

# Strategic Plan of EEA – Abridged version

## 1. INTRODUCTION

*A large part of the Ethiopian economy is characterized by semi-subsistence agriculture with exceedingly low incomes and hand to mouth livelihoods. Ethiopia's real per capita GNP calculated in dollar terms is about 235 US\$ (MoFED, 2010), which means that the 2010 average per capita income of the Sub-Saharan Africa region and the world have been two and eleven folds that of Ethiopia in terms of the 2008 purchasing power parity dollar equivalent, respectively. According to the Human Development Report (UNDP, 2010), Ethiopia ranks 157 out of 169 countries with a human development index of 0.328. Because of a relatively increased coverage of social services such as education and health over the last few years, the non-income HDI values such as life expectancy at birth, maternal mortality, schooling and others show a relatively better picture as compared to the income HDI. Ethiopia's underdevelopment is also more astounding when the condition of the people is taken into account. An estimated 29.6 percent of the population lives in absolute poverty (MoFED, 2010).*

*The present Ethiopian government believes that a comprehensive rural development vision and a practical action to realize this vision is what is required to bring economic development in Ethiopia. Consequently, the Ethiopian policy makers view the agricultural sector as the cornerstone of the economic development of the country. The Agriculture Development Led Industrialization (ADLI) argues that in order to bring rapid industrialization and economic development in Ethiopia it is necessary to focus on the development of the agricultural sector, at least in the short run. This is reasonable considering the sector's dominant role in employment and wealth creation of the country.*

*In line with ADLI, poverty reduction has been the central development agenda of the government that guides developmental activities as specified in the implementation of the two successive Poverty Reduction Strategy Programs (PRSPs). The Plan for Accelerated and Sustained Development to End Poverty (PASDEP), which cover the period from 2004/05 – 2009/10, clearly stated that Ethiopia's development policies, strategies and programs have been concerned with bringing about sustainable and equitable development and poverty reduction. The focus on agriculture and rural development, and the various sector development programs that have been implemented in the education, health, food security, water, infrastructure, etc., have all been adopted with the primary objective of*



*enhancing economic growth in Ethiopia and reduction of poverty and its ultimate eradication.*

*Since the rebound from the 2002/03 drought, Ethiopia's economy has taken on a higher trajectory of growth unseen in recent economic history. Official data, corroborated by the IMF, shows average annual real GDP growth in the past six years was 11.1%. Despite notable progress, many improvements registered in recent years show more modest gains when seen in per capita terms. Food security remains a challenge. Meaningful reduction in absolute poverty level has not yet been attained and gains achieved in the education and health sectors are marred by growing quality problems. Vulnerability to shocks and dependency on food aid has not been significantly reduced. In the last few years, the emergence of several macroeconomic imbalances has been also a serious shortcoming of economic policy. High level of inflation has also been a major recent challenge for the Ethiopian policy makers. The inability to control inflation has been a major weakness of the monetary policy over the last few years.*

*More recently, the Ethiopian Government has launched the third phase of the five years Poverty Reduction Strategy Programs which is called the Growth and Transformation Plan (GTP) covering the period 2010/11-2015/16. The plan has a vision of further accelerating growth and ensuring its sustainability in order for Ethiopia to become a middle income country by around 2025. In particular, it stresses that productivity in the agricultural sector should be increased significantly and the industrial sector reaches a level where it will become the leading sector during or after the plan period. Like its predecessor, the GTP also rests on seven strategic pillars out of which achieving faster and sustainable economic growth, maintaining the leading role of the agricultural sector; enhancing the contribution of the industrial sector as well as expanding infrastructural development are the major ones (MoFED, 2010). According to the GTP, the GDP is projected to grow by at least 11 percent annually according to the low growth scenario while it is projected to growth by nearly 15 percent according to the high growth scenario. While these projections are indeed very ambitious, the Government believes that they can be achieved if there is high motivation from the development actors. Securing the necessary finance as well as the issue of capacity are critical challenges that may seriously constrain the success of this plan.*

*The different strategies require among other things national capacity to critically analyze and evaluate them and follow up their proper implementation. Capacity for generating the right information and policy choices is critical ingredient for the success of these strategies. There must be a reliable mechanism to allow the society to participate in the formulation*



*or design of policies and strategies and follow up the implementation of these policies. Accordingly, there is a growing recognition of the importance of rigorous policy analysis to inform and to provide alternative views to policy makers. Increasing demands for policy opinions have also emerged from diverse groups within the Ethiopian community, including the civil society organizations, professional organizations, private sector actors, academia, and from the international community. The public need to be proactively engaged both in the process of making policy and in the process of evaluating the overall performance of implemented policies. There is now an increased quest and greater thirst for more information to enrich policy debates and monitor progress. The need for objective, policy relevant stock of knowledge and support for the selection of appropriate policy packages is greater now than ever before in Ethiopia. In addition, there are several policy issues that remain to be controversial and even unpopular. There is no wide consensus on some policy issues such as rural-urban and agriculture and industry linkages, labour and capital mobility, quality and relevance of education and health services, democracy and good governance, property rights and security, science and technology, etc., just to mention a few.*

