

**Abridged case-report of the
Mapping Studies on Gender and Aid
Effectiveness**

2004-2006

**Assessing New Aid Modalities with a
Gender perspective**

**EC/UN Partnership on Gender Equality for
Development and Peace**

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A Case Analysis

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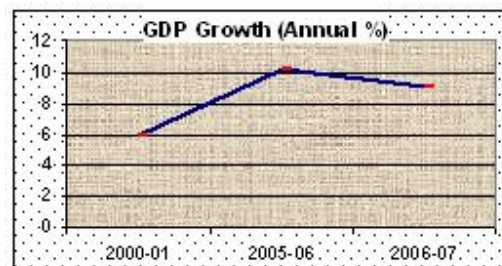
ADLI	Agricultural Development-Led Industrialisation,	ICPD	International Conference on Population and Development
AfDB	African Development Bank	JBAR	Joint Budget and Aid Review,
AIDS	Acquired Immunodeficiency Syndrome	JBS	Joint Budget Support
AU	African Union	KfW	German Government Aid Organisation
CDC	Centre for Development Consulting	M&E	Monitoring and evaluation
CEDAW	Convention on Elimination of Discrimination against Women	MCP	Ministry of Capacity Building
CEU	Commission of the European Union	MDGs	Millennium Development Goals
CHE	Centre for Human Environment	MEFF	Macroeconomic and Fiscal Framework
CoP	Communities of Practice	MoARI	Ministry of Agriculture and Rural Infrastructure,
CPIA	Country Policy and Institutional Assessment	MOFED	Ministry of Finance and Economic Development
CRC	Citizen report Card	MoH	Ministry of Health,
CRDA	Christian Relief Development Association	MoWR	Ministry of Water Resources
CSA	Central Statistical Agency	MoWA	Ministry of Women's Affairs
CSP	Country Strategy Paper	MTS	medium-term strategy
DAC	Development Assistance Group	NAP-GE	National Action Plan for Gender Equity
DFID	Department for International Development	NAM	New Aid Modalities
EC	European Commission	NDS	National Development Strategy
EDF	European Development Fund	PANE	Poverty Action Network
EWLA	Ethiopian Women Lawyers Association,	PASDEP	Plan for Accelerated and Sustained Development to End Poverty
EMCP	Expenditure Management and Control Programme	PBS	Protection of Basic Services
FWCW	Fourth World Conference on Women	PD	Paris Declaration
GBS	General Budget Support	PSCAP	Public Sector Capacity Building Programme
GE	Gender equality	RBA	Rights based approach
GEM	Gender Equality Markers	SDPRP	Sustainable Development and Poverty Reduction Programme
GEWE	Gender equality and women's empowerment	SDPs	Sectoral Development Programmes
GoE	Government of Ethiopia	SHD	Sustainable Human Development
GRBS	Gender Responsive Budget Support	Sida	Swedish International Development Agency
HIV	Human Immunodeficiency Virus	SL	Sustainable livelihoods
		VAW	Violence against Women
		WSMC	Welfare for Street mothers and children

The conclusions reached at and opinions expressed in this document are that of the researchers and not necessarily the views of the Ethiopian Government. This Restricted Draft is the product of the lead researcher

Executive Summary

The objectives of the study are to provide evidence of the impact of NAM on support for GE and women's empowerment from *donors and governments*; identify examples of good practices for strengthening GE and women's empowerment in the context of new aid modalities and provide an information base for the development of indicators to enhance accountability and ensure that *monitoring aid effectiveness through the PD* contributes to realisation of GE commitments. This study covers the period 2004-2006. Applied data collection focused on participatory, affordable and useful techniques.

Observations from the study: The Ethiopian Economy has recently been growing at 9-10% annually and this provides opportunities to integrate international development aid with a strong economy to finance development within. The nation has received 1.3 billion USD through Project Aid – 60.82%, General Budget Support (GBS) – 14.28%, Protection of Basic Services (PBS) – 1.78% and via NGOs and CSOs – 23.19%. There have been changes in official development assistance (ODA) goals and modalities that have affected many organisations through principally the transition from Project Aid and GBS to PBS making it more difficult to integrate GE priorities into the Paris Declaration tenets as the GBS, the main instrument of harmonising and aligning aid, has been suspended. As far as the PD is concerned, there is already a strong partnership between the government and development partners within the framework of the SDPRP (2002-2005). During the PASDEP period (2006-2011), it was planned to continue to pursue important initiatives pursued under SDPRP, where GE is understood as both a cross-cutting issue and as a specific sector; central to PASDEP.



Recommendations and way forward: Indeed some good practices have been documented during the GBS, while this not currently the case in the PBS, introduced after the GBS was abandoned, that has sectoral focus where gender is not included as one of the main focus areas

1. **Ownership of Development:** Under the GBS, the nation had choices about the scope, scale, design and role of ODA. The government has developed the ability to engage with international partners, and to follow through on its own PASDEP strategy. Nonetheless, there must be basic trust between partners, and a significant consensus on development strategy. The competence and status of MoFED are crucial. Donors who embark on PBS should be prepared for a lengthy engagement; as significant volumes of PBS will be problematic unless macroeconomic stability and fiscal discipline is established;
2. **Alignment:** The existence of GRB in the national budgets poses a difficult question especially in regards to how much of the budget is allocated for GE activities. Hence it is important to identify in the questions what constitutes an engendered budget with clear guidelines and capacity building in MoFED and the legislature at all levels to institutionalise GRB.
3. **Harmonisation:** Although the process has been progressing quite well, such process needs to be refined to address complex issues that inter alia include indicators on institutional relations in the reduction of poverty, disease of poverty and ignorance and maximising benefits of economic growth based on GE must be developed – this must be reflected in all institutions and strategies.
4. **Managing for results:** although the nation has sex disaggregated data in all gender focal points of national development institutions, these need to be refined with a defined methodology that address the data collection, collation and analysis and synthesis. Gender equality needs to be captured in strengthened linkages between PASDEP and annual budget processes. Through a general assessment of the GEM that have yet to be refined, we have presented the preliminary conclusions. We recommend that the national budgets and expenditures need to be outlined using these markers.
5. **Mutual accountability:** the Legislature's strategic capacity in crafting gender responsive policies, strategies and budgets and monitor the equality of women of all benefits and human right contained in international and national human right instruments need to be enhanced. Further more, the monitoring mechanisms for the PASDEP needs to be strengthened by independent sources and means of verification. Professional associations and academia need to be involved in greater measure to ensure the utility of these mechanisms to reinforce participatory approaches and involvement of a broad range of development partners in formulating and assessing progress in implementing development strategies.

Section I

Introduction and backgrounder for Capacity Development

Over the last few years, the international aid partnership has made substantial progress towards bringing national stakeholders to act in unison against the threat of the collapse of the state. Progress has been made in creating awareness among policy makers in governments, national institutions, donor agencies and international development agencies on the impact of such collapse. Nevertheless, this is not enough and much has yet to be done. CD is seen to be dependent on interactions such that technical support efforts that may require attention to more than a single entity; a concept which is broader than organisational development since it includes an emphasis on the overall system, environment or context within which individuals, organisations and societies operate and interact.

Yet, so much remains to be done by the CD international partnership. Simply told, our major failure emanates from our lack of the understanding that the single most activity that will ultimately curtail for instance the spread of epidemics is behavioural change that comes as a result of education and conscious participation of the public in this endeavour. We have not been able to educate and mobilise society to be able to create the critical mass necessary to stem the tide of human misery, death and loss of social capital. Beyond platitudes and good intentions, the international community has not been able to establish dialogue with communities affected by the epidemic because we lack the personnel with requisite skills and facilities such as research centres and Think Tanks, to inform our arguments and present credible information to support our assertions. A determinate order of institutions, powers, interests and activities operate through complexes of ideas and values, filling out, specifying anchoring and, sometimes short-cutting their formal content or meaning. We need to go beyond this.

Specialised support is necessary for the ability to define and realise goals effectively but important questions linger - what is needed to provide this ability?" A most fundamental, and seemingly obvious, answer is: "A higher quality for making decisions and translating them into action." However, while a poor process that is well followed will not meet the need, neither will a higher quality that is not well followed. So we need a higher quality that is well followed. While this may seem obvious, this is not the view that informs most of the guidelines offered. One presentation that synthesises the literature on the subject, lists issues to be considered for attention in assessing technical support needs—all of them are seen to be applicable to individual, family, community, sub-national, and national levels of analysis: relational factors—the environment in which capacity is shaped—"factors influencing capacity to respond to a given substantive development problem" comprising: institutional norms and practices and links and relationships within and between levels; and constituents which contribute to capacity of an entity to act or achieve, comprising: structure/division of labour, space/authority to act, motivation, and leadership, analysis of context/problem-solving/learning systems, resources and performance. While "institutional norms and practices" and "learning systems" can be read to cover a concern for processes, the examination of processes is not seen as the point of departure for CD.

