



INTERGRATION OF LOCAL AUTHORITIES OF ETHIOPIA IN THE EUROPEAN COOPERATION PROGRAMMING PROCESS

2021-2027

SUBMITTED TO:

UNITED CITIES AND LOCAL GOVERNMENT - AFRICA

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JULY, 2020

ADDIS ABABA, ETHIOPIA

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List of Abbreviations and Acronyms

CSA	Central Statistical Agency
ECA	Ethiopian Cities Association
EU	European Union
EAS	External Action Service
FSS	Forum for Social Studies
GTP	Growth and Transformation Plan
Ibid	The same author
MoFED	Ministry of Finance and Economic Development
MSEs	Micro and Small Enterprises
NDICI	Neighborhood Development and International Cooperation Instrument
UCLGA	United Cities and Local Government – Africa
NDP	National Development Plan
UDCo	Urban Development and Construction

1. Introduction

1.1 Background

The European Commission has concluded a new financing instrument, the Neighborhood Development and International Cooperation Instrument (NDICI) that will guide its next programming of the next 6 years (2021 to 2027). The programming process has already started with the pre-programming phase that is conducted internally between the EU delegations and the EU headquarters in Brussels, particularly the External Action Service (EAS) in charge of the political dimension of the EU cooperation. The pre-programming phase aims at defining the key political objectives of EU cooperation in each partner country.

The in-country programming phase is expected to commence in August and must be completed by end November 2020. The EU programming exercise is meant to identify strategic and priority areas and sectors for interventions to be financed by the EU cooperation following a political dialogue to be launched with the central governments, the local authorities and other development actors of (civil society, private sector, etc.). The short and medium-term consequences of the Covid-19 have to be fully integrated into the next programming process, taking into account also the EU's geopolitical and other priorities (e.g. migration, security, trade, etc.).

The main focus of the NDICI is on the geographic component which will have the bulk of the financial means of the EU cooperation. In the framework of the geographical focus of future EU cooperation, EU delegations in partner countries will have the main role and responsibility to discuss with the actors of the partner countries on the priorities and program to be included in the 2021-2027 EU cooperation.

It is at the programming phase that stakeholders of the partner countries are consulted, and that a dialogue is established with the EU delegation to define the specific priorities and programs of the EU cooperation aligned with the political objectives identified during the pre-programming phase for each country. Whereas this pre-programming phase should be finished by July 2020, the programming phase, in consultation with all national actors, should normally start in August 2020 and be finished in November 2020.

The integration of sub national/regional governments should represent a key innovative feature of the programming process, which until now has been mostly focused on the dialogue with national governments, local authorities being considered so far as non state actors. The EC 2013 Communication on “Empowering local authorities in partner countries for enhanced governance and more effective development outcomes”, recognizes from then on local and sub national governments (local authorities) as state actor in their own rights and capacity, working as proximity public authorities besides the central government according to the principle of subsidiarity based on the key dynamics and interaction between the two levels of public governance.

Therefore, Local authorities, through their national association are believed to be integral part in the programming process alongside the representatives of the national government, in the dialogue with the EU delegations. In line of this activity, the Ethiopian local governments association is being involved in the pre-programming study process. Hence, this document is prepared by the consultant who is commissioned by United Cities and Local Government – Africa (UCLGA) to compile a Compendium of Key Reference Documents on National and Sectoral Development Policy and Strategies, National Decentralization Policy and EU Cooperation in Ethiopia and an Analytical Report centered mainly around the state of the art of the decentralization process in the perspective for the localization and territorializing of national and sectoral policies and programs of Ethiopia.

This compendium aimed at providing information on the following three main themes: (i) national and sectoral development policy and strategies; (ii) national decentralization policy; (iii) EU cooperation.

1.2 Objective of the assignment

The objectives of this compendium are:

- A). to document key reference documents related to national and sectoral development policy & strategies,
- B). to provide information on national decentralization policy of Ethiopia,
- C). to provide information on national decentralization policy and Current National Indicative Program (NIP) implemented in Ethiopia.