*In order to validate the various economic and social policies formulated by the government, it would be important to have an objective and independent policy analysis and evaluation. In recognition of this need, the Ethiopian Economics Association (EEA) has established a research and training wing called the Ethiopian Economic Policy Research Institute (EEPRI) in the second half of 2000. Since the establishment of EEPRI, EEA has been engaged in several policy related research and other capacity building activities. The main outcomes and contributions of the previous EEA interventions are briefly highlighted in the next section.*

## **2. REFLECTIONS ON THE PREVIOUS EEA INTERVENTIONS**

*The overall goal of the previous EEA project was to build the capacity of EEA and thereby contribute to the policy making process in Ethiopia for sustained economic growth and poverty reduction. More specifically, the following were the key objectives of the previous EEA project.*

- *To conduct objective policy research and analysis and inform and advise policy makers and other stakeholders.*
- *To provide policy relevant short term training for policy makers and other stakeholders.*
- *To create a platform for the interaction between the policy makers and the public at large.*
- *To help in improving the policy formulation process through informed debate between*



*the various stakeholders.*

- *To establish a credible database on the Ethiopian Economy.*
- *To strengthen and raise the institutional capacity of EEA to undertake objective policy research and analysis.*

*The Association has undertaken several objective economic policy researches and other capacity building interventions including organizing public dialogue forums, short-term trainings, conferences on the Ethiopian economy, and through the production and dissemination of various publications. While EEA has been engaged in many and diverse set of capacity building activities during its short history, the major activities undertaken during the last few years are briefly highlighted next.*

## **2.1 Actual Project Outputs**

**Research Undertakings:** - *During the last few years EEA has undertaken several research activities which have very important policy implications. Some of the research activities are initiated by EEA itself while others are defined by sponsoring organizations. Between 2009 and 2010 alone EEA has produced about 68 research reports that include core research program<sup>1</sup>; demand driven researches from government, civil society organizations, private sector actors, and international organization; collaborative researches with national and international research institutes.*

**Organizing short term trainings:** - *One of the core program activities of EEA is to organize trainings to improve the analytical capacity of its members, policy makers, and the general public on contemporary issues. While EEA has started some preparatory activities for the establishment of a regular Training Institute, it has organized 14 training programs that benefited more than 325 persons composed of members, the private sector, Civil Society Organizations as well as policy makers. The major training topics include Application of econometric software on household data; Ethiopian Macroeconomic Data structure, limitations and International Standards; Performance and Impact Evaluation of Development Projects; Research Methods, etc.*

**Supporting the teaching of economics at higher learning institutions:** - *EEA had organized several internship training programs for senior students of economics selected from the*

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<sup>1</sup> *The major core program research activities include the publication of an independent annual report on the performance of the Ethiopian Economy; preparation of quarterly macroeconomic reports; preparation of working papers and research reports as well as conference papers, journal articles based on research findings and updating of the socioeconomic data base in CD-ROM.*



*different universities in the country. In addition, EEA has also been able to host several researchers and students from different countries who were doing research on Ethiopia. With the aim of supporting the teaching of Economics at higher learning institutions, EEA staffs have also been participating in the teaching and advising activities of various universities.*

**Organizing public forums:** - *organizing different kinds of public forums is an important objective of the EEA. The forums have been able to create conducive environments for the interaction of policy makers and the general public. Accordingly, between 2006 and 2010 EEA has organized about 5 International Conference. On the average, more than 80 papers were presented on each conference and more than 400 participants attended each of the five conferences. EEA also organized about 43 monthly discussion forms and workshops on the Socio-economic issues of the country. EEA had also organized four high level public lectures one of which was delivered by H.E. Ato Meles Zenawi, Prime Minister of the FDRE. Other people who have delivered public lecture include Prof. Joseph Stieglitz Noble Prize winner in Economics, François Bourguignon former chief Economist of the World Bank, Shantayanan Devarajan Chief Economist of the World Bank's Africa Region, etc. The conferences, workshops and public lectures were attended by policy makers, NGO representatives, experts from government ministries and other organizations, academicians and researchers from different universities, international organizations, etc.*

**Publications and Distributions:** - *Considering the last five years, more than 190 different publications such as the annual Economic Report on Ethiopia, Research Reports, working papers, Economic Focus Magazines, Conference Proceedings, etc. have been published. More than 50,000 copies have been distributed to users throughout the country.*

**Expanding EEA Membership Base:** *EEA has been engaged in expanding its membership base through the recruitment of new members and updating of the number of its active members. Accordingly, the total membership size which was about 1650 in December 31, 2005 has increased to more than 3000. In addition, with the aim of expanding its activities beyond Addis Ababa, EEA has opened five regional chapters namely, at Hawassa, Bahir Dar, Haramaya, Dire Dawa and Mekelle in collaboration with the respective Universities.*