Despite the colossal challenges in GE and women's empowerment, the Ethiopian Government recognises gender as a human right issue, a poverty reduction and a development goal in its own right - committed to promote gender equity across the country's development process. The 1994 Constitution emphasises this commitment. Nonetheless, growing external involvement in GE and women's empowerment has resulted in increasingly challenging problems of conceptualising and understanding the role and function of international agencies. The growth of foreign interventions seem in marked contrast to the limited thought and effort exerted by democratisers of society and polity to put the interventions in coherent theoretical or strategic perspective. Fragile state governments and societies undoubtedly depend on international assistance in their projects of reform; vital for the projects in many areas and at many levels. Yet, it must be recognised that external support creates problems as well as opportunities for fragile states. In confronting the imperatives of change, nothing is more challenging for our polities than the strategic co-ordination of diverse global and local elements, relations and activities within themselves, nor has anything greater potential for enabling them achieve successful capacitation.

The report presents findings from the survey for engendering new aid modalities in Ethiopia using the methodology and protocols and indicators that were used to measure the degree of ownership, harmonisation, and alignment, managing for results and accountability as set by the PD. The indicators however go beyond these five focal points to include substantive gender indicators as presented in this document.

Section I

The National Macroeconomic Development Context for New Aid Modalities:

Ethiopia is a lower income country coming under the Sub Saharan African region (See Table 6), according to the classification made by the World Bank on the basis of income and region for the year 2005. The country constitutes a total surface area of 1.1 million square kilometres in the year 2004 with a forest area of 137.1 thousand square kilometres in 2000. The total population of the country is estimated at 79.0 million with an annual growth rate of 1.9%. The following graph represents the average annual growth rate of population of the country over the years.¹ The life expectancy at birth years in the country for 2004 is calculated at 42.5 years. The infant mortality rate per one thousand life births in the country for 2004 was 110.4. The mortality rate under the age of 5 per one thousand is estimated at 166.4 in the same year.

The economy of the country largely relies upon the agriculture sector. The Gross National Income in the country as of the year 2004 has reached at 7.6 billion in current US \$ with a per capita level of 110.0 current US \$ for the same year. The Gross Domestic Product of the country in 2004 was 8.0 billion in current US\$ with a growth rate of 13.1% per annum. The following diagram shows the growth rate of GDP of the country over the years. Among the various sectors of the economy, agriculture plays a very significant role.

It accounts for half of the total GDP in the country and is considered as the major source of revenue provider to the country. The country holds its advantage in livestock, grains, vegetables and fruits. The role of the industrial sector in the country is also note worthy. The major industries of the country are food processing, beverages, textiles, chemicals, metals processing and cement. The country makes well in services sector and lacks certain types of infrastructure for the development. The percentage share of the agriculture sector in the GDP is following a rising trend in the recent years.

The Ethiopian Economy has recently been growing at 11% annually and this provides opportunities to integrate international development aid with a strong economy to finance development within. The first poverty reduction programme was formulated in 2001. Government expenditure is

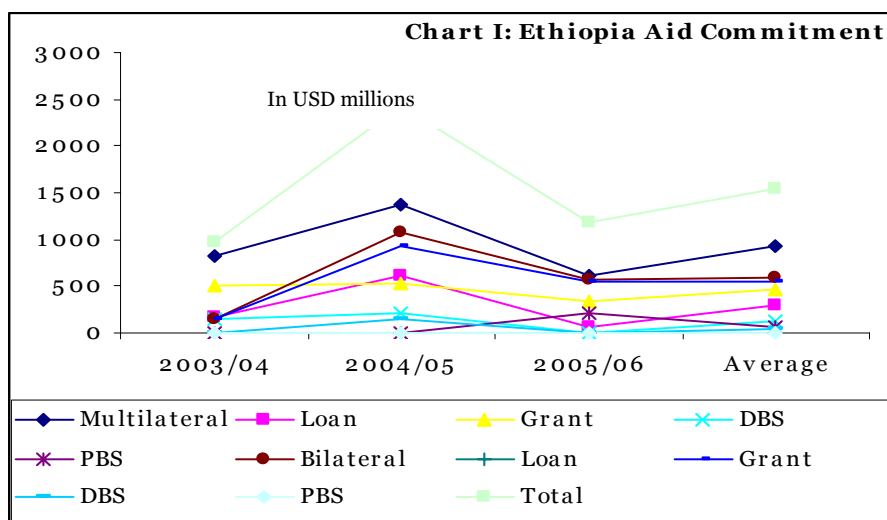
covered from domestic and foreign sources. Given the size of the resource gap and the limited capacity of the economy to mobilise domestic resources, the financial gap is covered from donors' assistance. New aid modalities support the nation by generating national consensus on 2001-2005 Sustainable Development and Poverty Reduction Programme (SDPRP) and later on the 2006-2011 Plan for Accelerated and Sustained Development to End Poverty (PASDEP). This is aligned with assistance to achieve MDGs and with principles to promote aid effectiveness. The current international aid flow is substantiated by the international shared objectives that both donors and recipient countries are aspiring to achieve: which are poverty reduction and the MDGs. Elimination of poverty and achieving the MDGs are the two central goals that rationalise provision of assistance as well as the effective and efficient utilisation of it. The current aid modalities applied in Ethiopia include Project Support, GBS, PBS, and fund channelled to CSOs/NGOs.

Project Aid and General Budget Support (GBS) has been the main instrument used to rationalise international aid with national budgets and hence has become more prominent since the mid decade of 2000, as part of a wider quest to improve the effectiveness of aid. Funds provided through general budget support are disbursed through the recipient government's own financial management system and are not earmarked for specific uses. However, they are accompanied by various understandings and agreements about the government's development strategy to monitor implementation of the agreed strategy as a whole to achieve

- improved coordination and harmonisation among donors;

Ethiopia: economic indicators⁴		2004	2005	2006
1.	Nominal GDP, US\$ bn* [2]	9.72	10.79	12.29
2.	Real GDP growth, % y-o-y* [2, 3]	13.13	10.31	4.8
3.	GDP per capita, US\$* [1,2,3]	130	141	155
4.	Population, mn [1]	75.60	77.43	79.28
5.	Fiscal balance (inc. grants), % of GDP* [2, 3]	-2.87	-4.76	-5.36
6.	Fiscal balance (excl. grants), % of GDP	-7.54	-9.51	-10.36
7.	CPI, % change y-o-y, eop [1, 3]	7.60	12.3	8.3
8.	Lending rate, %, eop [1]	7.00	7.00	7.50
9.	Exchange rate (ETB/US\$), eop [1]	8.65	8.65	8.85
10.	Exports, US\$ bn [1]	0.68	0.92	1.01
11.	Imports, US\$ bn [1]	2.77	3.70	3.93
12.	Trade balance, US \$bn [1]	-2.09	-2.77	-2.77
13.	Current account balance, US \$ bn [1]	-0.67	-1.77	-1.77
14.	-% of GDP [1, 2]	-6.9	-14.2	-12.0
15.	Foreign reserves (ex gold), US \$ bn [1]	0.50	1.12	1.00
16.	Import cover (months) [3]	4.82	2.45	2.72

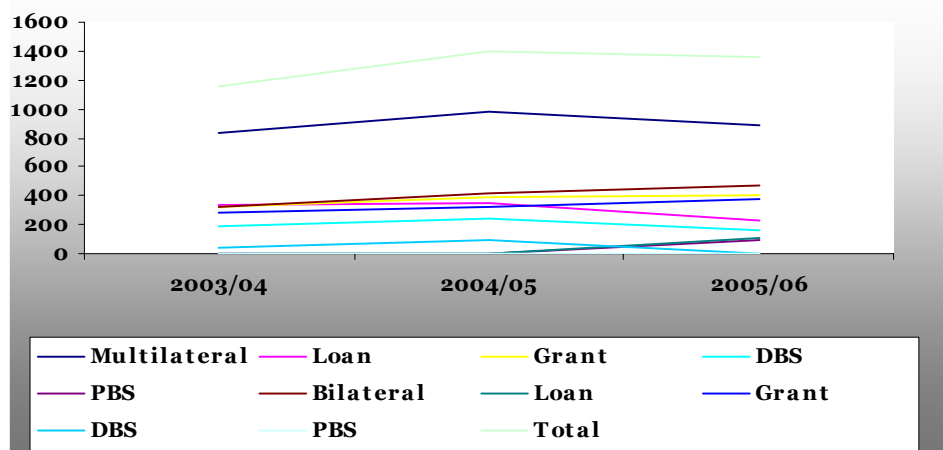
- alignment with partner country systems and policies;
- lower transaction costs;
- higher allocative efficiency of public expenditure;
- greater predictability of funding;
- increased effectiveness of the state and public administration as general budget support is aligned with and uses government allocation and financial management systems, and improved domestic accountability through increased focus on the government's own accountability channels



SWaps: The Government and donors, including the AfDB, WHO, DFID, Italy, Sweden, the Netherlands and the World Bank have been working toward establishing SWaps in health, education and roads, especially in the areas of road construction and primary school enrolment. A SWap in the Public Sector Capacity Building Programme was developed in 2004. The DAG has a mechanism for pooling funds to support joint initiatives by donors.

Protection of Basic Services (PBS) The PBS Project is an initiative designed by the donor community in cooperation with the Government and various stakeholders. It is designed to expand and sustain the basic human development programmes that are almost exclusively provided by the Government. Following the post-election violence of 2005, a number of donor constituencies decided that they could no longer provide assistance to the GBS mechanism. The PBS package comprises of funds to protect basic services, provision of health commodities, improved developmental and financial transparency and citizen participation in social accountability. All are being implemented over a period of 24-36 months. Fiduciary, fairness, and additionality (to publicly-funded basic services and programmes) tests will be applied; with the intention to provide greater citizen and donor scrutiny of budgets and performance via the review

Chart II- Aid Disbursement 2004-2006 in US Millions



mechanisms, management structures for the PBS and modalities of CSO engagement in the PBS.

