treasury to the Regional State of Oromia out of the total budget of the region is cited here and is shown in the following table.

Table 5-1: The Share of Federal Transfers from Government Treasury from the Annual Budget of Oromia National Regional State.

Year	1990EC	1991EC	1992EC	1993EC	1994EC
Proportion of transfer (%)	61.5	64.5	48.0	55.5	53.8

Source: Bureau of Finance. Annual Revenue and Expenditure Plans

Transfers to regions are reached upon using a formula that has four variables. These variables are population size, level of development, level of poverty and revenue generating capacity of regions. The regional grant pool is calculated after federal expenditure needs are taken care of.

5.4.4 Planning at the Center

At federal level, plans and budgets are prepared annually. The introduction of Public Expenditure Program, which is a three-year multi-sectoral rolling program of public expenditure, may in the future influence this approach.

5.4.5 Coordination and Monitoring

Coordination and monitoring of regions by national level organs are rather weak. Monitoring is done largely through sectoral joint meetings (examples are the Health and Education Sector Development Programs, offices of labor and social affairs), quarterly reports (as in the case of project performance reports) and monthly reports (as in the case of monthly revenue and expenditure statements submitted to the then Ministry of Finance and Economic Development). Day-to-day contacts between regional and federal level are largely ad hoc in nature.

5.4.6 Issues Arising and Recommendations

An important issue in federal—regional relations arises from and is determined by the form of decentralization being pursued in the country, i.e., devolution. In such forms, it

may be difficult for governments to attain policy outcomes/targets unless mechanisms are put in place to ensure money transferred is spent in priority areas, areas where the government has committed itself. While five year plans of the region and the federal government provide the framework showing how the money from transfers is spent, such framework is absent at the level of districts as they have not formulated any mid-term plans so far. As things stand, there seems to be little mechanisms by which the adverse effects of the allocation decisions of the districts on national policy outcomes are checked. There is, therefore, a need for strong cooperation between all levels to make sure that the government policies are adhered to during plan preparation.

Other source of federal—regional relations involve technical assistance and advice from the center. However, such forms of assistance are very weak and relations between state organs at the two levels are not smooth. There seems to be little support from the center to the regions. It is important that such mistrusts are removed to bring about the desired level of poverty reduction in the country.

5.5 Roles Played by Different Organizations

5.5.1 Community Based Organizations (CBOs) NGOs and Religions Institutions

The level of poverty has grown considerably intense in Ethiopia drawing the attention of various institutions and sectors of society. Community Based organizations, (CBOs), NGOs, Donors, Religions Institutions, etc are increasingly involved in poverty reduction activities.

CBOs have shown concern about reducing poverty by beginning their activities with relatively small amounts of funding from donors. They are increasingly becoming primary development partners to donors and NGOs. Traditional CBOs like *debo*, *mahiber*, *equb*, *idir* which have played important roles for a long time in providing support to needy people in times of hardship are, at present, regarded as primary

stakeholders in development endeavors because of their rich experience in community work, strict internal rules as well as the trust and respect of community. Ensuring the proper handling and maintenance of facilities after the phasing out of NGOs is also a major task they perform in development programme implementation. The role they can play in the socio-economic life of communities both in Hayadima and Senkelle study areas is important. But while their importance is fully recognized in Senkelle, artisanal miners in Hayadima have revealed in different group discussions that they do not make much use of such organizations since they are mobile and as such do not have permanency in any settlement.

Religious institutions give support to communities in activities related to poverty reduction. Health and educational institutions run by the Ethiopian Orthodox Church, the Mekane Yesus Evangelical Church and the Catholic Church of Ethiopia render services in different parts of the country. Moslem educational institutions also play important roles in building human capacity.

NGOs started operating in Ethiopia in the early 1960s and grew in number with the occurrence of the two droughts of 1973/74 and 1984/85. They are about 300. The growth in number of local NGOs also showed a big stride since 1991 after the change of government. At present about half of the NGOs existing in the country are local.

NGOs are involved in major activity sectors like:

- Income and employment generation which embraces saving and credit schemes, skills training as well as institutional income generation.
- Health service including nutrition, health education, HIV/AIDS prevention and control
- Educational services consisting of school construction and/or provision of services, i.e., kinder garden, formal and non-formal education, and support to students in terms of fees, materials, clothing etc.
- Child care (sponsorship and institutional care)

- Housing activities for poor households particularly in the construction of latrine and drainage systems.
- Natural resources conservation and environmental protection
- Road and infrastructure building
- Agricultural development
- Alleviation of the problem regarding to water supply
- Rehabilitations of disadvantaged groups and
- Community development which includes advocacy, organizing community groups for participation in development activities, civic education etc.

Thus, they are playing important roles in human development. But information obtained from the two study areas (Hayadima and Senkelle) reveals that there are no NGOs operating from within. Intermittent NGO support is obtained by members of communities in these sites from organizations based elsewhere.

Multi-lateral organizations have given support in multi-faceted development efforts of the country. Apart from the ECA sixteen other UN agencies (see Annex 5.A) and the World Bank have established country offices. They have contributions in various development activities, provided support efforts which include: humanitarian assistance, addressing the HIV/AIDS emergency, agricultural and natural resource development, environmental protection, health and education, gender mainstreaming, capacity building in terms of establishing good governance and population tracking. These development programmes contain elements of poverty reduction.

They have provided an average of \$263 million per year in grants and soft loans during the 1997 – 99 period alone.²⁷

Moreover, other non-resident UN agencies are involved in carrying out development programmes in the country.

²⁷ UNDAF in Ethiopia- The UNCT: Contributing Towards Reducing Absolute Poverty in Ethiopia October 2001, Addis Ababa, Ethiopia

Bi-lateral assistance is also obtained in similar spheres of development including health, education, environmental issues etc.

5.5.2 Issues Arising and Recommendations

Experience shows that efforts made by different institutions to reduce poverty have so far been uncoordinated. Organizations plan and execute their programmes separately as sole actors for reducing poverty. Very little consultation takes places. This has resulted in duplication of efforts and at times ineffective measures due to insufficiency of resources. Hence, measures taken to tackle poverty have to be based on a strategy which creates conducive situations for co-coordinated and concerted action. Consultative forums must be created at all levels (micro, meso and macro levels) on a permanent basis involving all stakeholders including government. The private sector has to play a more meaningful role ranging from involvement in direct service rendering activities, e.g. availing houses for the homeless, to providing consultancy and advice to NGOs.

Target communities are often passive receivers of benefits. In order to bring lasting solutions to socio-economic problems they should be involved in the decision-making process and get prepared to take over full responsibilities to manage and sustain development activities put in place. The concept and management of community management should be strongly promoted as much as possible.

NGOs need to have a sustained financial resource base to operate poverty reduction projects. In addition to the financial resources obtained from international donors, efforts have to be made to generate funds at local level through local initiatives like lotteries, bazaars/shows, sport festivals etc.