1.3 Methodology

This study was conducted through desk review of national and regional constitutions, official documents of the national and sectoral development plan, policy and strategy documents, working papers and legislations.

The data sources for this study were collected from government offices, regional and local government, national and local development partners and stakeholders. The other data sources were relevant documents obtained from official documents, study papers, circular letters, policy and strategy documents, and legislative enactments. Besides, Regional constitutions and revised legislations of Regional States and the Charters of city administrations were reviewed.

1 COMPENDIUM

1.1 National Development Policies and Strategies

1.1.1 Official reference documents on the National Development Plan

The new Ethiopian National Development Plan of 2020/21 – 2029/30 is a ten years perspective development plan ready for final endorsement and approval in the coming few weeks. It has a vision of making “Ethiopia: An African Beacon of Prosperity”.

The new national development plan has taken in to consideration the challenges and unmet targets of the previous Growth and Transformation Plans (GTP I & II) of which each of them had a five years span. Also it has taken the SDGs and the new perspectives of the government making Ethiopia self sustained and prosperous. The milestones of the national development plan include:

- a. Macroeconomic growth and structural change,
- b. Agriculture,
- c. Manufacturing Industry development,
- d. Urban Development and Construction (UDCo),
- e. Culture and Tourism development,
- f. Infrastructure development,
- g. Water, Irrigation and Energy, and
- h. Human Development.

An input official reference documents of the National Development Plan 2020/21 – 2029/30 of Ethiopia. The national Planning and Development Commission is expected to launch the approved

official National Development Plan soon through its official web site: <http://www.pdc.gov.et>. Or <http://www.mofed.gov.et>.

- a. MoFED (2010), **Growth and Transformation Plan I (GTP I)** 2010/11-2014/15, Volume I: Main Text. Ministry of Finance and Economic Development, FDRE, Addis Ababa.
<http://extwprlegs1.fao.org/docs/pdf/eth144893.pdf>
- b. NPC (2016), **Growth and Transformation Plan II (GTP II)** (2015/16-2019/20), Volume I: Main Text. National Planning Commission, FDRE, Addis Ababa
<http://www.mofed.gov.et/documents/10182/12998/GTPII++English+Translation++Final++June+21+2016+%281%29.pdf/40548539-99ce-47db-8b99-44b2b9cc2bf7>
<https://ethiopia.un.org/en/15231-growth-and-transformation-plan-ii>
- c. Central Statistical Agency (CSA). 2018. **Key findings on the 2018 employment and unemployment survey**. Addis Ababa. CSA
- d. Central Statistical Agency (CSA). July 2013. **Population Projections for Ethiopia 2007-2037**. Addis Ababa. Ethiopia. CSA
- e. Federal Plan and development commission (2012), **Draft 10 years plan**, Addis Ababa, Ethiopia.

1.1.2 National Urban Development Sector 10 years development plan (2020-2030)

Official reference documents on the national sector policies

- a. Central Statistical Agency (CSA). 2018. **Key findings on the 2018 urban employment and unemployment survey**. Addis Ababa. CSA
- b. Central Statistical Agency (CSA). July 2013. **Population Projections for Ethiopia 2007-2037**. Addis Ababa. Ethiopia. CSA
- c. Federal Plan and development commission (2012), **10 years plan**, Addis Ababa, Ethiopia.
- d. Ministry of Urban Development and Construction (2014): **Urban Land and Affordable Housing Supply study**.
- e. Ministry of Urban Development, Housing and Construction (2014): **Urban development & housing sector 15 years plan**.
- f. Ministry of Urban Development and Housing (2016), **National Urban Development Spatial Plan**, Addis Ababa, Ethiopia.

