

Sustainable Regional Development in Africa: the case of Ethiopia

Teshome Negussie

**Oromiya Financial and Economic Development
Bureau, Ethiopia**

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Presentation Outline

1. Country Background
2. Planning Regimes
3. The case of Oromiya Regional State
 - 3.1. Background
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1. Country Back ground

- Ethiopia is a country of 1.059 million square kilometer, located in the Horn of Africa.
- Ethiopia's base of natural resources is the foundation of any economic development, food security and other basic necessities of its people.
- Agriculture accounts for 85% of the total employment and 44 percent of the Gross Domestic Product (GDP).
- Current total population is estimated at about 84.1 million



2. Planning regimes

Two planning regimes can be identified

2.1. Pre-1991 period (centralised)

- i) the imperial regime
- ii) the socialist period

2.2) The post 1991 planning regime

2.1. The Imperial period (three five year plans)

The first five year development plan (1957-61);

- encouraged government to concentrate investments in areas which are believed to be promising from national development perspective.

The second five year development plan (1963-1967)


development of agriculture was given due attention

Third Five-Year Development Plan (1968-1973)

the first attempt to develop a regional framework for planning but nothing done to implement the proposal.

. ii. The Socialist Regime

- Adopted in 1974 : nationalization of all major means of production
- 1978-1982 six annual plans were prepared

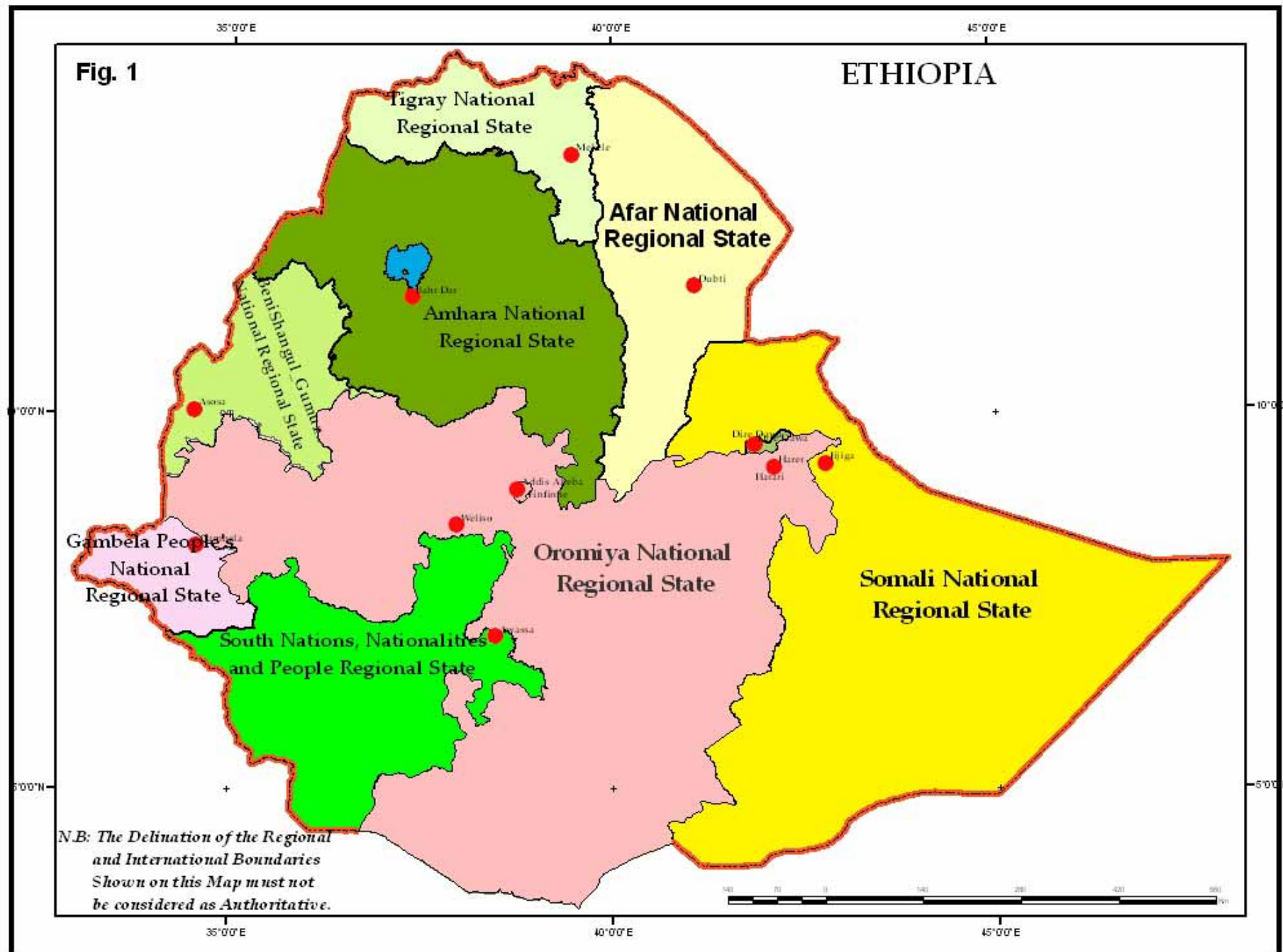
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- The Ten-Year Perspective Plan covering the period 1984/85-1993/94 was formulated
 - The plan, however, did not materialized due to
 - lack of funds
 - lack of commitment and political instability in the country