CSO Funds: A study by CRDA, an NGO umbrella body, and the Government produced an Information Package on NGO Contributions in Ethiopia⁵ asserts that “with the increasing involvement of NGOs in the development of the country, their role and areas of interventions also changed from time to time. Thus, NGOs were increasingly being pulled into the development front. This change in emphasis was influenced by national as well as international factors. Internally the need to address the root causes of poverty was becoming increasingly apparent. The report goes on to say that “in addition, the shift in the paradigm of development and the consequent emphasis on participation, democratisation, empowerment, transparency, gender, human development, etc., have also contributed to the widening and broadening of the role of NGOs in development.

Section III

Discussion on the findings

1. Gender and participation in the national economy: A World Bank report asserts that “Ethiopian men and women play very significant economic roles in the Ethiopian economy with substantial contribution in agriculture and the informal sector combined with different roles in the household economy. Households are predominantly male-headed, with only about 26 percent being female-headed. Gender division of labour in Ethiopia indicates that women are responsible for all household tasks. They care for the children, process food, prepare the family meals, fetch water and fuel wood, care for the sick and the aged, maintain family hygiene and carry out environmental sanitation, amongst other responsibilities. Ethiopian women also participate in productive or income generating activities as sole income earners or to complement what their husbands earn. Most of the rural women actively perform some agricultural tasks such as weeding, harvesting, threshing, transporting, sieving, storing, marketing, and producing handicrafts. Some work as petty traders or local brewers to earn an income to support their families.¹¹

2. In acceding to the PD, the national processes entailed detailed negotiations with donors as indicated in the PASDEP to define the priority areas for donor cooperation and achieving the ownership, alignment, harmonisation, managing for results and mutual accountability processes that PASDEP needed to go through. Nevertheless, with the exception of MoFED, most respondents to the survey could not provide evidence of the impact of NAM on support for GE and women's empowerment. Due to high turn over of gender focal points in donor circles, they could not provide evidence to develop an information base for the development of indicators that enhance accountability and ensure that *monitoring aid effectiveness through* the PD to realisation of GE commitments. Hence the discussion focuses on what all stakeholders can endeavour to achieve;

Tbale 2. Status of women in Ethiopia			
	Indicator	Current Status	Remark
	Maternal mortality rate	673/100,000	live births
Delivery attended by skilled attendants		9 %	
	Prenatal care coverage	30 %	
	Female morbidity rate	75.5 %	
	DPT coverage	70 %	
	Contraceptive prevalence rate	15 %	
	Women & girls affected by FGM	73 %	
Pregnant women with access to PMTCT		0.56 %	
primary school gross enrolment ratio		Female = 71.5 %	Male= 88 %
Secondary school gross enrolment ratio		Female = 21.6 %	Male=36.6 %
Literacy rate		Female = 27 %	Male= 50 %
Women with access to agricultural extension services		9 %	National=56 %
Rural people with access to safe drinking water		25 %	
% of women out of the total landholders		18.6 %	
Women as permanent employees in civil service		32 %	

3. Indeed while some good practices for strengthening GE and women's empowerment in the context of NAM have been documented and the EC has currently allocated budget to do so. From the information generated during the survey, the EC must and can play a major role to advance the gender agenda. The primary and overarching objective of EU development policy is the eradication of poverty in the context of sustainable development, in line with the international agenda, and with particular attention for the MDGs, human rights and good governance are acknowledged as other important objectives under recently adopted *European Consensus on Development* that sets the general policy framework of the EC. Yes, the EC is committed to advance coordination, harmonisation and alignment; taking a lead role in implementing the PD commitments. The Strategy provides a long-term, strategic framework for interaction and rests on three pillars: (i) promoting peace, security and good governance as central prerequisites for sustainable development, (ii) supporting regional integration, trade and interconnectivity to promote economic development and (iii) improving access to basic social services (health, education) and protection of the environment to reach the MDGs 1-6 faster. This CSP reflects the above strategy and builds on the analysis of the Diagnostic Survey.²³

4. The Government's development vision is set forth in a 1992 policy document - Agricultural Development-Led Industrialisation (ADLI); that underpins the paradigm that agriculture as the primary stimulus to the economy catalysing employment and other sectors of the economy. Several long-term Sectoral Development Programmes (SDPs), including education, health and roads, complement the long-term

vision.²⁴ The Government has also approved a twenty-year Education Sector Development Programme in 1994. A twenty-year Health Sector Development Programme in 1993 and a Ten-Year Road Sector Development Programme in 1996 have been developed and a National Action Plan on Gender Equality has been launched in 2007. In 2002, the Government prepared the SDPRP²⁵ a medium-term programme covering the period 2002-05 informed by the SDPs and linked to the ADLI. The SDPRP existed in parallel with a constitutionally mandated Second Five-Year Development Plan 2000-05, which elaborated policy and institutional measures needed to achieve the ADLI. The PASDEP, medium-term strategy for the period 2006-10, which builds on the SDPRP, is in full swing. The Government has integrated the PASDEP with the mandated Five-Year Development Plan to consolidate development policy under a single framework. Sector strategies, including in agriculture, food security and vulnerability, private sector development, export development, tourism, mining, infrastructure, health and education, which informed the SDPRP have been updated to inform the PASDEP.

5. The PASDEP builds on the SDPRP and is designed to accelerate the country's efforts to achieve the MDGs by strengthening links between policy actions and MDG targets. Ethiopia, a UN Millennium Project pilot country, has completed an MDG Needs Assessment Synthesis Study. MoFED has integrated MDG targets into the 2006 - 2010 Five-Year Development Plan. The SDPRP focuses on four pillars: 1) growth, including private sector development, rural development, vulnerability and roads, 2) human development outcomes, including education, health and water, 3) public sector institutional outcomes, and 4) democratic governance and decentralisation. Specific actions are articulated in a Policy Matrix, which has not yet been fully finalised in discussions between donors and the Government. The PASDEP places greater emphasis on good governance, pro-poor growth, balanced urban development, private sector development, GE, support to pastoral populations and strengthening of the judicial sector. Achievements in the human development sector as follows

- 5.1. **Leadership and Decision Making:** In order to widen the participation of women in leadership and decision making in legislature, the ruling party committed to 30% parliamentary seats. In the third national election the number of women legislators grew to 117 (22%) from 42 (7.7%) in 2000 and 13 (2.7%) in 1995. In the executive branch of the government, women constitute 13%, 25.5% among the judges at the federal and regional courts and 24.3 % in the civil service higher positions.

- 5.2. **Meeting the MDGs:** According to MoFED, "The MDGs have been well integrated and harmonised within the national development planning framework through the conduct of the MDGs needs assessment exercise which gave rise to sectoral MDGs plans and which in turn gave rise to Ethiopia's Ten-Year MDGs Plan spanning the period 2005/06 to 2014/15. The PASDEP is taken as the first Five-Year Phase of this Plan. A medium-term plan serves as vehicles towards reaching the MDGs. The implementation of the SDPRP (2002/03 to 2004/05) was assessed and served as baseline in the formulation of the PASDEP. The PASDEP has gone into the second year of implementation. The basis in addressing the question posed is performance rates achieved by the end of the first year of PASDEP implementation in relation to the various MDGs targets including the gender related goals set in the MDGs. In respect to growth and poverty reduction, Ethiopia has witnessed an annual average real GDP growth rate of about 6 percent during the decade ending in 2005 and 11.3% in the last three years. According to the World Bank African Indicators Report 2006, this level of growth has ranked Ethiopia as one of the fast growing non-oil and mineral exporting economies in sub-Saharan Africa (SSA). The economy has even shifted to a higher growth path during the last four years (2003/04 to 2005/06) in which it has registered an annual average growth rate of over 10 percent. According to the latest (2004/05) Household Income Consumption Expenditure Survey (HICES), significant improvement has been witnessed in income poverty at national level. Much of the decline in national poverty is attributed to a decline in poverty in rural areas. The decline in rural poverty is substantial. The head count, poverty gap, and poverty severity indices in 2004/05 for rural areas is lower by 13%, 31%, and 41%, respectively than the levels in 1999/00. The analysis indicates that there was a decline in the proportion of rural people who are below the poverty line and the average gap of the poor from the poverty line and improvement in the distribution of income among the rural poor. In general, the significant decline in rural poverty is clearly attributed to the wide-ranging and multi-faceted pro-poor programs that have been implemented in rural areas such as menu based extension program to support commercialisation of smallholder agriculture, the Food Security Programme, and the recent Productive Safety Net Program among others. The decline in urban poverty between

2004/05 and 1999/00 was only limited to the depth and severity of poverty with only a marginal decline in the proportion of the poor from 37 percent in 1999/2000 to 35 percent in 2004/05.²⁷