- g. **Review of the Urban Legal Cadastre of the Government of Ethiopia: Issues and Policy Recommendations Report** (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/315111562225045529/Review-of-the-Urban-Legal-Cadastre-of-the-Government-of-Ethiopia-Issues-and-Policy-Recommendations-Report>
- h. "World Bank Group. 2019. **Unlocking Ethiopia's Urban Land and Housing Markets: Urban Land Supply and Affordable Housing Study**. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/32756>
- i. World Bank Group (2018), Groundswell: **Preparing for Internal Climate Migration**, Washington DC.
- j. World Bank, **Ethiopia Urbanization Review: Urban Institutions for a Middle-Income Ethiopia**, 2015
<http://documents1.worldbank.org/curated/en/543201468000586809/pdf/100238-WP-EUR-Box393221B-PUBLIC.pdf>

1.2 Other supporting documents informing on long term national development perspective

- c. Central Statistical Agency (2007): **Ethiopian Population Census Report**. <http://www.csa.gov.et/census-report/complete-report/census-2007>
- d. Ministry of Urban Development, Housing and Construction and Ethiopian Civil Service University (2015): **State of Ethiopian Cities Report (SECR), Addis Ababa**.
- e. Federal Democratic Republic of Ethiopia (1995): **Constitution**. <https://chilot.me/wp-content/uploads/2011/01/proc-no-1-1995-constitution-of-the-federal-democratic-repu.pdf>
- f. Ministry of Urban Development, Housing and Construction (2014): **Ethiopian Cities Prosperity Initiative**.
- g. Ministry of Urban Development, Housing and Construction (2014): **Urban Development Policy**. <http://www.mwud.gov.et/policies/default.aspx?did=34>

1.2.1 Key milestones and decisions on the implementation

Sectoral Vision: To make our cities center of productivity and prosperity.

The national Urban Sector Development Plan is expected to be approved soon with major focuses on:

- Urban economy and job creation,
- Urban Plan and Land,
- Accessible Housing Development,
- Integrated Urban Infrastructure and Service,
- Federal integrated infrastructures development,
- Urban good governance and finance improvement,
- Green, clean cities and social development,
- Reduction of urban poverty through urban safety net system, and
- Development of quality social infrastructure accessibility in cities.

2 National Decentralization Policy

2.1 Brief Historical background

Attempts were made to look into pre 1991 experiences on decentralization in Ethiopia. The first attempt to exercise decentralization has been made by the Haileselassie I regime, in 1966. It was a policy draft submitted to the then parliament for approval. The concept was to subdivide the provinces into 50 sub-provinces (awurajas) that exercise administrative autonomy/ deconcentration. The plan was not to create these autonomous sub-provinces but selection was made with focus only on macro political stability. While on the one hand, the purpose was to deconcentrate the powers of the nobility around the king and create broad based support from the local people, but on the other hand it was a response to a pressure for self rule that gradually grew within different nations and regions. This was a time when the old system was pregnant with the new. However, it was not successful because the parliament voted against it (which led to the total collapse), with the feeling that it would create a loophole for fragmentation and secession.

The second attempt was, the forced action taken by the Dergue regime, which offered 'autonomy' for those who waged armed struggle. Twenty-five administrative regions (including Addis Ababa) and five so called autonomous regions were asymmetrically and selectively created in 1987, based on a

proposal submitted by the Institute of Nations and Nationalities which was organized within the Workers Party of Ethiopia. The autonomous regions consisted of Eritrea, Aseb, Tigray, Dire Dawa (with the same criteria applied to Addis Ababa), and Ogaden. This was somehow able to break the traditional pattern of structure, but created a lot of gaps and grievances again.

The Transitional Period Charter of Ethiopia, Proclamation Number 1/1991 and the Constitution of the Federal Democratic Republic of Ethiopia (1995) were landmark achievements as mentioned above with regard to laying the foundation for autonomy and introducing decentralized government systems.

2.2 Legal Framework Governing Decentralization

In addition to the legal framework governing decentralization efforts, the principles, laws, and policies provide a base for true decentralization. Practically, macroeconomic growth and structural change; Agriculture; Manufacturing Industry development; Culture and Tourism development; Infrastructure development; Water, Irrigation and Energy, and; Human Development sectors have impact on decentralization.