**Sustainability Efforts:** *The Association recognizes the need to design a sustainability strategy. The construction of a Multi-purpose Building Complex is one such effort. The Association has completed the construction of a ground plus four story building to house its various units. Part of the office spaces are rented out to generate income for the Association and contribute in its financial sustainability efforts. Currently, EEA generates about 40% of its revenue from internal sources.*



## 2.2 Lessons Learnt from Past EEA Interventions

*The Ethiopian Economics Association has made significant contributions to the overall policy making process of the country. The various capacity building interventions have made important contributions to the national capacity building efforts. The demand for EEA's services is now growing faster than the existing capacity to provide such services, calling for the expansion and strengthening of EEA. While there have been major achievements from the interventions during the last five years, there are some important lessons learnt from the challenges encountered for future interventions.*

*While EEA has been an important organization in providing professional inputs into the policy formulation and implementation process during the last five years, its research activities have been limited only to some key economic sectors. Had there been more resources, EEA would have undertaken policy related research and analysis on many more economic sectors, than was the case.*

*The various public dialogue forums, conferences and workshops organized by EEA have been well attended by policy makers, civil society organizations, the academia, and the public at large. But the frequency in which such forums were organized has not been adequate to meet the demand mainly due to resource limitations. In addition, one of the lessons learnt from past activities relates to the need for organizing similar forums in different parts of the country outside of Addis Ababa. With more resources, EEA would like to organize more of such forums on regular basis in the different Regional States. The expansion of EEA chapters at regions creates favorable ground to organize regular workshops and conferences at regional level.*

*Organizing short term training has been one of the core activities of EEA during its entire history. Such trainings have contributed significantly to the capacity building effort of the country. However, the number of trainings organized for members and non members were limited due to resource limitations. In fact, there is huge unmet demand for such training programs both from its members and the public at large. Moreover, most of these trainings were organized in Addis Ababa. EEA hopes to establish a Training Institute in order to regularize its short term training and start long term training on Development Economics and related fields.*

*EEA has been able to produce several research materials and training manuals. However, the distribution of these materials has been limited due to funding constraints. Moreover, it*



*is observed that most publications from EEA research studies are highly technical. The publications are produced in a format that many policy makers may not find reader friendly and easy to use for decision making. This is a gap that must be filled if the findings and recommendations from the various studies are to find their ways into policy making processes. During the next phase of its operations, engagement with policy makers need to be strengthened using instruments such as policy memos, breakfast meetings with top government officials, retreats, and in-house policy dialogue.*

*EEA has been providing documentation and internet services to its members, researchers and the public at large. However, the documentation and internet services have not been able to meet the growing demand from the public. If resources are available in the future, EEA will try to build its capacity further to better serve students, members, visiting researchers, and other users. And Finally, EEA's local and international network has been limited in the past. This has restricted dissemination of its research outputs.*

*To sum up, EEA has undertaken several policy research and short term training activities during the previous project period. It had also organized different forums and conferences. It has been able to produce several publications which have been widely distributed to policy makers, academia, private sector operators, the civil society organizations, and other stakeholders. This was made possible by implementing core project activities, which were designed to achieve the key objectives of generating high quality analytical outputs for utilization in policy debates, formulation, and the implementation process.*

### **2.3. SWOT Analysis**

*The Ethiopian Economics Association had recently undertaken a SWOT analysis to strategically identify its niche areas of intervention for the next five years. It identified many factors, internal as well as external, which affect the operations of EEA and pointed out a number of strengths that need to be built upon to enhance EEA's effectiveness and some weakness that need improvement. In addition, it had identified a number of opportunities that EEA should exploit as well as threats to be overcome. The findings of the SWOT analysis which provided the bases for the preparation of the current EEA Five Year Strategic Plan are presented in the Tables 1 – 4.*



**Table 1: Strengths and strategic actions**

Issue	Strengths	Strategic actions
Image	<ul style="list-style-type: none"> <li>• Promotes culture of tolerance for opinion differences through the organization of various forums.</li> <li>• Credible source of information for information users and stakeholders.</li> <li>• Considered as benchmark by other Associations in Ethiopia.</li> <li>• Considered as opinion leader in discussion fora.</li> <li>• EEA's non-partisan and non political position makes it to be partner for donors, government, civil societies, international organisations, associations, public and private organizations.</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce professionalism and doubt clearing effort.</li> <li>• Maintain non-partisan position.</li> <li>• Maintain and improve performance and activities.</li> <li>• Sustain fora and improve quality</li> </ul>
Membership	<p>A relatively strong constituency base /3000 registered Members/</p>	<ul style="list-style-type: none"> <li>• Increase membership base by maximizing members' interest and expanding to regions.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Some of the Executive Committee members are prominent scholars who have wide recognition, high integrity, credibility and reputation.</li> <li>• Some members of the Executive Committee are able to access people and institutions at the highest levels in public, private sector, and donor's organizations.</li> <li>• Visionary and committed leadership.</li> </ul>	<ul style="list-style-type: none"> <li>• Take advantage of their image.</li> <li>• Use these personalities for image positioning.</li> </ul>
Human Resource	<ul style="list-style-type: none"> <li>• High profile researchers</li> <li>• Team spirit</li> <li>• Good working atmosphere.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to hire high caliber staff through proper screening.</li> <li>• Introduce incentives.</li> </ul>
Research and publications	<ul style="list-style-type: none"> <li>• High quality output</li> <li>• Good culture of research practice</li> <li>• Served as a link between policy makers and the general public through discussion fora and publications.</li> <li>• Experience in organizing national and international conferences.</li> </ul>	<ul style="list-style-type: none"> <li>• Strive for continuous improvement.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Strong fund mobilization effort for the construction of the building.</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce it by internal revenue generation capacity.</li> </ul>
Database	<ul style="list-style-type: none"> <li>• Researchers can get access to adequate data for their research requirements through on-line journals and EEA's statistical database.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue updating the database and accessing the on-line journals.</li> </ul>
BDS	<ul style="list-style-type: none"> <li>• Strong desire for fund mobilization through the initiative of creating Business Development Services like the multi-purpose four storey building, training and other professional service.</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce the fund raising effort through BDS</li> </ul>