6. **Operationalisation capacity and resources:** Action has been taken to develop a link between the budget and SDPRP priorities. The pro-poor orientation of budgets at the federal and regional levels has been robust during the SDPRP period and consistent with SDPRP priorities. Regional Public Expenditure Programmes, linked to the SDPRP and now the PASDEP, are being introduced. Poverty-reduction spending is defined at the sectoral level and includes spending on education, health, roads, agriculture and water. Poverty-oriented sectors were given due emphasis during the formulation of the 2004-07 MEFF and in the preparation of the 2004-05 budget. The MEFF is expected to be made available at the end of January each year, but some delays have been experienced during the last seven years. The MEFF provides information on overall spending targets, the resource envelope, financing and inter-government fiscal transfers over a three-year period in line with the macroeconomic framework. Programme costs are estimated for each ministry based on activities to be undertaken for the next five years. A MEFF is also prepared at the beginning of each budget cycle to indicate expected domestic and external resources for the next three years. A five-year, extended MEFF was used to examine the cost of PASDEP implementation and determine any financing gaps. The 2005/06 budget committed an average of 66% of total expenditures to programmes focussing on the poor women and men.
7. ODA for GE has been planned to be disbursed in a predictable manner under the GBS. However, there been changes in ODA goals and modalities from direct budget support to the PASDEP that affected the implementation of the PASDEP. GBS has been suspended, and as a result the disbursement amount of aid to PASDEP decreased, which can be used for the government priority areas, enhanced the effort of eradication of poverty in the country. The above-mentioned changes made it difficult to integrate GE priorities into development cooperation as the funds were non-existent and have rendered mechanisms in place to ensure that sex-disaggregated data are used in donor supported programmes.
8. **Planning and decision-making for GE:** how national development strategies, poverty reduction strategies and national action plans adequately reflect GE priorities. Our findings from the survey instruments established in the methodology and protocols preliminarily indicate that
 - 8.1. A large part of total expenditures are allocated to the poverty-targeted sectors of education, roads, agriculture and food security, health and water. Respondents have indicated that there coherence with GE provisions in national strategies and donor priorities; but cost estimation exercises have not been conducted for the national action plan for GE.
 - 8.2. The Government has prepared a Gender Budget Analysis to begin tracking budget allocations toward programmes that target GE. The Government is making efforts to pilot performance based budgeting, whereby information on outcomes influences budget allocations. Nevertheless, expenditures in pro-poor sectors have not been significantly affected by the November crisis, following the use of alternative mechanisms (PBS) by some development partners of instruments to ensure continued delivery of services to the poor. PASDEP is aimed at reducing poverty and enhancing economic empowerment has included the National Action Plan for Gender Equality (NAP-GE) as one its pillars. Hence, the PASDEP has incorporated GE as its main part and this in turn is a way to realise the GE component of the MDGs.

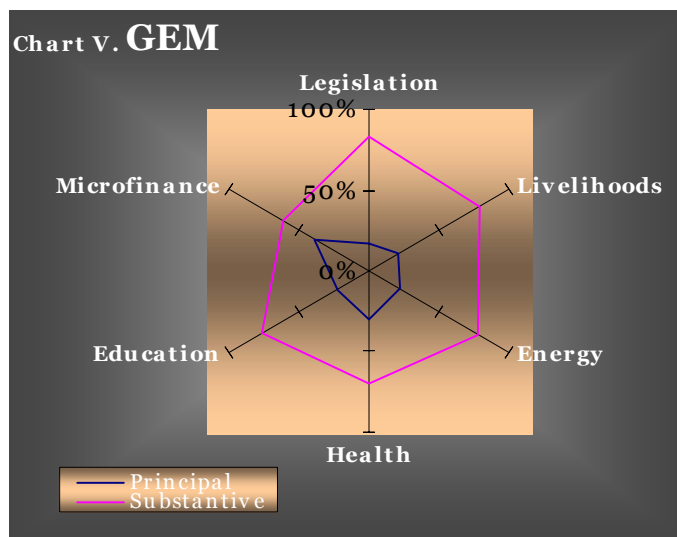
Participants to the survey have indicated that there are haphazardly set of indicators that have been developed by CSOs and development partners on the relative levels of engagement of women's machineries in development planning, aid oversight, and the level of engagement of women in civil society in aid planning. DFID has planned a consultative process to engage CSOs in such an exercise. Ethiopia has ratified the CEDAW and has already submitted its 4th and 5th reports to the UN committee. NEWA on the other hand has produced a shadow report based on the government's report.
9. **Budgeting for GE and women's empowerment:** This section identifies links between national budgets (including general budget support aid and sectoral programmes) and GE goals. Our findings from the survey instruments established in the methodology and protocols preliminarily indicate that
 - 9.1. There is a political commitment towards GRB in the country in government, in some donors and NGO. The government has finalised the preparation of the gender budgeting guideline of the country. The budgeting system allows for progress towards gender responsive budgeting (GRB) and the

budget follows a line budgeting format. In addition, a performance-based budgeting format is started on a pilot basis. However, gender budgeting is not yet started in a way to provide a clear picture of the distribution of benefit disaggregated by sex.

- 9.2. Within the Ethiopian Constitution, there is a right to information act with regard to budget transparency. Based on this, members of legislature raise questions on responsiveness of budgets to GE goals and gender is being mainstreamed into the budgeting processes at all levels (Federal, Regional and Wereda). The country has budget tracking (pro poor budgeting, participatory budgeting, poverty observatories ... etc.) initiatives lead by civil society (such as NEWA and PANE) that includes sex disaggregated sectoral targets and indicators. The country has also mechanisms that aimed at ensuring sectoral staffing and salaries disaggregated by sex?
 - 9.3. While gender impact assessment has yet to be carried out as set in the PASDEP in relation to revenue raising policies; expenditures towards GE priorities and GE laws are predictable. This is underwritten by the fact that the level of relevance to GE of the largest three programmes funded by sectoral budgets - education, health, agriculture - indeed have specific measures related to improving women's access to resources and services and monitoring of such access; improvement of statistics and indicators disaggregated by sex, support gender-aware impact assessments and studies; implement national plan for GE targets; finance programmes of the national women's machineries and strengthen the institutional and operational capacities of these machineries. Public expenditure at sectoral level tries to reflect GE commitments and principles defined at the level of the PASDEP.
 - 9.4. NEWA has finalised its preparation to be involved in providing budget literacy and in mobilising citizens especially women organisations to participate in the budget process. and
10. **Monitoring and evaluation of GE and women's empowerment:** This section discusses the extent to which monitoring and evaluation mechanisms are in place to ensure that spending on GE is linked to development outcomes on GE. Our findings from the survey instruments established in the methodology and protocols preliminarily indicate that
- 10.1. **There are mechanisms** in place to ensure that sex-disaggregated data are available to measure changes resulting from the implementation of GE commitments in the PASDEP. Gender analysis has been a key factor during the formulation of the PASDEP/NAP-GE in which government, donors and CSOs participated in its formulation in consultation. But this falls short of a full scale gender analysis. The coordination under the PASDEP enabled to harmonise procedures and practices that reduced transaction costs and delays in the utilisation of poverty reduction fund.
 - 10.2. **Gender equality commitments** identified for funding are in line with government or donor commitments to GE. There are no policies that are not in line with commitments. Commitments have been made by donors in the context of international agreed goals (MDGs) and as reflected in the PASDEP. As a common framework for joint monitoring and reporting system, the government and donors have developed agreed matrix of indicators that will enable to measure the performance. Donors are providing assistance to strengthen the system to improve tracking of implementation performance and impacts of the PASDEP. Although not clearly stated in the planning process, there is coherence of gender priorities with the national government policies on GE as these have been defined in various policies.²⁸

Donor harmonisation is based on PASDEP which represents the main mechanism in place to ensure donor coordination on GE activities. The membership is made up of all stakeholders whose functions, and roles are to ensure that there are practical ways such as the efficiency and efficacy of gender units in ministries and agencies, CSOs addressing gender issues and the academia that form the bulwark of the advice and consultancy support to the national capacity building programme. PASDEP has an inbuilt evaluation system in place to assess the quality of implementation of programmes and projects supporting GE commitments, tracking of the implementation of GE commitments in donor-supported programmes. Frameworks in place to allow women's groups to monitor appropriation of funds on GE are the PASDEP/NAP-GE, Annual Budget Plan, Sectoral Development Programmes and annual progress/performance report with clear M&E mechanisms

Gender Equality Markers (GEM): Though a general assessment of GEM have yet to be refined, the following preliminary conclusions have been reached (see chart v). The GEM has been projected from legislative and policy measures and the SDPRP/ PASDEP plans for GE. Funding for education (girl education is a principal criteria) has experienced a 32% increase relative to 2003/04, while budget allocations for health, (such as reproductive health services) water supply, (alleviating the problem of water collection by women) and agriculture and food security that are targeted at poor women have increased by 84%, 94% and 36% respectively; routed from defence spending that declined from over 13% of GDP in 1999/2000 to about 35 in 2004/05. Regions and woredas account for the bulk of poverty targeted spending: in 2003/04 regional spending on education and health accounted for 69.7% of total government expenditure in these sectors; it accounted for 56% of total government expenditure in 2004/05. We recommend that the national budgets and expenditures need to be outlined using these markers.



