

Professionalism and Economic Thinking for Development!

Strategic Plan (2021-2025)

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FOREWORD

Ethiopian Economics Association (EEA) is a non-profit, non-partisan, and an independent research and membership organization in Ethiopia. Since its establishment in 1991, EEA strives to provide its members a platform of networking, experiential learning, and access to current information; undertake rigorous research and policy analysis for evidence-based policy making; and contribute to frontier and emergent economic thinking relevant for Ethiopia.

There has been a growing recognition of the importance of rigorous research and policy analysis to inform policy and to provide alternative views to policy makers. Increasing demand for policy opinions have emerged from diverse groups within the Ethiopian community, including the government, civil society organizations, professional organizations, private sector operators, and other interest groups, as well as from the international community.

In the last few years, EEA has successfully established itself as a key player involved in undertaking economics research; offering training; organizing international, national and regional conferences and round table discussions; and disseminating knowledge through various publications. Consequently, the EEA has become a credible research partner and source of information for those interested in the socio-economic issues of Ethiopia.

Building on past achievements and the prevailing national plans and strategies, EEA has developed its five-year strategic plan (2021-2025) to continue conducing scientific research and policy analysis, offering capacity building interventions on topical areas, and disseminating outputs to its stakeholders in order to contribute to the realization of its strategic objectives and national economic and social developmental goals.

It is strongly believed that, through this strategic plan, the EEA will strengthen its capacity and continue to provide independent and reliable information that will assist policy formulation process in Ethiopia. Furthermore, it is believed that conceptual and analytical skills of professionals in techniques of policy formulation and analysis, as well as implementation capacity of government and non-government organizations will be upgraded. For successful implementation of the Strategic Plan (2021-2025), EEA has developed strategic objectives, priorities, and action plan and identified potential risks and mitigation strategies.

Finally, I would like to express my appreciation to EEA management and staff and other stakeholders whose contribution has made this strategic plan document to be meaningful.

Tadele Ferede (PhD)

President, Ethiopian Economics Association

EXECUTIVE SUMMARY

The Ethiopian Economics Association (EEA) was established in 1991 as non-profit, non-partisan, and independent research and membership organization. The EEA consists of three principal pillar functions of providing its members a platform of networking, learning; generating reliable scientific evidence and conducting rigorous policy; and contributing to frontier and emergent economic thinking relevant for Ethiopia, advancing research methodologies, and enhancing academic rigor in the science of economics.

EEA has undergone organizational and governance reforms since mid-2019 which have resulted in capacity augmentation, redefined business model, and preparedness to scale up its research as well as technical assistance activities. It has put in place dynamic and efficient organizational structure with divisions: Research & Policy Analysis (RPA), Partnership and Communications (PC), Administration and Finance (AD), and Income Generating Activities (IGA). As a result of organizational reform, EEA is in a position to scale up its capacity to conduct rigorous scientific research, render policy advice and targeted technical assistance, offer training, and organize and facilitate dialogue fora on thematic issues affecting public life in Ethiopia.

This strategic Plan (2021-2025) builds on and takes advantage of EEA's experiences of successive decades of social, economic and policy research undertakings, and organizational reforms with the view to realizing the interest of its members and contributing to national efforts of implementation of the Ten-Year Development Plan (TYDP) of the Ethiopian Government (2021-2030). The EEA's five-year strategic plan gives due focus on the alignment of its strategic interventions with perspective plan of the country and Sustainable Development Goals (SDGs) of the United Nations.

To realize its strategic objectives, the EEA has critically scanned and assumed the existing internal and external civil society environment where it operates. The revised proclamation for civil society organizations, favorable government policy, existing network of EEA, and the high and increasing demand for EEA services and outputs are the primary opportunities that EEA should prepare itself to exploit them. On the other hand, it has identified that socioeconomic shocks; macroeconomic instability and political reform; peace and security challenges; legal, regulatory policy constraints: limitation and implementation capacity; and corruption governance are the overriding threats expected in the planning period. These threats demand EEA's interventions to minimize the expected adverse effects.

The internal environment in which EEA is operating is also one of the binding constraints in the process of its effort to undertake institutional transformation. The EEA has identified both its strengths and weaknesses prevailed in the past two decades of its engagement in research, training, technical assistance, and membership services. To deliver its expected outputs, the EEA plans to strengthen its human, material, financial and technical capacities, capabilities, and competencies. It, in particular, focuses in strengthening its relative organizational capabilities of all the functional areas and positioning itself in relation to other civil society organizations in Ethiopia and beyond. Its motivated staff, strong membership base (and associate researchers), established partnership and networking, reputability, and its multipurpose building are among the most important strengths.