**Table 2: Weaknesses and Strategic actions**

Issue	Specific weakness observed	Strategies/actions to overcome weaknesses
Membership mobilization and fee collection	<ul style="list-style-type: none"> <li>Narrow regional base.</li> <li>High concentration of membership in Addis Ababa.</li> <li>Low participation of members.</li> <li>No honorable members.</li> <li>Weak fee collection capacity</li> </ul>	<ul style="list-style-type: none"> <li>Reconsider membership incentives and organize regional chapters responsible for this.</li> <li>Identify and select honourable members.</li> <li>Promotion of work and establish regional chapters in regions.</li> <li>Strengthen fee collection capacity</li> </ul>
Constitution and organization structure	<ul style="list-style-type: none"> <li>Structure is predetermined by the bylaws making it inflexible.</li> <li>The relationship between the Head of the Secretariat and the Director for EEPRI is susceptible to conflict.</li> </ul>	<ul style="list-style-type: none"> <li>Amend the by-laws that predefine the structure aspect of EEA and its special organs.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>The inherent problem of volunteerism (limited time) vs. huge tasks in EEA.</li> <li>The natural failure of election system to elect high calibre members for the Executive Committee membership.</li> <li>The Director of EEPRI is overburdened with heavy administrative work.</li> </ul>	<ul style="list-style-type: none"> <li>Hire full time staff as Deputy-Editor-In –Chief that can reduce the burden of the Editor-in-Chief.</li> <li>Orientation of members during election to nominate and elect capable members.</li> <li>Separate managing from directing through formalization and standardization of systems.</li> </ul>
Human resource and Operational manuals	<ul style="list-style-type: none"> <li>Job insecurity for staff as they are hired on contractual basis</li> <li>Limited fringe benefits.</li> <li>No incentive for additional tasks.</li> <li>It is not gender sensitive at professional staff level</li> <li>Shortage of qualified researchers</li> </ul>	<ul style="list-style-type: none"> <li>Prepare action plan to improve gender balancing of professional staff.</li> <li>Increase number of qualified researchers</li> </ul>
Business Development Services (BDS)	<ul style="list-style-type: none"> <li>No responsible work person for business development services such as training and other professional services to the business community.</li> </ul>	<ul style="list-style-type: none"> <li>Hire full time staff for such tasks.</li> <li>Strengthen business development services with responsible unit.</li> </ul>
Research , Publications, and Dissemination	<ul style="list-style-type: none"> <li>Research outputs are not translated into local language such as Amharic.</li> <li>No responsible researcher for transport and communication sector.</li> <li>Linkage between EEA research results and economic policy formulation process is inadequate.</li> <li>No quality assurance system for research outputs.</li> <li>Limitation to take on many research projects due to small number of researchers.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage members of EEA in the academic areas to engage in research.</li> <li>Translate and disseminate major research outputs/summaries into local language.</li> <li>Initiate predictive and proactive research topics.</li> <li>Assist lobby groups for the use of research results as inputs for policy formulation.</li> <li>Increase capacity through training and acquisition of facilities.</li> <li>Establish quality assurance systems</li> <li>Strengthen information dissemination</li> </ul>