Section IV

Conclusions in reference to engendering the New Aid Modalities - Paris declaration

1. **Ownership of development – Participation of national stakeholders in strategy formulation and implementation** is weighed against the following indicators i.e. (1) The number of people who participated, (2) Who were represented (who, process and capacities)? (3) Participation of GE advocates in planning and decision making for GE and (4) the level of gender integration (scale) in the formulation of PASDEP. The Ethiopia country gender assessment work undertaken by the World Bank acknowledges that changing socially deep-rooted role and attitudes are long processes and require clear policy directives and government commitment, as well to address the social and cultural context of development efforts. The assessment takes the country's SDPRP as providing present-day context for developmental and gender analysis. It finds the SDPRP lacking in its treatment of gender and, therefore, misses an opportunity to put this on the stage as a development tool. Five issues have emerged as pivotal to our understanding of gender both as a tool for development and a mechanism for attaining human rights, especially those of women. These are:

In an effort to address these constraints, the Government has established an inter-ministerial Steering Committee and a National Technical Committee, composed of poverty-oriented professionals for PASDEP formulation at all levels. The Government has revitalised a Welfare Monitoring Unit within the MOFED, created in 1996, to meet M&E requirements of PASDEP implementation. The Government developed a social mobilisation strategy aimed at enhancing community participation and in particular women's participation in urban areas following a new municipality restructuring. Consultations have also been held for NDS Progress Reports that were widely reported in the press. Stakeholder participation in policy formulation has been significant; although less so during strategy implementation. CSO representatives from over 200 NGOs that includes all women's groups, the legislature²⁹ and the private sector represented by the Chambers of Commerce³⁰ moderated the consultations for SDPRP preparation at the district level. The draft SDPRP was discussed with the Government during the district, regional and federal consultations. NEWA's experience of undertaking research in the areas of gender issues: including a shadow report on the government's 4th and 5th report on the CEDAW Convention, an alternative report on the Beijing + 10 Appraisal by the government is one reason that makes its role more relevant.³¹ An independent NGO task force was established in 2004, known as Poverty Action Network (PANE), aimed at monitoring the consultative process. A draft of the first SDPRP Progress Report was circulated among the NGO community, and NGOs also took part in the February 2005 workshop to provide inputs into the second Pro-

gress Report. CSOs are also involved in M&E. More significantly CSOs can be involved in Gender Focused Alternative Conflict Management (GFACM); a multi-disciplinary field of research and action that portends and seeks to address the question of how women and men can make better decisions together.

2. Alignment

2.1. Weighed against the following **indicators** i.e. (1) The availability of information and accessibility on budget processes, donor aid to the country, (2) The existence of GRB in the national budgets, (3) How much% of budget is allocated for GE activities? (4) The level of participation of civil society, women machineries and GE advocates in the formulation and monitoring of national budgets, we observe and conclude the following

2.2. **Increased national capacity for managing development:** There has been significant progress in strengthening public financial management. Budget execution is generally sound with a new budget classification system. An Expenditure Management and Control Programme have been implemented since 1995/96 to coordinate and monitor progress on public financial management reforms. The Government has undertaken an aggressive fiscal decentralisation programme to regions and districts since 1994 and 2002 respectively, which are now directly responsible for managing poverty reduction expenditures. However, capacity remains weak at the local level, often resulting in delayed or incomplete financial reporting; which has been quite detrimental to the implementation of various policy instruments that relate to gender in holistic manner.

2.3. The Government is at the final stages of operationalising an Aid Management Platform aimed at managing information on development assistance flows that includes GRB. In addition, a computerised Integrated Administrative Management Information System (IAMIS) is being developed to combine administrative, budgetary and socio-economic data (including gender indicators) to monitor progress in the implementation.

2.4. **Aid flows are aligned on national priorities:**

2.4.1. **Leadership:** GoE demonstrated leadership in development assistance coordination via a High Level Forum (HLF) in collaboration with donors to enable better policy dialogue and mutual accountability; chaired by the MoFED and co-chaired by the Chair of the DAG.

2.4.2. **Donor alignment:** Donor strategies have been aligned with the PASDEP, although these have changed after events in November 2005 have prompted many to review their strategies. Some donors are shifting priorities to strengthening governance and institutions.³⁵ The 2002-2007 EC Country Strategy Paper explicitly reflects the priorities laid out by the Government. The AfDB 2002-04 CSP fully took into account the SDPRP and the new CSP currently under preparation also takes into account the priorities identified in the draft PASDEP. USAID had aligned its 2004-2008 Integrated Strategic Plans with SDPRP/PASDEP, particularly in the area of food security. DFID is preparing a new Country Assistance Plan for Ethiopia with a view to supporting the PASDEP. Ethiopia's development partners were making efforts to increase the provision of untied aid. In 2004/05, 30 % of aid was untied. However, since budget support was suspended there has been little discussion on further untying official development assistance and making this assistance gender responsive.

2.4.3. **Capacity support:** The Ministry of Capacity Building (MCP) was created in 2001 to guide the formulation, implementation, monitoring and evaluation of capacity building programmes. It has outlined several important steps to be taken with donors to provide joint capacity building support to the health and education sector programmes.³⁶

2.4.4. **Aid Predictability:** Disbursements are indeed aligned with annual budgetary framework: An annual JBAR, established in 2004, involves a rolling review and consultation among the Government and donors that is integrated with the budget cycle, replacing external expenditure reviews. Government officially introduced a planning and budgeting calendar in December 2003, which it continues to use. Donors are working towards synchronising their disbursement with this calendar. They have agreed to indicate support intentions by Sept. each year for the following fiscal year and to confirm these intentions early in the year, following a Progress Report.³⁷

3. Harmonisation

3.1. A Harmonisation Action Plan was endorsed by the Government and donors in December 2004, and implementation started formally in January 2005. The Action Plan aims for harmonisation and

alignment of external partner practices in areas like procurement, public financial management, monitoring and evaluation and analytical work that has resulted in the use of a number of common procedures among the participating donors. The progress in harmonisation of budget support was clearly reflected in the September 2004 PRSC II/JBS appraisal mission that led to: (a) the adoption of commonly agreed ToR and timing; (b) the successful conclusion of the first Joint Budget Aid Review; and (c) the drafting of a MoU.

- 3.2. The Government and donors, including the AfDB, WHO, DFID, Italy, Sweden, the Netherlands and the World Bank have been working toward establishing SWAPs in health, education and roads, especially in the areas of road construction and primary school enrolment. A SWAp in the Public Sector Capacity Building Programme was developed in 2004. The DAG has a mechanism for pooling funds to support joint initiatives by donors. Since 2003, the JBS group has followed common procedures and timing to undertake joint missions and engage in a dialogue with the Government, reducing transaction costs on the Government's limited capacity. Donors are increasingly working together to produce joint analytical work. Members of the DAG and other donors are working together to conduct a joint analysis of the political and economic situation in Ethiopia. The World Bank, together with other donors, including the EC, DFID, Sida, Ireland and Norway, completed a CFAA in June 2003. A CPAR was completed in 2002 and a PER was completed in 2004. A PER focused on rural development, including food security expenditure commenced in 2005. As of October 2006, donors have posted 51 documents on the Country Analytic Work website and only one deal with gender.³⁹
- 3.3. **women's political empowerment initiatives:** NAM partners and communities have testified to the fact that governments and institutions has been active in focusing on women's empowerment implementing and supporting integrated institutional development and thematic programmes on education, food security, capacitation and advocacy... There is undisputable fact that there has been tremendous impact on the livelihoods of the beneficiaries and their families. Institutions has ventured qualitatively into the **RBA** (although there are lingering issues in understanding of the concept in some areas), with programmes executed within the time frame and scope and to a large extent with impact; demonstrated by seven projects that are spin-offs of governments and institutions, integrated programmes, thematic interventions such as the ratification of the Maputo Protocol and support that were responsive to women identified needs. The potential for sustaining these impacts is clearly observed in the change in the lives of poor women-headed house holds in NAM programmes. There is evidence of greater control of women over their lives and belief that they are no longer poor.
4. **Managing for results:** Weighed against the following indicators i.e. 1) availability of sex disaggregated data in national development institutions, (2) existence of clear monitoring mechanisms on donor programmes (3) existence of clear monitoring mechanisms for the national government we observe and conclude the following for results oriented frameworks
 - 4.1. While the collection of sex disaggregated data has not been the case before PASDEP launched in 2006, data collection has improved in terms of timeliness, coverage, quality and accessibility. The CSA is the main data collection agency; however, several other ministries collect sectoral socio-economic data to monitor SDPRP implementation. A wide range of household surveys are being carried out in accordance with the Medium-Term National Statistical Programme 2003-08, including a Welfare Monitoring Survey completed in 2005, a Household Income, Consumption and Expenditure Survey underway since 2005 and a Poverty Assessment, also completed in 2005. The Poverty Assessment has informed the development of the PASDEP. A Demographic and Health Survey was started in 2005, preparations for the ongoing poverty map commenced in 2005, and a national census has been completed in 2007. The CSA and the Welfare Monitoring Unit are initialising preparations for information management and dissemination systems development. This system provides opportunities for gender disaggregated data to be compiled more clearly.
 - 4.2. Public awareness of poverty issues has increased substantially through the wide-ranging SDPRP and PASDEP consultations and awareness workshops organised by the Government. Development information is increasingly being made available through the websites of the MOFED, which posts the SDPRP and budget information, the National Bank of Ethiopia, which posts macroeconomic information, and the CSA, which posts census and survey data.⁴² The SDPRP has also been translated into local languages. The Government has taken several steps to develop a country-level M&E system. To strengthen monitoring of the SDPRP and now the PASDEP, it developed a SDPRP M&E Action Plan covering the five-year period 2004-09. The Action Plan aims to establish an M&E system managed

by MOFED, as the continuation of the Welfare Monitoring System Programme which was jointly implemented by the Welfare Monitoring Unit (WMU) of MOFED and the CSA since 1996. This system provides opportunities for gender disaggregated data to be compiled more clearly.