The EEA has also identified critical weaknesses undermining its relative competence in the process of discharging its responsibilities. The major weaknesses of EEA affecting its relative competence include constraints related to strategic leadership, bylaws, job grades and salary scales, operational manuals, employee benefits, and resource utilization (including buildings, human resource, material, and website, etc.). The EEA will accordingly focus to conduct and finalize the institutional reform and to

install a system relevant to address such weaknesses and to realize the attainment of the intended strategic objectives.

This five-year plan generally aims at realizing four overriding and interrelated strategic objectives of research, training, partnership, and capacity strengthening:

- a. Conducting an independent social, economic, environmental and policy research;
- b. Strengthening capacity of members, and national and regional institutions through training and focused technical assistance;
- c. Broadening and diversifying EEA's strategic partnership and networking for sustainable economic and policy research, training and technical assistance, and knowledge generation and dissemination; and
- d. Enhancing internal capacity of EEA to realize its vision and mission.

To attain these strategic objectives, the EEA has coined its intended activities into six thematic areas of strategic focus. Under these major thematic areas, 58 research projects will be undertaken on 32 selected subthemes within the coming five years. It plans to align its strategic objectives to the following six major thematic areas of research, training, technical assistance, and knowledge dissemination:

- Macroeconomy;
- 2. Agricultural and rural transformation;
- 3. Trade and industrial development;
- 4. Welfare and human development;
- 5. Institutions, environment and climate change; and
- 6. Gender, women and youth.

To realize the strategic plan, the EEA has budgeted about \$5.2 million, of which about 80 percent is allocated to the main activities of EEA including research, training, publication, conferences, workshops, and dissemination activities. The remaining 20 percent is allocated for administrative expenses. This budget requirement will be

mobilized from different sources of funding including donor support/grant (46.7%), income from research and technical assistance (44.7%), net transfer from income generating activities (5.8%), and other sources (2.7%).

In the process of implementing this strategic plan, the EEA employs a set of stringent and reinforcing monitoring and evaluation methods. It undertakes a continual process of information gathering and analysis to make judgments about progress towards the attainment of goals and objectives of the plan. The information generated will be used as a feedback to the management decision making process and to improving the execution of the strategic plan. The EEA will also organize annual reflection meetings involving various stakeholders and produce periodic reports which ensure transparency and accountability expected by its members, donors, the government, and other partner institutions.

1. BACKGROUND AND JUSTIFICATION

1.1. Background

Ethiopian Economics Association (EEA) is a non-profit, nonpartisan, and an independent research and membership organization in Ethiopia. Since its establishment in 1991, EEA strives to: a) provide its members a platform of networking, experiential learning, and access to current information; b) undertake rigorous research and policy analysis evolving social, economic and the an environment realities of Ethiopia for policymakers. practitioners. investors. researchers. development partners and the general public; c) contribute to frontier and emergent economic thinking relevant for Ethiopia, to advance research methodologies, contribute to academic rigor, and development processes.

EEA believes that research is a public good that plays a crucial role in supporting decision making for local and national development. In line with this, EEA established the Ethiopian Economic Policy Research Institute (EEPRI) in 2000 (now renamed as Research and Policy Analysis Division) to be able to conduct independent and rigorous scientific research and to provide evidencebased advisory services to its stakeholders. In addition to rendering membership services, EEA contributes to the Ethiopian advancement of the Economy undertaking policy-oriented research, offering capacity building short-term trainings, organizing public dialogues and conferences, and disseminating outputs through channels including publications (iournal. proceedings, State of Ethiopian Economy, Policy Working Papers, etc.) and public and social media.

Over the past one year, EEA has launched a program of governance and organizational reform. The reform results in strengthening the Association's organizational capacity, refocusing its research and analysis activities, extending its technical assistance programs, and expanding its outreach and partnerships. The reform involves creating an enabling

organizational environment; reinvigorating the capacity of the Association that has been severely eroded by the now defunct 2009 Civil Societies Law and by internal and difficulties; strengthening the organizational external capacity and governance of the EEA Secretariat to make the Association fit-for-purpose; refocusing and reprioritizing research activities to meet the demands of development; providing the ability to deliver services more proficiently and cost-effectively; and facilitating strategic partnerships at all levels and putting in place an effective accountability system. It also means enhancing the management of its human and financial resources, motivating the workforce to produce results and using the Association's multipurpose building properly, renovating and remodeling the building to make effective use of space both for its own office and for income-generating activities.