<b>Issue</b>	<b>Specific weakness observed</b>	<b>Strategies/actions to overcome weaknesses</b>
<b>Finance and Assets</b>	<ul style="list-style-type: none"> <li>• <i>Serious resource constraints</i></li> <li>• <i>Low financial stability.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Strengthen BDS.</i></li> <li>• <i>Focus on revenue generation without undermining research.</i></li> </ul>
<b>Donors</b>	<ul style="list-style-type: none"> <li>• <i>Limited effort to increase and diversify donors.</i></li> <li>• <i>High donor dependency.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Increase and diversify donor base.</i></li> <li>• <i>Develop donor map.</i></li> <li>• <i>Accelerate the pace for self-reliance.</i></li> </ul>
<b>Information systems</b>	<ul style="list-style-type: none"> <li>• <i>Weak institutional memory</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Strengthen the information systems and documentation centre as well as accelerate formalization.</i></li> </ul>
<b>Public Relations</b>	<ul style="list-style-type: none"> <li>• <i>Weak/inadequate public relations to promote the organization.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Promote EEA image by pursuing image positioning system.</i></li> </ul>
<b>Experience sharing</b>	<ul style="list-style-type: none"> <li>• <i>As an exemplary institution, sharing of best experiences with other institutions is not satisfactory</i></li> <li>• <i>Limited exposure of staff to other similar organizations in the globe</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Share best practices to similar institutions nationwide</i></li> <li>• <i>Arrange expert visits and make networking initiatives.</i></li> </ul>



**Table 3: Opportunities and Strategic Actions**

Observed Opportunities	Strategies/actions to be taken
<ul style="list-style-type: none"> <li>• Recognition of EEA as a significant contributor to the Economic Development of the country.</li> <li>• Recognition of EEA as an independent source of information and knowledge, playing a pivotal role in policy analysis.</li> <li>• Considered as a role model to emulate by others.</li> <li>• EEA's track record in undertaking policy research on key development issues increases donor attention.</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce professionalism</li> </ul>
<ul style="list-style-type: none"> <li>• Donors' project assistance approach to government creating opportunities to participate in research and project studies.</li> <li>• Shift in channelling development assistant funds by donors to civil societies and NGOs.</li> <li>• Diversification of sources of revenue through better exploitation of potential for research, consultancy, training and other Business Development Services.</li> <li>• Economy is growing with many future opportunities for success creating more researchable challenges.</li> </ul>	<ul style="list-style-type: none"> <li>• Exploit opportunities of donors' project assistance approach.</li> <li>• Establish BDS</li> <li>• Strengthen internal capacity</li> </ul>
<ul style="list-style-type: none"> <li>• Strategic alliance and partnerships with institutions of local and international research institutes and universities for the envisaged education programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish relationship networking</li> </ul>
<ul style="list-style-type: none"> <li>• The shift from government mediated business assistance approach to business to business strategy by donors creating opportunities for third parties such as EEA to participate in the process of capacity building.</li> </ul>	<ul style="list-style-type: none"> <li>• Search sect oral business associations and prepare proposals for donors to participate in such as a program.</li> </ul>
<ul style="list-style-type: none"> <li>• Public Sector Capacity Building Program (PSCAP) creating opportunities in training and other professional services in Ethiopia.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote EEPRI about training and other professional services to federal and regional governments.</li> <li>• Establish partnership agreement with International Consultants.</li> <li>• Mobilize capable trainer and consultants for the task.</li> </ul>
<ul style="list-style-type: none"> <li>• Increasing interest of donors to assist micro and small business operators as part of poverty alleviation strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish networking with sect oral business associations and interested donors in these areas.</li> <li>• Strengthen BDS.</li> </ul>
<ul style="list-style-type: none"> <li>• The increasing market in consultancy and training and the absence of strong institutions in the country.</li> </ul>	<ul style="list-style-type: none"> <li>• Capacitate internal strength for the service.</li> <li>• Develop business plan for BDS.</li> <li>• Mobilize capable trainers and consultants for the service.</li> </ul>
<ul style="list-style-type: none"> <li>• Well connected with the International Development community</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce the international networking.</li> </ul>
<ul style="list-style-type: none"> <li>• Millennium Development Goals</li> </ul>	<ul style="list-style-type: none"> <li>• Embark the process on institutional level and take a more visible/proactive space.</li> </ul>
<ul style="list-style-type: none"> <li>• Growing interest of the global development community to engage local non-state actors such as EEA in policy debate.</li> </ul>	<ul style="list-style-type: none"> <li>• Restructure EEA with full time staff in program office for project proposal and play proactive advocacy role.</li> </ul>
<ul style="list-style-type: none"> <li>• Existence of only few independent think-thank groups which undertake policy related research and publications</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain goodwill to establish partnership with donors</li> </ul>
<ul style="list-style-type: none"> <li>• Growing public and media interest in the activities of EEA</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce public discussion fore</li> </ul>