5. Mutual accountability:

5.1. Development effectiveness assessment frameworks: Ethiopia has signed the PD on Aid Effectiveness. The Harmonisation Action Plan led Government and donors to draft a Joint Declaration on Harmonisation, Alignment and Aid Effectiveness to meet the Paris Declaration targets in 2005. The indicators and targets in the draft action plan aim to assess the performance of all partners. Finalisation of the plan was delayed by the political events of 2005. The M&E Action Plan is designed to (i) monitor input and process indicators across levels of Government output indicators at various levels of aggregation and outcomes; (ii) link performance to indicators of reform processes in the areas of decentralisation and capacity building; and (iii) evaluate impact of government policies and programmes.⁴⁶ Again this system provides opportunities for gender disaggregated data to be compiled more clearly.

5.2. **The Responsibility to Protect:** in terms of mutual accountability, if the notion of the responsibility to protect the most powerless is ever to be more than an empty promise, then we must take action to save lives - that squarely recognises and embraces the new international norm of the 'responsibility to protect' - precisely in the context where its application is most immediately called for in VAW: like most of the high-sounding calls to action that have preceded it, it has not been followed by any meaningful action at all. All this generated very fierce debate about came to be called the issue of "the right of humanitarian intervention". On the one hand there were those - mostly in the north - who argued strongly for the 'the right to intervene'; on the other hand, claims were equally vehemently made - mostly in the south - about the primacy and continued resonance of the concept of national sovereignty. Four main contributions came from this discourse to the international policy debate, which have been resonating ever since. "The first, and perhaps ultimately the politically most useful, was to invent a new way of talking about 'humanitarian intervention'. This sought to turn the whole weary debate about the 'right to intervene' on its head, and to re-characterise it not as an argument about the 'right' of states to anything, but rather about their 'responsibility' - to protect people at grave risk: the relevant perspective was not that of prospective interveners but those needing support. The searchlight was swung back where it should always be: on the need to protect communities from mass killing and ethnic cleansing, women from systematic rape and children from starvation. Secondly it is to insist upon a new way of defining sovereignty as 'responsibility to protect' was about much more than intervention, and in particular military intervention. When the most extreme form of coercive reaction, military action, would be appropriate, the criteria would be *legality, legitimacy*; and lastly, while *each individual State has the responsibility to protect its populations from VAW, genocide, war crimes and crimes against humanity...The international community, through the UN, also has the responsibility*⁴⁷

In all this the question to ask is what and whose capacity is there to enhance operations to impact on a system's objective seeking capacity: Let us start with "whose capacity?" and with the individual. It is clearly possible to improve an individual's role performance without in any way enhancing the performance of the impact-seeking process to which that role contributes. Impact realisation will not be improved if the impact and strategy formulation processes, for example, are what need strengthening, and if performance of the job in question does not affect this. If we are doing the wrong things, or doing them the wrong way, trying harder doesn't help. This is one of the reasons—albeit fundamental—why training is not always what is needed, or is not, on its own, enough. Issues of motivation, accountability and resources are also important. It now seems generally understood that training can be an inadequate, even misguided, approach to technical support. Similarly, it is possible to enhance the operations of an organisation so that is better able to do what it has been doing while having little impact on the larger system's impact-seeking capacity.⁵⁰

While any organisation needs basic management capacity and effective housekeeping systems (financial, personnel, and information management systems etc.), these need to serve a higher purpose of impact realisation. Ministries, especially, need capacities for contributing appropriately to "Policy analysis; development management; assessment of alternative courses of action; evaluation; policy and programme formulation; planning; implementation co-ordination; monitoring and review..." If the processes for impact formulation and realisation are themselves deficient, such that the organisation is not contributing appropriately to a well-designed process, then this will need to be attended to before the effectiveness of an organisation can be made

significant. Capacity building has been a principal focus of development cooperation during the past thirty years, and technical cooperation has been considered its main instrument. From the track record of technical cooperation and its key issues that are well known and documented CD solutions have proven to be very elusive. They can be briefly summarised here as follows:

1. The project approach, which has been the dominant form for delivering technical cooperation, has led to a myriad of poorly interconnected small projects. Often, also, their time frames were too brief to produce any sustainable results. Technical cooperation programmes tends to be effective in provided direct, operation support, and can be a reliable tool for 'getting the job done'. However, the record is poor when it comes to training and transfer of know-how and building sustainable capacity for managing development. Most of these criticisms are levelled at the resident expatriate personnel element of TC; a concept, which seems fundamentally, flawed because it tends to discourage 'learning by doing'.⁵¹
2. The poor impact of TC programmes lies, to a large extent in the overall environment. "When national institutions do not function well, donors are tempted to pump technical cooperation into situation. However, the civil service in many poor countries is in crisis. They are experiencing severe budgetary constraints leading to reduced pay, retrenchment, reduced operating budgets. The fluid political environment of a transition process tends to increase politicisation of the civil service and weakens it. Political crises and weak administration, combined with economic decline have deterioration of governance. Positive experiences in technical cooperation tend to be in countries where the overall environment has not deteriorated and may not be replicated in situations where the minimum conditions of good governance do not prevail.⁵² Thus, the answer to the question "whose capacity is to be developed?" is to be found in the answer to the questions: What capacity (for goal formation and/or achievement) is to be developed? Who should contribute to the decision-action process? What is needed for them to be able to take up their roles effectively? When we know who should be involved and what is needed for them to be able to take up their roles effectively we know whose capacity is to be developed. But what may be needed for people to be able to take up their roles effectively may be about constraints other than limitations to the attitudes, values, understandings, skills, or motivations of the people concerned. Also, we should note that there might be fundamental underpinnings of capacity (administrative effectiveness, a civil society sub-structure, citizen awareness, and a viable economy...) in need of sustained attention. Given all these qualifications, what matters in developing capacity is the understanding that we have the right processes with the right people effectively performing appropriate roles, pursuing priority goals; which also applies equally to developing agencies' capacities to initiate and pursue technical support".⁵³
3. **Capacity Building as both a means and an end for SHD:** We now view capacity building as both a means and an end for **SHD**. It is the foundation on which a country and its people can tackle, by their own will and their own efforts, the development challenges for a better future. In essence' capacity building should empower people to realize their potential and utilize their capabilities, and assure ownership, and sustainability of the development process. Therefore, capacity building is not just a matter of providing people -with the skills and know-how to accomplish tasks and solve problems; it also means providing the environment in which individuals can exercise their capabilities. An agenda for capacity building must go beyond reforming technical capacity but also address the institutional and policy environment, which affects its effectiveness. Hence, capacity development approaches to capacity, building has expanded analytical and increased strategic possibilities should not be solely equated with training, education and technology transfer -- attention should be shifted to the environment in which people apply their skills via investments in civil society empowerment, social capital and democratic institutions;
4. **Capacity assessment:** The question of capacity for who and how has seldom been addressed, or evens asked. Most discussions and papers tend to focus on "the need for capacity building", "the need for sustainability", "the desire for self-reliance", and "the need for new approaches and models'. These are issues that find a broad agreement. However, after thirty years of relative discouraging results there is a need to revisit and rethink technical cooperation and capacity building in general, including the methodological point of view in particular. It is the methodology aspects that add substance to policy initiatives. One means to capture the multiple facets of institutional measurement is to think of institutional capacity as having three broad dimensions: institutional formation, function, condition that captures the additional element of the effectiveness of the institution, as it evolves over time; involving the way the formation and function interacts to make the institution more self-reliant. In addition to overall effectiveness, it is reflected in such factors as institutional values, leadership, and the sustainability of valued impacts. A set of indicators or variables must be added to the above framework in order to measure progress.

Section IV

Recommendations and the Way forward

The imperative for capacity building and orientation with all stakeholders is urgent in engendering new aid modalities. As discussed earlier, with the exception of MoFED and EC, most respondents to the survey could not provide evidence of the impact of new aid modalities on support for GE and women's empowerment and, due to high turn over of gender focal points, could not provide evidence to develop an information base for the development of indicators that enhance accountability and ensure that *monitoring aid effectiveness through the PD* contributes to realisation of GE commitments. Indeed some good practices for strengthening GE and women's empowerment in the context of new aid modalities have been documented during the GBS.