The different Five-Year Plans which were elaborated prior to 1974 were not successful in formulating sound regional development policy or establishing an institutional framework for regional economic growth or balanced regional development In the country



2.2. The Post 1991

- The Transitional Government of Ethiopia was formed in 1991
- Had nine national regional states and two city administrations were established





According to the constitution of the Federal Democratic Republic of Ethiopia, the activities within the powers of the regional governments, among others, include:

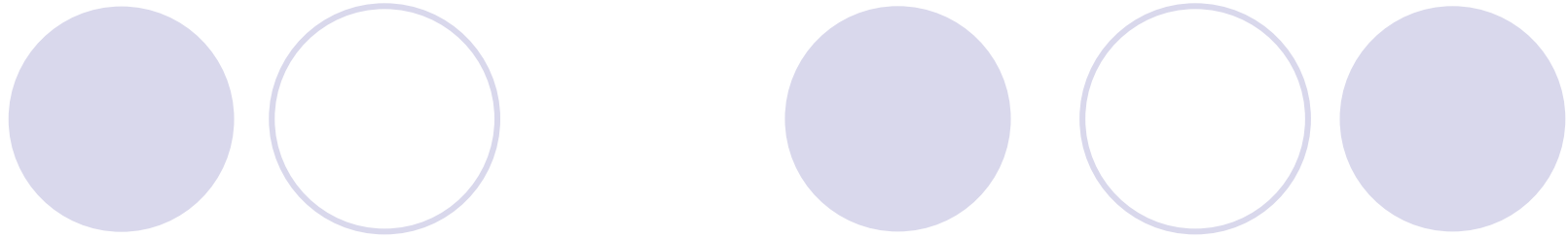
- Establishing regional administration
- Formulating and executing the regional constitution
- Formulating and executing the economic and social development policies, strategies and plans
- Determining taxes and collecting revenues from regional sources and draw up and administer the regional budget;

Under the new federal system:

- the role of local communities in regional development planning is increased
- The regional and sub-regional authorities have now more roles in public and private investment
- The regions have the power and responsibility to prepare, approve and implement their own plans, in accordance with the concrete situations of their regions and key national policy objectives

Inter-regional allocation of grants

is an important instrument of regional development planning and has occupied a prominent position in the economic and social development of regions