**Table 4: Threats and Strategies**

<b>Observed threats</b>	<b>Strategies/Actions to be taken</b>
<ul style="list-style-type: none"> <li>• <i>Tendency/tradition among some section of the society to classify civil societies as partisans.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Create awareness and take image positioning measures.</i></li> <li>• <i>Maintain independence and professionalism.</i></li> <li>• <i>Formulate relationship policy.</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>High dependency on donor funds for research and publications.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Strengthen alternative sources of income generating activities such as BDS, library membership fee, letting parts of the building (book centers, training consultancy, etc.,)</i></li> <li>• <i>Diversify donor base with diversified areas of interest.</i></li> <li>• <i>Maintain donor credibility.</i></li> <li>• <i>Expand membership base.</i></li> <li>• <i>Distribute publications internationally through the Internet with fee.</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Legal framework of Ministry of Education to establish higher learning institutions. (requires one to have lower levels to initiate a postgraduate degree program)</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Conduct further studies (feasibility study).</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Reliance on consultancy, training, and other business development services as part of EEA's activities for the purpose of funding may shift EEA's objective.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Weigh carefully the benefits of such activities against the risk of losing its credibility as a leading policy research institute.</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Unforeseen instability caused by political upheavals can pose a threat to EEA's operations</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Diversify income generating means.</i></li> <li>• <i>Reinforce doubt clearing.</i></li> <li>• <i>Maintain professionalism and independence.</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Experienced staff leaving for better opportunities</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Employ staff on permanent basis.</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Increased competition of many CSOs to the external funds from donors.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Remain to be competitive by producing quality research outputs and services that satisfy stakeholders</i></li> <li>• <i>Attract and retain high quality researchers</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Brain drain and insufficient pool of on hand qualified researchers</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Attract high quality researchers and enhance the capacity of existing researchers as required</i></li> </ul>

### **3. THINKING ABOUT THE FUTURE: EEA'S THIRD FIVE YEAR STRATEGIC PLAN**

#### **3.1 Justification for the Project**

*Ethiopia has undergone several radical reforms in the political, economic and social spheres over the last two decades. The various stakeholders including the government, the private sector, the civil society organizations, and the donor community are keen in expediting the process of transformation further and evaluating the achievements made so far. However,*



*due to the acute lack of capacity within domestic institutions, the adequate policy analysis as well as effective follow up and impact monitoring of the process in the various economic and social sectors is limited. Accordingly, the following are the main problems in policy formulation and analysis in Ethiopia:*

- *Lack of adequate and up-to-date data set*
- *Lack of adequate analytical skills, models and knowledge*
- *Lack of independence in policy analysis, i.e., bias towards promoting only government or donors interest*
- *Poor capacity to process data and publish findings*
- *Lack of informed debate among the various stakeholders*
- *Weak networking between the different stakeholders*

*The limitations and the means of overcoming those problems as well as the effectiveness of the interventions need to be studied in a systematic and rigorous manner by independent organizations. Thus, the role of civil society organizations like the EEA which are engaged in policy research and analysis as well as policy evaluation cannot be overemphasized.*

*Studies have shown that economic policy analysis capacity is critically inadequate in Ethiopia. Over the last few years several policy proposals have been formulated by the government of Ethiopia. But, the track record with regard to the implementation of these policies is extremely weak. In order to improve this situation, it is essential to identify the implementation bottlenecks and put forward recommendations.*

*The contributions of EEA will continue to be crucial as the Ethiopian government gets into the preparation and implementation of the new development plan which is called Growth and Transformation Plan (GTP) that cover the period 2010/11-2015/16. In view of the high expectations from this plan and in view of the skepticism on the implementation of the plan, EEA will be an important institution in the monitoring and evaluation of the plan as well as other programs.*

*The policy makers can make informed decisions on the appropriate policies only if there is adequate and reliable information. However, quality information is a very scarce commodity in Ethiopia. Only very few members of the society have access to the relevant policy information. EEA will play a major role in generating and disseminating information to the wider public.*



*In light of the above issues, the main objective of this project is to build the capacity of the EEA further to address some of the problems constraining economic and social development in Ethiopia and improve the data base, analytical depth, accountability and publishing documents on issues related to policy analysis and evaluation. Training public officials and other stakeholders in various policy related subjects will also be an important dimension of the activities of EEA over the next five years. EEA will also continue to organize public forums, the participants of which will be policy makers, private sector representatives, the academia, civil society organizations, the donor community and others.*

### **3.2 Objectives of the Project**

*The overall goal of this project is to strengthen the capacity of EEA further for the development and critical analysis of effective and evidence based economic and social policies to accelerate and sustain economic growth and reduce poverty in Ethiopia. More specifically, the following are the key objectives of the EEA project:*

- *To increase access to sound and empirical research and information for policy formulation and management by policy makers and other stakeholders. ;*
- *To improve research and policy analysis in partner institutions;*
- *To Improve the credibility and networking of EEA; and*
- *To improve performance and reach of EEA.*

### **3.3 Planned Activities and Operational Modalities**

*Capitalizing on its achievements during the last few years, EEA plans to continue to be engaged in credible and independent analysis of economic policies and organize discussion forums on relevant and timely policy issues. EEA strongly believes that Ethiopia's development partners and policy makers and the general public require credible and independent policy opinion on timely and critical economic issues. The support of our development partners is critical for the realization of this vision. The major components of the project and the activities planned for the next five years are briefly highlighted next.*

#### **3.3.1 Research Activities**

*EEA plans to undertake several research projects during the plan period. The research activities will be organized under four main focus areas namely, macroeconomics, agriculture and natural resource management, trade and industry and poverty and social*



sector issues. In the next five year, about 75 research projects will be carried out in the form of Core Research Projects, Commissioned Research Projects, Self Initiated Research Projects, and Collaborative Research Projects. Some of the main thematic researches issues planned, but not limited to for the next five years are indicated below.