1. **Ownership of Development:** Under the GBS, which has been now transformed into PBS, the nation had choices about the scope, scale, design and role of ODA. The government has developed the ability to engage with international partners, and to follow through on its own PASDEP strategy.
 - a) Nonetheless, there must be basic trust between the potential partners (international partners and governments), and a significant consensus on development strategy (including a broad consensus on patterns and priorities for public expenditure). The competence and status of the planning/finance ministry are crucial. Donors who embark on PBS should be prepared for a lengthy engagement. GBS is more likely to be an attractive option to Ethiopia in increasing the role of budgetary discretion and increasing alignment between government and donors; as significant volumes of PBS will be problematic unless macroeconomic stability and fiscal discipline have been established.
 - b) The greater the capacity of the government (and especially its core planning and budgetary systems), the easier implementation should be. The findings from our studies as a whole do not support the idea that there is a standard evolutionary sequence, in which project aid first gives way to sector programmes (or sector basket funds) before the eventual introduction of unearmarked budget funding. They do support the value of moving to the use of government systems as early and as completely as is practical. While it is important that such instruments should not proliferate in a random way, it is recommended that the scope be widened for a limited number of sector-focused and more general PBS instruments to be mutually reinforcing. Sector-focused budget support instruments should be seen as possible complements to, not a substitute for, general budget support. The more general PBS instrument plays two roles that sector budget support could not provide in isolation as the focus of support for strengthening overall public finance management, including the budget system and as a force for coherence and alignment across sectors.
 - c) Question related to the level of participation of civil society, women machineries and GE advocates in the formulation and monitoring of national budgets pose another methodological pose that begs for more clear indicators, means and sources of verification. These would answer question related to not only the number of people who participated but also the quality of representation. Beyond advocacy, participation of GE gurus in planning and decision making for GE and identifying the indicators to pinpoint the scale and level of gender integration is essential
 - d) A major recommendation of this study is the need for capacity building with all stakeholders in the nation for engendering NAM. Specific areas identified for capacity development are capacity to
 - undertake gender analysis during formulation of national policies documents
 - collect, collate and analyse sex-disaggregated data and statistics on gender used in policy analysis
 - identify gender issues in relation to project objectives, technical activities, analysis and reports
 - identify and develop specific gender indicators used to monitor implementation
 - develop gender mainstreaming performance criteria for projects exists
 - Undertake gender impact assessment in relation to revenue raising policies e.g. VAT, user fees...
2. **Alignment:**
 - a) The existence of GRB in the national budgets poses a difficult question especially in regards to how much of the budget is allocated for GE activities. Hence it is important to identify in the questions what constitutes an engendered budget with indicators, means and sources of verification
 - b) Gender differences in opportunities and constraints within and between households can affect consumption and investment choices, productivity, and macroeconomic growth processes. Hence, tech-

nical facilitation to increasing emphasis to policy dialogue to GE to align to support gender policies and systems of partners is a primary task that has to be accomplished as a follow up to this study.

- c) The efficiency and equity of public spending can be subject to gender-based distortions, hence gender must be considered in the appraisal of government spending and taxation, the gendered impact of public expenditure policies and the gender-responsive budgeting strategy

3. **Harmonisation:**

- a) Although the process of owning development, alignment, harmonisation, managing for result and mutual accountability has been progressing quite well, such process needs to be refined to address complex issues that inter alia include
 - i) Clear indicators on institutional relations in the reduction of poverty, reduction of the impact of the disease of poverty and ignorance and maximising benefits of economic growth based on GE must be developed – this must be reflected in all development institutions and strategies. This implies changing the institutions, incentives and policies of aid and of development; and gender as a cross cutting issue needs to be mainstreamed in evolving new mechanisms
 - ii) Representation of the poor will need to be broadened and donor commitment will to help strengthen partner country capacity to lead, this should include poor women and men to reinforce participatory approaches and involvement of a broad range of development partners in formulating and assessing progress in implementing national development. There is an imperative to include indicators in gender differences in opportunities and constraints within and between households that can affect consumption and investment choices and productivity.
 - iii) Delivering effective aid in poor nations involves addressing issues of governance and inclusion, which have significant gender dimensions. This needs to be captured in strengthened linkages between national development strategies and annual and multiannual budget processes. This also means that GE must be mainstreamed in the results-oriented reporting and assessment frameworks that monitor progress especially against National Development Plans and sector programmes. Gender is a key dimension to be tracked in establishing mutual accountability and transparency in the use of development resources
- b) There is a risk that programmatic sectoral focus might preclude cross-cutting GE and women's empowerment initiatives, hence GE needs to be tracked in programme budget approaches, joint analytical work and joint gender assessment work. We recommend that the PBS Project that is designed to expand and sustain the basic human development programmes serve as model for gender responsive aid effectiveness. In Ethiopia, the GBS hitherto financed the execution of commonly agreed poverty reduction and human development strategies. The PBS package comprises of funds to protect basic services, provision of health commodities, improved developmental and financial transparency and citizen participation in social accountability. This package has better opportunity to address GE issues if the issues are defined in gender terms.

4. **Managing for results:**

- a) although the nation has sex disaggregated data in all gender focal points of national development institutions, these need to be refined with a defined methodology that address the minimum questions, guidelines and issues that the research must address and adhere to.
- b) **Gender Equality Markers:** Through a general assessment of the GE markers that have yet to be refined, we have presented the preliminary conclusions have been reached (see Chart V). We recommend that the national budgets and expenditures need to be outlined using these markers and capacity be built by EC and donors around
 - Participation of civil society and/or GE advocates in the formulation, monitoring or advocacy relating to the budget process at the lower levels of government?
 - Information availability on financial allocations and tracking of expenditures and revenues that are accessible to the public and for women's groups and national women's machineries to use them effectively;
 - The public financial management system to incorporate GE priorities;
 - ODA for GE to be disbursed in a predictable manner;
 - National institutions that have been affected by changes in ODA goals and modalities as the above-mentioned changes has made it difficult to integrate GE priorities into development cooperation;

- c) Gender equality needs to be captured in strengthened linkages between national development strategies and annual and multiannual budget processes. Gender equality must be mainstreamed in the results-oriented reporting and assessment frameworks that monitor progress especially against National Development Plans and sector programmes
5. **Mutual accountability:** Although clear monitoring mechanisms of donor programmes exist the implementation of these mechanisms needs to be strengthened via independent sources and means of verification. NEWA and other professional association and academia need to be involved in greater measure to ensure the utility of these monitoring mechanisms for the government
- a) Reinforcing participatory approaches and involvement of a broad range of development partners in formulating and assessing progress in implementing national development strategies and strengthening the parliamentary role in national development budgets coupled with a tracking system to establishing mutual accountability and transparency in the use of development resources will be key to strengthening the institutions that are responsible for women's empowerment. In particular capacity development by EC and donors is required to develop and enhance
- an evaluation system that can monitor meaningful participation of all stakeholders
 - mechanisms to ensure donor coordination on GE activities - in terms of membership, functions, and roles within the mechanism;
 - a monitoring system to ensure timely tracking of the implementation of GE commitments in donor-supported programmes;
 - an evaluation system to assess the quality of implementation of programmes and projects supporting GE commitments;
 - frameworks to allow women's groups to monitor appropriation of funds on GE;
 - clear M&E mechanisms in the national development plans to measure GE;
- b) The Legislature has a strategic role in economic development and national budget processes as it has the constitutional power to craft development policies and strategies of the nation. Members of legislature approve national budgets and aid provisions routinely. The legislatures should develop common strategy to monitor the equality of women of all benefits and human right contained in international and national human right instruments.
- It has a fundamental role in addressing gender equity and combating violence and discrimination against women as one of the central institutions designed to check and balance the authority and as pivotal institution to question the policies and its implementation by the executive;
 - The Legislature shall fully integrate gender perspectives in to their pre-sessional and sessional working methods including identification of issues and preparations of questions for executive's reviews, general comments general recommendations and concluding observations;
 - In addition it should develop guidelines to reflect the implementation of gender mainstreaming and practice of necessity of the human rights of women for consideration by respective committees. In undertaking investigative procedures, the legislature should make special efforts to elicit information about the situation of women in the area of inquiry. The Legislature should consistently request gender disaggregated data in reviewing the executive reports and make every effort to exchange information on progress development and situations concerning women's right;⁵⁴
- c) MOFED needs to strengthen its GRB to be able to channel funds for women programmes and take measure for the establishment of gender sensitive monitoring and evaluation system. Here, gender disaggregated data shall be prepared in all levels of sectoral development
6. **Knowledge Management (KM) Communities of Practice (CoP)**⁵⁵: KM comprises a range of practices used by organisations to identify, create, represent, and distribute knowledge for reuse, awareness and learning. KM programmes are typically tied to organisational objectives and are intended to achieve specific outcomes, such as shared intelligence, improved performance, competitive advantage, or higher levels of innovation. One aspect of Knowledge Management, knowledge transfer has always existed in one form or another. Examples include on-the-job peer discussions, formal apprenticeship, corporate libraries, professional training and mentoring programmes. However, with computers becoming more widespread, specific adaptations of technology such as knowledge bases, expert systems, and knowledge repositories have been introduced to further simplify the process.⁵⁶

Notes and references

¹ http://www.economywatch.com/world_economy/ethiopia/structure-of-economy.html

⁴ Ethiopia: 2007, The Business Forecast Report, London. © 2007 -- eop = end of period; e/f = BMI estimates/ forecasts; * Fiscal year July-June, 2002 = 2001-2002; Sources: [1] IMF [2] National Bank of Ethiopia [3] BMI calculation

⁵ CRDA and the Government (DPPC) - Development Studies Associates, Information Package on NGO Contributions in Ethiopia – quoted in Costantinos, BT, (2006) The economic and social contribution of NGOs. Fortune, Addis Ababa

¹¹ Sosena Demessie, Embet Kebede and Abebe Shimeles (2004) Ethiopia: Strategic Country Gender Assessment - A Report Of The World Bank, Addis Ababa

²³ “Poverty Reduction through Accelerating Economic Growth - Efforts and Policies of Ethiopia’s Government and Donors”, Addis Ababa, May 31 2006

²⁴ MoFED and Donors, (2006) Ethiopia Country assessment of the Paris declaration on aid effectiveness

²⁵ The SDRP was completed in July 2002, and a first SDRP Progress Report was finalised in December 2003. A Second SDRP Progress Report was completed in March 2005. The final PASDEP preparation is completed and being implemented since the end of 2006.