The legal framework governing decentralization in Ethiopia emanates from the 1995 Constitution. It has focused its decentralization efforts mainly on devolution of responsibilities and resources to the nine regions. Each region has been empowered to establish systems of decentralized sub-regional structures including zones and local governments (woredas and kebeles). Given the high degree of centralization under the previous regime, the regional reform processes have understandably taken time and effort, especially in light of the capacity constraints that typify the Ethiopian public sector.

However, by 2000, it became increasingly clear to a number of regional administrations that establishment of only decentralized regional structures would not be adequate to serve the needs of rapidly growing urban centers and the rural hinterlands these centers must support.

Therefore, several regions turned their attention to work on the revival of local governments that would assume major responsibilities for raising own-source revenues to provide and maintain basic services. A key objective of the local governments' revival was to mobilize additional own-source revenue and capacity to address the needs of cities and towns, thus freeing regional resources to focus on rural development priorities. However, to achieve this objective each region did: (a) reform the legislative and intergovernmental fiscal systems through cities function, and (b) rebuild all aspects of municipal capacity to carry out local authority mandates. In launching the "second wave" of

democratic decentralization in mid-2001, each of Ethiopia's four most populous regions undertook far-reaching constitutional and legal reforms designed to clarify the separation of powers (between the executive, legislative, and judicial branches of government), to transfer authority to the *local government* sphere, and to empower cities/municipalities. Enabling legislation was passed to define the delivery responsibilities of different levels of government as well as the fiscal sources (for example, transfers or own revenues) available to meet recurrent and investment needs.

While the federal legislation applies to the chartered cities of Addis Ababa and Dire Dawa, all other cities came under the regional statutes.

The various regions issued these proclamations in different periods, the Amhara National Regional State was the first to enact such legislations in 2000 (Proc. No 43/2000), followed by the Southern (Proc. No. 51/2002), Oromia (Proclamation No. 65/2003), and Tigray (Proc. No. 65/2003) regional states. All of these four regional proclamations were later amended by proclamations issued by the regional governments of Amhara, SNNPR, Oromia and Tigray in 2003 (Proc. No. 91/2003), 2006 (Proc. No. 103/2006), 2006 (Proc. No. 116/2003) and 2006 (Proc. No. 107/2006), respectively. The regional states of Afar, Benishangul-Gumuz, Gambela and Somali as well as Harari issued their proclamations in 2007.

Reference documents on decentralization of regions and local governments in Ethiopia

1. Debub Negarit Gazeta of Southern Nations Nationalities and peoples Regional State (SNNPR): The Revised Constitution of the Southern Nations, Nationalities and Peoples National Regional State: Proclamation No 35 (2001)
<https://chilot.me/wp-content/uploads/2012/02/southern-nations-nationalities-and-peoples-national-state-constitution-eng.pdf>
2. Magalata Oromia The Revised Constitution of the Oromia National Regional State: Proclamation No 46 (2001)
3. Lisane Hig Gazeta of the Benishangul Gumuz Regional State: The Revised Constitution of the Benishangul Gumuz Regional State: Proclamation No 31 (2002)
4. Transitional Government of Ethiopia. A Proclamation for the Definition of the sharing of Revenue between the Central and Regional Governments, No 33/1992, Federal Negarit Gazeta, 52nd year No.7, 20 October 1992.