- *Performance of the Ethiopian Agriculture: Evaluation of Public and Private Sector Investments in the Sector.*
- *Assessment of the Level and Trend of Agricultural Commercialization and Development of Agribusiness Value-chains in Ethiopian*
- *Issues related to Climate Change Adaptation*
- *Industrialization Prospect of the Ethiopian Economy*
- *Ethiopian Trade Policies Compatibility with WTO, COMESA and EPA Procedures*
- *Private Sector Development*
- *Poverty and Human Resource Research Issues*
- *Migration and Health*
- *Food Security and Nutrition*
- *Developing Macroeconomic Database*
- *Price Dynamics in Ethiopia*
- *Sectoral Linkages and the Growth-Poverty Nexus in Ethiopia*
- *Financial Globalization and Economic Growth in Ethiopia*

### **3.3.2 Publications and Dissemination**

EEA also plans to produce a number of publications during the plan period. The publications are usually based on the completed research projects such as the annual economic Report on the Ethiopian Economy, Working Papers Series, Quarterly Macroeconomic Reports, the Ethiopian Journal of Economics, Proceedings of Conferences, and Newsletters. In the plan period over 158 publications will be published and disseminated to the various stakeholders of EEA.

### **3.3.3 Workshops and Conferences**

EEA plans to organize between 20 and 30 workshops either alone or in collaboration with other partners. EEA has also a tradition of organizing at least one international conference every year. As a result, it plans to continue organizing at least five international conferences. In addition, EEA plans to organize about 50 in house seminars and several public lectures.



### **3.3.4 Trainings Activities**

*To meet the growing demand for training, EEA will continue to work towards the establishment of a training institute that will provide regular short and long term trainings, with greater focus and energy. The basic aim of establishing EEA's regular Training Institute is to produce a professional pull of economists that have state-of-the-art knowledge and skills to make a difference in economic research, policy formulation and development activities in Ethiopia. In addition, it is planned to organize about 30 short term trainings to more than 500 beneficiaries including members, policy makers, academia and the general public on current and topical issues.*

### **3.3.5 Professional Advices and Technical Support**

*EEA is usually invited to most policy related meetings to provide independent professional advice to policy makers, private sector and civil society organizations. On the average EEA had been participating in at least one such meeting in a week in the past. This public service will continue in the future. EEA staffs are often consulted by both the local and international media on important economic and development issues. EEA will also continue holding press releases when a research project is completed and inviting Media in its various workshops, conferences and public lectures. In addition, with the aim of improving the teaching of economics at universities, the staffs of EEA will continue to be engaged in the teaching of post graduate courses and advising both Masters and PhD students at Universities across the country.*

### **3.3.6 Membership Drive**

*To maintain and expand EEA membership, significant efforts will be made during the plan period. In the past about 150 – 200 new members joined the Association every year. Thus, in the plan period it is expected to register up to 1000 new members. The number of regional chapters will also increase from 3 to five. During the plan period, online services will become fully operational.*



## **4. PROJECT INPUTS, BUDGET AND FINANCING**

**Required Human and Physical Inputs:** *The research staff will continue to have full responsibility over the implementation of the policy research and analysis and training activities detailed in the plan. However, in view of the ever expanding role of EEA, it will be necessary to increase professional and support staff in order to meet the growing policy research challenges. There is also a need to hire consultants from time to time for specific research and training activities. The Association could also subcontract part or whole of a study to individual firms or individual consultants mainly drawn from members of the Association, as the need arises. Additional support staff will be hired in order to provide effective support of the capacity building activities. In addition, survey enumerators, supervisors, data clerks etc., will be employed for specific research activities on temporary basis from time to time. Moreover, EEA also needs to increase its stock of physical infrastructure. Standard office equipment such as computers and vehicles are critical for the proper implementation of its objectives and meeting the strategic goals.*

**Required Financial Budget:** *The total budget proposed for this specific project is about US\$6.0 million for a period of five years. Out of the total required budget, 50.2 percent will be allocated for the main activities of EEA including research and capacity building trainings (this includes most of the core activities of EEA and the human resource required to undertake these core activities) while a little more than 42.2 percent is allocated for institutional support. Organizing conferences and workshops and information dissemination to the policy makers, the private sector, and the civil society organizations as well as to the general public take the remaining share of the budget. EEA hopes to raise the budget from its development partners and from other sources including from its own cost recovery services. EEA is also optimistic that it will attract additional donors and secure new commitments from existing ones to meet the challenges ahead.*

## **5. PROJECT IMPLEMENTATION AND MONITORING**

### **5.1 Governance Structure**

*EEA has a transparent and accountable governance structure that has served very well during the previous phases of its operation. **The General Assembly**, the highest decision making entity, is responsible to provide the overall policy framework and approve the plans. **The Executive Committee (EC)** is responsible for reviewing and approving the annual work program and the annual report of the Association, nominating external auditors to the*