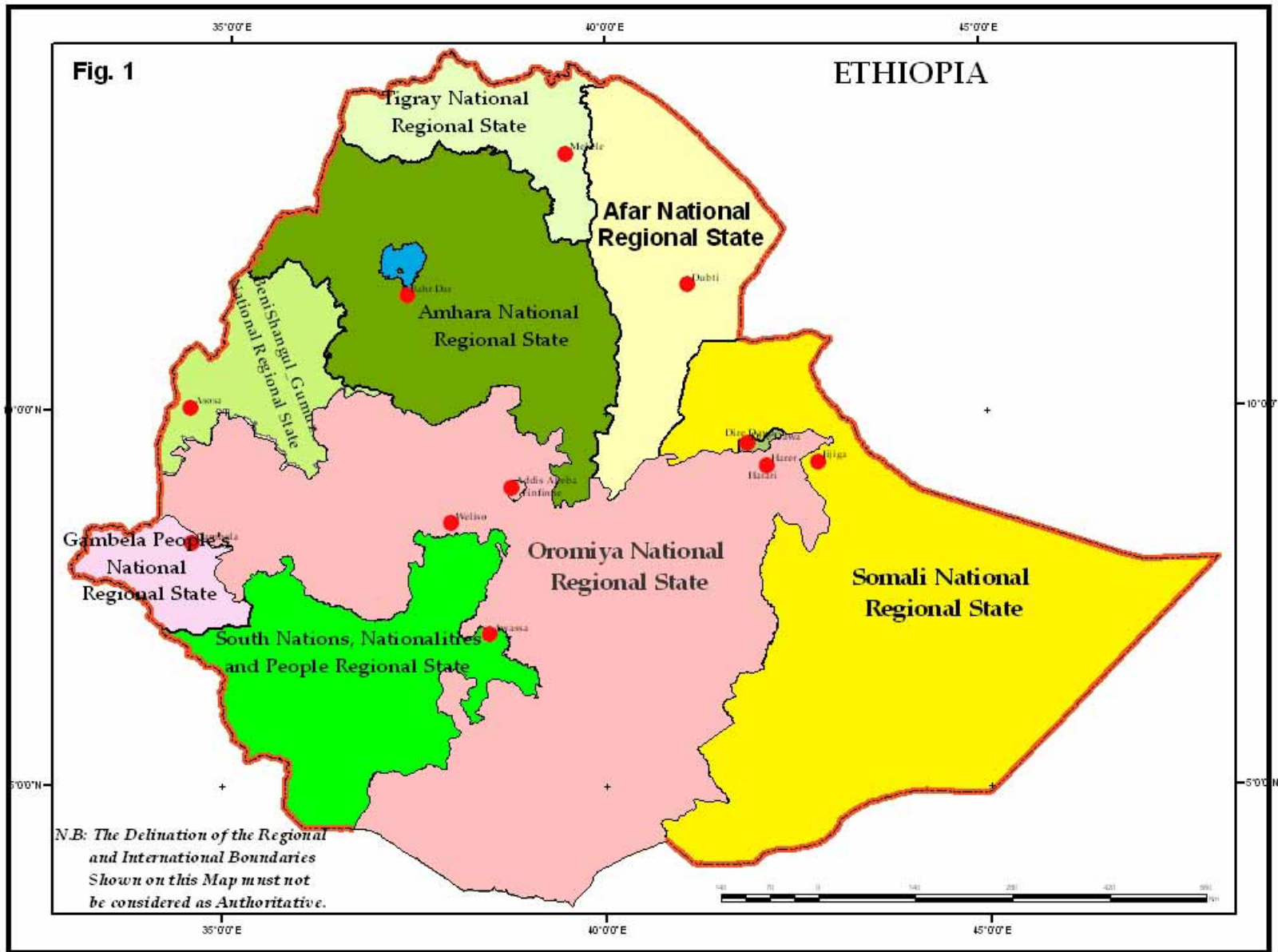


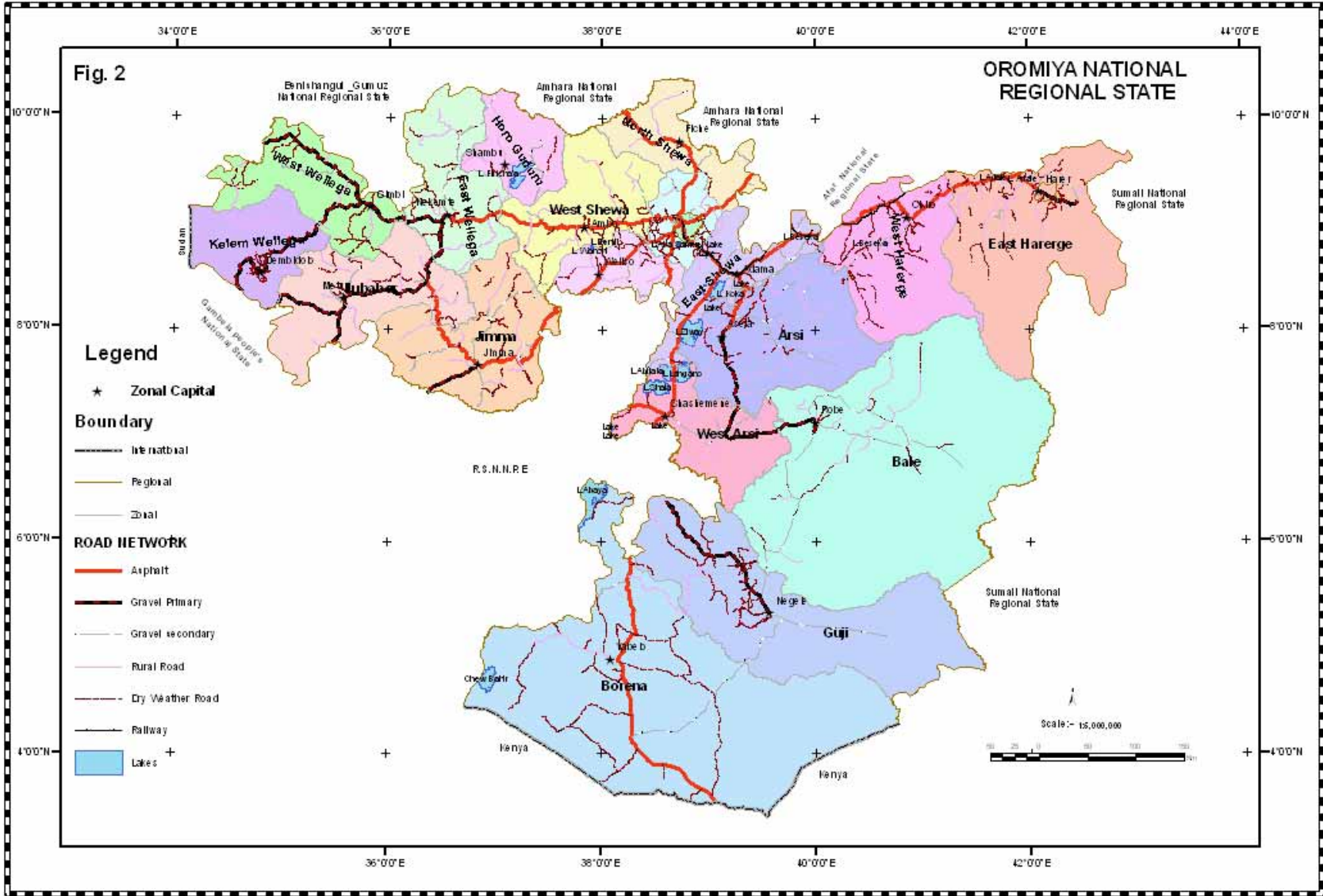
3. Sustainable Regional Development: the case of the Regional State of Oromiya, Ethiopia



3.1. Background

- ❖ The administrative structure of the Oromiya Region
 - Has eighteen zones,
 - 265 *districts*
 - 39 *urban administrations*.
 - 6500 *lowest administrative units /villages*
- ❖ Organs of the Regional State comprises :
 - the 'Caffee' or parliament, which is vested with the legislative power and is the supreme organ;
 - the Administrative Council, in which the executive power is vested and is accountable to the 'Caffee' and