5. Negarit Gazeta of the Gambella Peoples' National Regional State: The Revised Constitution of the Gambella National Regional State: Proclamation No 27(2002)
6. Negarit Gazette of the Tigray Regional State: A Proclamation issued to approve the Revised Constitution of Tigray Regional State: Proclamation No 45 (2001)
7. Negarit Gazeta of the People's Democratic Republic of Ethiopia: A Proclamation to establish autonomous and administrative regions of the People's Democratic Republic of Ethiopia: No 14 (1987)
8. The Revised Constitution of the Afar National Regional State (2001)
<https://chilot.me/2012/02/revised-constitutions-of-regional-states/afar-national-regional-stae-constitution/>
9. The Revised Constitution of the Somali National Regional State (2001)
<https://chilot.me/wp-content/uploads/2012/02/somali-national-regional-state-constitution.pdf>
10. Zikre Hig of the Amhara National Regional State in the Federal Democratic Republic of Ethiopia: The Revised Constitution of the Amhara National Regional State: Proclamation NO 59 (2002)
<https://chilot.me/wp-content/uploads/2012/02/amhara-national-regional-state-constitution.pdf>
11. Debub Negarit Gazeta of Southern Nations Nationalities and peoples Regional State (SNNPR): The revised cities proclamation: Proclamation No 103 (2006)
12. Magalata Oromia: A proclamation to amend Proclamation No 65 (2003) the urban local government of Oromia National Regional State No 116 (2006)
13. Magalata Oromia: The urban local government proclamation Proclamation No 65(2003)
14. Negarit Gazette of the Afar Regional State: A proclamation to establish and define powers and functions of Semera City Administration: Proclamation No 33(2006)
15. Negarit Gazette of the Tigray Regional State: A proclamation issued to strengthen self-governance and define the powers and functions of woreda/district administration: Proclamation No 99(2005)
<https://chilot.me/2012/02/revised-constitutions-of-regional-states/gambela-peoples-national-regional-state-constitution-amharic1/>
16. Negarit Gazette of the Federal Democratic Republic of Ethiopia: The amended electoral law of Ethiopia: Proclamation No 532 (2003)
17. Negarit Gazeta of the Ethiopian Transitional Government: A Proclamation to provide for the establishment of national regional self-governments No 7 (1992)

18. Negarit Gazeta Peaceful and Democratic Transitional Conference of Ethiopia: Transitional Period Charter of Ethiopia: Proclamation No 1 (1991)
19. Council of the Amhara National Regional State (2000) The Municipalities Proclamation No. 43/2000, Zikre Hig, 5th year No. 43, Bahir Dar.
20. Federal Democratic Republic of Ethiopia (1997) "Addis Ababa City Government Charter Proclamation No.87/1997", Federal Negarit Gazeta, 3rd Year no 52, B.S.P.P., Addis Ababa.
<https://chilot.me/wp-content/uploads/2011/01/proc-no-87-1997-addis-ababa-city-government-charter.pdf>
21. Income Tax proclamation No.286/2002, Federal Negarit Gazeta, 8th year No.34, 4th July 2002.
<https://chilot.me/wp-content/uploads/2011/09/proc-no-286-2002-income-tax.pdf>
22. Value Added Tax Proclamation No.286/2002, Federal Negarit Gazeta, 8th year, No.34, 4th July, 2002.
23. Federal Government of Ethiopian Financial Administration proclamation No.57/1996, Federal Negarit Gazeta, 3rd year No.14 19 December 1996. Council of Ministers Financial Regulations, No 17/1997, Federal Negarit Gazeta, 3rd year No. 46, July 1, 1997.
<http://goalgoole.com/proclamation-no-571996-federal-government-of-ethiopia-financial-administration-proclamation/>
24. Asmelash Beyene (2000): Decentralization as a Tool for Resolving the Nationality Problem; The Ethiopian Experience. In: Regional Development Dialogue, Vol. 21, No. 1, spring 2000.

2.3 Administrative Delimitation

Ethiopia has three main government levels: federal, regional, and local government. Nine autonomous regions and two chartered cities areas are established along major language and ethnic lines. Since the mid-1990s until recently, EPRDF organizations have administered the central federated states. Regional governments can create their own local government structure which consists of administrative zones, which are deconcentrated levels, and elected woredas (district-level governments). Woredas are generally semi autonomous local government entities that have a separate legal status as corporate bodies with their own political leadership (council) and their own budget accounts. The woreda council members are elected directly to represent each kebele (ward) in the district. The term woreda can refer to rural districts as well as urban units. Regional governments have created urban local governments (ULGs). There are currently 117 ULGs in Ethiopia with populations of more than 20,000. City administrations, headed by a mayor, manage ULGs, and they

have a long list of mandates and responsibilities that includes both the woreda-level functions (which are social services such as health and education) and city affairs of delivering services and providing urban infrastructure¹.