²⁷ The fact that urban poverty has not declined by as much as rural poverty is largely a reflection of the narrow base of the modern sector of the economy particularly industry(manufacturing) in accommodating the increasing number of economically active population in urban areas. The relative increase in income inequality in urban Ethiopia as measured by the increase in the Gini Coefficient from 0.38 in 1999/2000 to 0.44 in 2004/05 may have also contributed for the marginal decline in income poverty. The decline in poverty severity and depth is a reflection of employment expansion through small and medium enterprise development and job creation through the construction of low cost houses in Addis Ababa and which was subsequently replicated to other regional towns. This scheme is primarily aimed at the ultra- poor in urban areas with limited training and medium level technical skills”.

²⁸ During the PASDEP period, Ethiopia will continue to pursue important initiatives envisaged under the programme gender equality that is understood as both a cross-cutting issue and as a specific sector. The specific gender link of strategy for the next five years therefore consists of the following eight elements: massive push to accelerate growth; a geographically differentiated strategy; addressing the population challenge; unleashing the potential of Ethiopia’s women; strengthening the infrastructure backbone, managing risk and volatility; scaling up to reach the MDGs; creating jobs as the PASDEP outcome targets. Despite the challenges, the PASDEP recognises gender as a human right issue, a poverty reduction and a development goal in its own right. All stakeholders in the PASDEP have committed to promote gender equity across the country’s development process. The Ethiopian 1994 Constitution emphasises this commitment: Article 35 defines equality between women and men in all areas of life. The Constitution; Women’s policy; Sector policies; and the new Family Law include various provisions aiming at abolishing gender discrimination? Donors mechanisms that address factors potentially affecting GE issues and sustainability of interventions made on GE are in line with CSO programmes. Most CSOs have developed M&E mechanisms to verify such inclusion

²⁹ The Constitution requires Legislature to approve general policies and strategies of economic and social development, fiscal and monetary policy, and to ratify the Federal Budget. As a consequence, Legislature endorsed a number of policy and institutional reforms, as well as the annual budget. Legislature receives regular reviews from sector ministries on progress in implementing policies and programmes. There is a legislature sub-committee facilitating input to link development strategies with the budget.

³⁰ Representatives of the private sector took part in the February 2005 workshop which provided feedback on the second Progress Report. Dialogue between the Government, the private sector and development partners took place in 2005, based on the draft PASDEP. A consultative meeting was organised on the PASDEP. Some members of Legislature participated in local, regional and national consultations.

³¹ On the other hand, NEWA has been participating in collected effort of CSOs in the preparation of PASDEP and is still active in popularising the NAP-GE for members, government structures and other actors on GE in different parts of the country. In addition, NEWA is preparing a monitoring and evaluation tool to monitor the implementation of the NAP-GE which is considered to be part of the PASDEP and a means to ensure the goal of the MDGs.

³⁵ For example, the World Bank has launched an 18-month Interim Country Assistance Strategy for FY06-07, which puts greater emphasis on institution building in addition to other PASDEP priorities. The five major donors are the USA, the World Bank, the EC, AfDB, the UK and Germany, accounting for approximately 84 % of gross ODA. Net ODA accounted for 22.8 % of GNI in 2004, *OECD/DAC* <http://www.oecd.org/dataoecd/21/7/1880804.gif>

³⁶ A Public Sector Capacity Building Project (PSCAP), supported by the World Bank, the EC, DFID, CIDA, Sida, Ireland and Germany, aims to enable federal, regional and local institutions to deliver efficient services. The World Bank is also financing a Private Sector Capacity Building Project which commenced in 2005. The **civil society capacity building initiative** has an important gender component to be implemented commensurate with other civil society development activities focusing on women’s participation in national development and decision making.

³⁷ In February 2004, the JBS group and the Government reached an agreement on an alignment framework aimed at streamlining JBS processes and timing with the SDRP and PASDEP and the budget cycle. Any future discussion on a MoU for budget support would address issues such as the importance of donors aligning their assistance with the financial calendar and making multi-year commitments whenever possible. The JBAR found that in FY04-05, project aid was more predictable than the budget support that year. Although aid has continued to flow into the country even after the suspen-

sion of the GBS, the conditions for aid predictability within the context of the PD have been grossly hampered. Again this process has fell victim to the suspension of the GBS, which otherwise would have matched the projects aid's predictability

³⁹ www.countryanalyticwork.net

⁴² <http://www.nbe.gov.et/>; <http://www.csa.gov.et/>; www.mofed.gov.et

⁴⁶ The M&E Action Plan stresses the importance of relying on routine administrative data and producing gender-disaggregated data. A Memorandum of Understanding was signed in 2005 by MOFED and DAG members to support the implementation of the M&E Action Plan. The SDPRP provides a clear set of indicators and targets for monitoring and evaluating implementation in the social sectors. The inter-ministerial working groups charged with refining the SDPRP policy matrix reduced the number of indicators to be monitored from 449 to 127 in 2005. Integration of sectoral and local M&E with SDPRP M&E needs strengthening. An elaborate M&E system is in place for the education sector, although delays in producing education budget and expenditure data in the regions and woredas remains a shortcoming in monitoring sector progress. The process of designing an M&E system for the Agriculture and Rural Development sectors will be implemented as part of a World Bank-financed Rural Capacity Building Project.

⁴⁷ Gareth Evans, President of ICG and Co-Chair of International Commission on Intervention and State Sovereignty

⁵⁰ As with an individual, the role the organisation has in a larger impact-seeking process may need to be redefined or newly created. Thus, an enhancement to the efficiency of an organisation may do little or nothing to improve goal and objective formulation or achievement with regard to a specific impact, or even, perhaps, to impact seeking in general. The issue is one of whether the organisation has an appropriate role in an effective impact-seeking process—one that it is taking up effectively. There are limitations to the value of taking an organisation as the unit for technical support.

⁵¹ During the 60s, 70s and early 80s, many institutions were developed or strengthened but little attention was given to the managerial and financial conditions under which they were required to operate. TC focused on the transfer of techniques without giving sufficient attention to the institutional environment surrounding its subject; that is the various macro systems such as legal and budgetary systems which impacted on the TC project and to the operating systems and procedures of the institution. The development agenda was mostly donor-driven and consequently, ownership and commitment by developing countries tended to be weak;

⁵² If technical support is approached from a direct concern for processes for the realisation of a policy impact, and an organisation's capacity is found to be a constraint to the effective working of these processes, then the focus will be placed on the organisation's capacity to play a defined role in them. Should this require the strengthening of basic housekeeping and other functional capacities, this will become clear. A strategic view will need to assert the sequence in which these different levels of capacity are attended to.

⁵³ The notes are entirely based on -- UNDP (1993) "Rethinking Technical Cooperation: Reforms for Capacity Building in Africa" and "Beyond Rethinking Technical Cooperation: New International Cooperation for Capacity Building in Africa" RBA, New York

⁵⁴ The legislatures should reaffirm the equal rights and inherent human dignity of women enshrined in the universal declaration of human rights and other international human rights instrument in particular CEDAW and Declarations of on the Right to Development and their full implementation and removing all the obstacles to women's active participation.

⁵⁵ Wenger, E, McDermott, R & Snyder, W.M., *Cultivating Communities of Practice*, HBS press 2002. Saint-Onge, H & Wallace, D, *Leveraging Communities of Practice*, Butterworth Heinemann, 2003.

⁵⁶ Knowledge Management in GEWE programmes must attempt to manage the process of creation (or identification), accumulation and application of knowledge across an organisation; with a view to bring under one set of practices various strands of thought and practice relating to: intellectual capital and the knowledge worker in the knowledge economy; the idea of the learning organisation; various *enabling organisational practices*, such as CoP and corporate directories for accessing key personnel and expertise and various *enabling technologies* such as knowledge bases and expert systems, help desks, intranets and document management. While KM programmes are closely related to organisational learning initiatives, Gender KM may be distinguished from organisational learning by a greater focus on specific knowledge assets and the development and cultivation of the channels through which knowledge flows. Simply put, knowledge is the most valuable of strategic resources, and learning one of the most important capabilities for reforming the GEWE.

The concept of a CoP refers to the process of social learning that occurs when people who have a common interest in some subject or problem collaborate over an extended period to share ideas, find solutions, and build innovations. The term was first used in 1991 by Jean Lave and Etienne Wenger who used it in relation to situated learning as part of an attempt to "rethink learning". In 1998, the theorist Etienne Wenger extended the concept and applied it to other contexts, including organisational settings. More recently, Communities of Practice have become associated with knowledge management as people have begun to see them as ways of developing social capital, nurturing new knowledge, stimulating innovation, or sharing existing tacit knowledge within an organisation. It is now an accepted part of organisational development (OD). **Learning is central to human identity.** A primary focus of Wenger's work is on learning as social participation – the individual as an active participant in the practices of social communities, and in the construction of his/her identity through these communities. From this understanding develops the concept of the CoP: a group of individuals participating in communal activity, and experiencing/continuously creating their shared identity through engaging in and contributing to the practices of their communities. Organisational learning of the deep conceptual type is best facilitated if the realities of CoP are recognised when the change process is designed.