*General Assembly and appointing the Executive Director and Head of EEA Secretariat. The EC also authorizes major expenditures. It must be clear that since EEA is a not for profit organization, members of the Executive Committee of EEA are non-paid members and are democratically elected by the General Assembly.*

*The Secretariat is the standing organ of the Executive Committee responsible for the day-to-day activities of the Association. It shall be headed by a Chief Executive Officer appointed by and accountable to the Executive Committee. It shall have the required personnel. Similarly, the day to day activities of EEPRI and the research and training programs are coordinated and executed by an Executive Director, who reports to the Executive Committee. The Executive Director of EEPRI is responsible for planning, coordinating and implementing the research and training activities of the Association. The Director prepares and presents annual work plans and reports of activities to the Committee and establishes procedures for effective communication and coordination with stakeholders including government departments and agencies, universities, donor agencies, other research institutes and the general public. In addition, full time researchers, publication officer, and other administrative and support staffs are employed.*

## **5.2 Monitoring and Evaluation**

*Monitoring and evaluating the planning activities and status of implementation of the plan is important activities to ensure that the Association is following the direction established in the planning period. EEA has now developed its Monitoring and Evaluation Plan for its activities. The plan consists of the Expected Results (outcomes/outputs), indicator for each outcome, Baseline data of the output and the targets.*

*In the Monitoring and Evaluation process of EEA project, various stakeholders will participate at different level. **The General Assembly**, among other things, determines the policy direction of the Association; deliberate upon and approve the Annual Performance Report, the Annual Plan and its program of action, and Annual Budget of the Association; and receive, deliberate upon and approve the Audited Annual Financial Reports of the Association. **The Executive Committee (EC)** is responsible for the management of the activities of the Association. In particular, among other things, approve the Annual Performance Report, Activity and Budget plan of EEA for consideration by the General Assembly; approve the editorial policy of the Association and appoint members of the Editorial Board; and Initiate and formulate policies to be considered and adopted by the General Assembly; The EC of EEA meets quarterly to monitor and evaluate the progress in the implementation of the Annual Plan. **The Management Meeting**, which is composed of*



the Director of EEA/EEPRI, Secretariat head, Division Heads and Finance and Administration head, meets monthly to monitor and evaluate the progress of planned activities of each section of the Association. **The Consortium of Local Donors** have reviewed and held discussion on the Six Months Performance Report which are prepared and submitted by EEA. They also review and deliberate on the Six Month Financial Audit Report which is prepared by an External Auditor. **External consultant** is also monitor and evaluates the implementation of the five year plan of EEA at the middle and end of the project. **Other development partner institutions** outside the country which include the African Capacity Building Foundation (ACBF) and the Think Tank Initiative of the International Development Research Center (IDRC) of Canada held monitoring using their own reporting and monitoring schemes. EEA has also regularly received review missions from the two organizations.

EEA produces and submits progress reports that consists of Quarterly Report, Six Month Report, Annual Performance Report and Annual Work Plan, and External Financial Audit Report. The progress report provides basic information on the implementation of the Annual Plan i.e. whether the goals are achieved according the timelines; whether the resources available in the reporting period are adequate (money, equipment, facilities, training, personnel etc.); whether the objectives are still realistic and priorities unchanged; the main challenges faced in the reporting period and the lesson learned in the period.

## **6. CONCLUSIONS**

The Ethiopian Economics Association was established in 1991 as a non for profit professional association having upholding several objectives. One of the major objectives of EEA is to promote economic research and dissemination of the findings of such research to advance and help the economic policy formulation and implementation capabilities of Ethiopia. To realize this objective the Association has established the Ethiopian Economic Policy Research Institute (EEPRI) in 2000 as its main research and training arm. Since its establishment, EEPRI has undertaken several policy relevant research and training activities. It has also organized various forums on periodic basis covering many issues of national interest. Over its short life span, EEA has been able to assemble a critical mass of highly skilled professionals, attract funding from various donors, develop an effective organizational structure and governance system, and had made major contributions to the policy research and formulation in Ethiopia. EEA has now become a credible and reliable policy research organization and has achieved recognition from both local and international organizations.



*The demand for sound and appropriate economic policies is increasing in Ethiopia. There is huge gap between the supply and demand for alternative policy relevant studies. Institutions like EEA could significantly help in filling the gap in policy research. This project document has been prepared primarily to request Partner Institutions for further collaboration and support. The collective resources from different sources will enable EEA to further enhance its capacity and meet the ever increasing demand for policy related research and analysis and other capacity building efforts and will contribute significantly in the development process of Ethiopia. EEA strongly believes that Ethiopia's development partners and policy makers and the general public require credible and independent policy opinion on relevant and critical economic issues. It will also continue to build the capacity of various stakeholders and thereby contribute its professional input into the development of the country. Since capacity at the regional level is extremely limited EEA will give special attention to engaging and building the capacities of local policy makers and other development actors.*