2.4 General mandate and specific mandates of local authorities

Broadly, urban local government's roles and responsibilities fall under two broad categories: state functions and municipal services. Several city level offices perform state functions under the city mayor. Services listed as state functions are similar across city administrations with some variations reflecting the conditions and requirements of the cities. They include education, health, trade and industry (including MSEs), tourism promotion and transport, cross boundary roads, investment promotion and environmental protection. Other functions directly overseen by the mayor and the city cabinet include gender mainstreaming, youth issues, sports and culture, housing maintenance of law and order and collections of tax and non-tax revenues. Most of these services are linked to those provided by regional and Federal Governments, and hence, to “mother” institutions established at the regional and federal levels as bureaux or ministries. The main budgetary sources for these “state functions” are revenues to be collected from own revenue sources to be complemented by transfers to come from and/or through regional states.

City managers are professionals responsible for municipal services and accountable to the mayor. The services that are under the preview of the city manager include preparation of detail plans, land development and administration, construction and management of city roads, sewerage and drainage lines, development and management of public parks and recreational areas, urban greenery and beautification, waste collection and disposal, sanitation and street cleaning, provision of land and building permits, prevention and control of floods, erosion and pollution, abattoir services, civil status record operations, water supply, street lighting and fire protection. On the other hand, public utilities such as electricity and telephone belong to national parastatals that have their own city level branches (SECR, 2015, 185).

¹ World Bank Report No. 132824 DECEMBER 27, 2018

2.5 Existence of a National Association: Ethiopian Cities Association/ECA/

2.5.1 Establishment/Date of Creation

The Ethiopian cities association/ECA/ is an alliance of currently 86 Ethiopian cities working towards improving the living conditions of the urban Ethiopian population. The ECA was established in February, 2003. It is a voluntary membership organization owned by and accountable to its members. The ECA aspires for all Ethiopian cities to be prosperous, sustainable, productive and competitive by 2030.

2.5.2 Organization and leadership

The aim of the ECA is to support city administrations in their quest to deliver better services to their citizens. To realise this mandate, the ECA seeks to facilitate the exchange of information and experiences among cities and between cities and stakeholders, it fosters the dissemination of national and international best practices and encourages policy dialogue on pertinent urban development and city management issues.

By capacitating city administrations, the organization plays a pivotal role in speeding up the implementation of ongoing urban development reforms and increases their chances of success through city-to-city cooperation.

The Association is a legally registered and licensed entity pursuant to the Federal Democratic Republic of Ethiopia Charities and Societies Proclamation No.621/2009 article 68(1).

The existing organizational structure of the ECA is composed of a General Assembly, the Board and the Secretariat. The functions and responsibilities of the above bodies are briefly given below.

General Assembly

The General Assembly, made up of the ECAs member cities, is the highest policy decision making body of the Association. In its capacity as the supreme organ of the Association, it elects from among its members the board of the ECA and approves its strategic and yearly plans and budget. It also appoints the external auditor of the Association and based on the Board's recommendations, establishes the various branches and organs of the Association.

The General Assembly also approves and/or amends the statute and bylaws of the Association and decides on the dissolution of the Association when deemed necessary.

Board/Executive Committee

The Board, currently comprising of 9 member cities, is the officially elected organ by the General Assembly of member cities to provide policy and strategic guidance regarding the Association's activities. In this function, the Board presents the annual plans and budget of the Association for approval by the general assembly and ensures that all organs and members of the Association implement its decisions.

The Board also appoints and/or dismisses the Secretary and the Department Heads of the ECA's secretariat and provides them with operational directives and policy guidance. It furthermore formulates policies and strategies of the association for approval by the general assembly and follows their implementation.

In addition, the Board's task is also to foster partnerships with interested parties and to solicit funds and external technical and institutional support to promote the work of the Association. The Board also establishes the various organs of the Association, with the approval of the general assembly, and provides them with policy and strategic guidance and directives to run their day-to-day operations.