 - the Court, in which the judicial power is vested.
 - The Regional Government instituted various executing and administrative organs at different administration levels.







Population

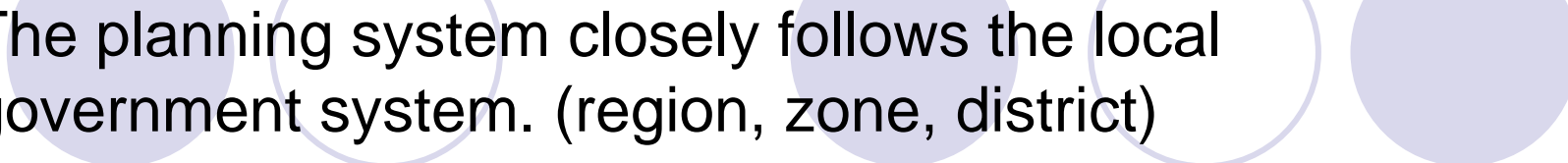
- Total population is about 31,179,949 in 2012
- About 87.7 percent and 12.3 percent are living in rural and urban areas, respectively


3.2. Development planning exercises in the Region

- The procedure of plan preparation involves two main processes: the planning and the budgeting processes

The planning process

- The regional government of Oromiya has institutionalized the planning system at each level of administration.