2.5.3 Modalities of functioning

The major mandated functions of the Ethiopian Cities Association among others include:

- a. Identifying, organizing and disseminating new ideas, systems and good governance practices on urban development issues,
- b. Developing, publicizing and replicating new ideas of the forum, system developing, designing methodology, organizing a knowledge exchanging platform on best practices, policy dialogue forums, workshops and educational visits,
- c. Facilitating and arranging capacity building trainings and conduct studies and research on the urban development issues,
- d. Creating networking and information and bench marking exchange with similar region and international cities associations and forums,
- e. Participating in the urban development related workshops and publicize urban related policies and strategies,

- f. Organizing and performing national urban forum being exhibited in every two years to initiate and participate urban citizen in the activities of urban development and facilitate public mobilization processes.
- g. Lobby, advocate, protect and represent the interest of local government at relevant structures and platforms.
- h. Support and advise our members on a range of issues to assist effective execution of their mandate.
- i. Build the profile and image of member cities and towns within Ethiopia as well as outside the country.

2.5.4 Resources

The basic resources/funds of the association emanate from the annual membership fees of the member cities. May also be project related funds from any project funding organizations locally or internationally based donor.

2.5.5 Ethiopian Cities Association and its relationship with the Central Government

The Ethiopian Cities Association has a relationship with the central government. It is well recognized by the central government and modestly supported by the Ministry of Urban Development and Construction. The Association has also programme/project based relationship with the Ministry of Urban Development and Construction. For instance, ECA has been benefited from some support of Urban Good Governance and Decentralization Programmes in recent past.

3 Ethiopia and European Union (EU) Cooperation

3.1 Document on the current National Indicative Programme (NIP) implemented in the country for the current Fiscal Year.

Ethiopia is located in the Horn of Africa with an estimated population of 100+ million. It is Africa's second most populous country. Over the past decade Ethiopia's economy has experienced an average 10% annual growth. This is one of the fastest growing economies in the world. The country aims to eradicate poverty and achieve low middle-income country by 2025. Despite rapid growth, Ethiopia still faces multiple development challenges linked to the fact that the benefits of growth do not yet trickle down to the poorest people in the country.

a. Priorities

The majority of EU development funding to Ethiopia is financed by the European Development Fund (EDF) with the objectives of increasing resilience, accompanying reforms and promoting sustained agriculture and economic growth.

The EU's priorities for EU-Ethiopia relations for the period 2014 to 2020 are to:

- Support Ethiopia's immediate stability and peace by means of dialogue and by providing technical and financial support to the political reform programme and to more inclusive governance.
- Support Ethiopia's long term inclusive economic development and prosperity with programmes that promote infrastructure, investments and industrialisation, and quality employment.
- Support vulnerable populations, reducing root causes of conflict and forced displacement in Ethiopia, by building resilience, sustainable livelihoods, climate change adaptation and mitigation, as well as by backing Ethiopia's role as a host of refugees and its development of a comprehensive migration management system.
- Support Ethiopian people and country's social capital creation by improving the health system with specific focus on gender.

b. Programmes

An amount of €815 million is foreseen for the 2014-2020 period under the National Indicative Programme of the 11th EDF. The main focus is on sustainable agriculture and food security, mainly targeting vulnerable population groups, health, to improve the national health system and its access, infrastructures (mainly roads and energy) for economic transformation and to fight climate change. It also finances actions in favour of civil society and strengthening democratic governance. Furthermore, Ethiopia is a beneficiary of actions under the EU Emergency Trust Fund for Africa, in particular related to building the resilience of vulnerable communities and stemming irregular migration, creating greater economic and employment opportunities, supporting Ethiopia's refugees response and anti-trafficking and smuggling efforts.

Additional support to Ethiopia is channelled through other EU initiatives, in particular the Energy and Water facilities, the Instrument contributing to Stability and Peace, the Global Climate Change Alliance, the Instrument for Democracy and Human Rights, EU humanitarian assistance and regional

programmes. In total, the value of EU development assistance to Ethiopia has averaged an estimated €214 million per year.

3.2 Any document indicating the evaluation of the implementation of this NIP

Evaluation of the Commission of the European Union's cooperation with Ethiopia country Level Evaluation (January, 2012): Final report volume 1.

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