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- The planning system closely follows the local government system. (region, zone, district)
 - Community , district , zone, sector Bureau, Bureau of Finance and Economic Development (BoFED) (sector line)
 - Community, district, zone, BoFED (BoFED line)
 - Sectors report both to their line and BoFED at each level of administration
 - the councils, the administrations and the bureaus are involved in their development planning process.
 - Only region and district levels have the jurisdiction power

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- The planning units are the regional finance & economic development bureaus, zonal departments and district offices which have cross sectoral mandates.
 - Planning at the village level is managed by a village development committee.
 - At all levels of planning, community has a say and is participating starting from identification of development activities to the level of implementation, monitoring and evaluation
 - The budget process follows similar trend



Resource Transfer and Allocation

Federal Government Budget

1. Federal level budget— finances development activities implemented by the Federal Government Ministries in the Regions.
2. Budget to regions
 - equity** appears to be the guiding principle
 - Budget is allocated between regions in accordance with the Federal budget allocation criteria (revenue generation capacity and expenditure needs of the regions).

A region (Oromiya in this case) in turn allocates its budget between:

1. Regional bureaus

- Capital expenditure = i.e. for development projects keeping the equity issue; and
- Recurrent expenditure.

2. As a Block grant to districts

- The regional government of Oromiya allocates budget based on the block grant formula. More than 60% of the total budget of the regional state is allocated to the districts

Why block grant to districts?

The major purpose of decentralizing budget to *districts* is to create local autonomy in order to allocate budget on their own development priorities and is an equity issue.

Given the legal framework that contribute towards, among others, equity, community participation and decentralization of power, finance, etc to the lower strata of administration have brought about better outputs in socio-economic development that can have better impact in reducing poverty and contributed towards sustainable regional development which is summarized below.




3.3. Plan Achievements

- In alignment with the federal government, a series of medium term plans and focused policies such as the Agriculture Development Led Industrialization (ADLI), Poverty Reduction Strategy Paper (PRSP), a Plan for Accelerated and Sustained Development to End Poverty (PASDEP) 2005/6 - 2009/10/ and the current Growth and Transformation Plan (GTP) 2010/11-2014/15

Social development

- An effective country wide population information and education programme has been mounted

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- The percent of women aged 15-49 who received antenatal services has increased from 8 to 33 percent during 2005/6-2009/10.
 - Under-5 mortality rate decreased from 123 in 2005/6 to 112 in 2010/11
 - Infant mortality declined from 67 deaths in 2005/6 to 31 deaths per 1,000 live births in 2011
 - In 2000/2001 the poverty head count ratio was 39.9% and decreased to 28.7% in 2010/11.
 - The health service coverage increased from 51.8% to 88% during PASDEP

- Access to safe water increased from under 42 in 2004/ to 60.6 percent in 2012.
- Primary school gross enrollment rates increased from 74% in 2005/6 to 90.9% in 2011.
- The disparity in enrollment rates between male and female gross enrollment ratio narrowed from 0.74 in 2005/6 to 0.91 in 2011
- An average GDP growth rate of 10% per year for the period 2004-2010.
- **Agricultural Development:** trained thousands of extension workers and assigned a minimum of three extension agents (crop, livestock, and natural resources management) to each village

The agricultural sector has registered an average of 9.5% pr annum growth..

Road: road density of 30.3 km per 1000 km² and 0.41 km per 1000 population in 2004/5 has increased to 67.1 and .45 respectively in 2011

Urban development

- poverty and unemployment reduction, sustained and integrated development through urban-rural linkages and participatory engagement have been worked on
- In 2007 and 2008, about 19,000 low cost condominiums built and made available to users

- commendable urban development initiatives like cobble stones road construction, solid waste management, landfill sites construction, small and micro enterprises promotion

Environment Development


- Mass in soil and water conservation activities.
- progress in tree planting in all over the country and it further encouraged and continuous
- Use solar energy, bio-gas, energy saving stoves.

Oromiya regional state has established forest enterprises with a supervising agency in 2007, that manages all state forests and protected areas, while tapping the economic potentials of forests and parks. OFWE manages many natural forests through PFM arrangement

3.4. Challenges and Opportunities

Challenges

- Achieving education coverage in remote, scattered and pastoralist areas
- cultural barriers to girls education
- Population growth

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- Slow progress in the provision of sanitation services
 - Skilled human resources for industrial sector
 - unemployment, provision of housing and pollution control in urban areas
 - Poor infrastructure development
 - Pollution in industrial zones, rivers and urban areas
 - Financial resource to implement ambitious development plan
 - the slow and declining flow of new and additional financial resources from developed nations
 - Skilled human resources for iPlans development

Opportunities

- Abundant Natural and human resources
- Strong Political and leadership commitment, institutional arrangement, policy and legal instruments

sustainable regional development is not a matter of choice, it is a must!



Thank you!