Following the reform, EEA has designed a revised, transparent and accountable governance structure with four functional units: Research and Policy Analysis (PRA), Partnership and Communications, and Administration and Finance, and the Income Generating Activity (IGA) of EEA. The General Assembly (GA) of EEA, the highest decisionmaking entity, is responsible for providing the overall strategic guidance. It determines the policy direction of the Association; deliberates upon and approves the Annual Performance Report including audited annual financial report, the Annual Plan and its program of action, and Annual Budget of the Association. The Association holds the GA meeting once in a year. The GA also gives strategic guidance to the Executive Committee (EC) of EEA, which is equivalent to Board of Directors which are elected volunteers serving a maximum of two terms (three years each, a total of six years). The EC by the bylaw is an oversight organ of the General Assembly, it offers policy direction, and approves strategic issues. The Chie Executive Officer (CEO) of EEA, the new position created after the reform, is appointed by the EC and accountable to the EC. The CEO is responsible for the day-today, strategic, and coherent functioning of the EEA activities. Under the new arrangement, the CEO leads the four functional divisions described above.

EEA has over 5000 members spread across the nation and abroad. The Association has also seven regional chapters in different regions of the country aiming to provide coordinated technical services to regional policy makers, practitioners, its members, and other regional stakeholders. The Association received recognitions from regional governments for its commendable efforts in supporting regional governments.

The Association recognizes that achieving sustainable and inclusive development goals requires collaboration and networking with multiple development partners. Accordingly, it calls for collaborative efforts and effective partnerships that can create multiple capacities at local, regional and federal levels. Hence, EEA works to forge partnerships with the private sector, research organizations, policymakers, development practitioners, civil societies and grassroots' organizations and development partners.

The Research and Policy Analysis (RPA) Division, provides the central function of the Association. Following the reform, RPA's research program is being refocused in order to support broader national developmental needs including the homegrown policymaking efforts, the country's ten-year perspective plan, and the opening up of private sector space arising from the ongoing political reform processes in thematic Ethiopia. There are six research Macroeconomy; Trade Industrial and Development; Agricultural and Rural Transformation; Welfare and Human Development; Institutions, Environment and Climate and Gender, Women, and Youth. undertaking its core activities. EEA deploys (a) its core research personnel; (b) associate researchers pulled from among its members; and (c) regional chapters for regionspecific research and technical assistance activities. EEA has established a database consisting of senior economics professionals drawn from Universities, EEA members, research institutions, and the diaspora. Some additional support staff will also be hired in order to provide effective support of the core activities of EEA, for example, survey enumerators, supervisors, data clerks, and others on a temporary basis from time to time.

conducted several policy-oriented research activities. The research outputs of the Association have been disseminated to policy makers, researchers and practitioners through organizing different discussion forums including workshops and conferences (both at national and regional levels), public lectures and other similar events, and through its various publications (Journals, Policy Working Paper series, proceedings, State of Ethiopian Economy, Newsletter briefings, etc.). The EEA has also launched its new website by upgrading the previous one in terms of contents, coverage, and features. Membership services have also been strengthened. The association has also strengthened its networks and collaborations nationally and internationally. It has secured funding from the Bill & Melinda Gates Foundation (BMGF) for its new research project titled 'Global Foundational Analysis to Close the Gender Profitability Gap', besides sustaining its previous collaborations with BMGF, Open Society Initiative for East Africa (OSIEA), Friedrich-Ebert Stiftung, and other partners. Nationally, it has also strengthened collaboration with line regional governments, banks, ministries. institutes, CSOs, and other partners in Ethiopia and beyond.

1.2. Rationale

The Ethiopian economy faces daunting multidimensional development challenges that call for innovative and coherent approaches to address them. The emergence of diverse actors in the global arena, climate change and disaster risks, technological advancement, interconnectedness in both trade and financial flows, unprecedented shocks (e.g., COVID-19), migration and inequality, and demographic bulge are some of the pressing issues that make the traditional economic paradigms and policy strategies inadequate. Currently, several macroeconomic imbalances including high rate of inflation and rising cost of living, and very high unemployment exacerbated by the COVID-19 further

created a formidable challenge to the national economy.

The Homegrown Economic Reform (HGER) agenda prioritizes building a resilient and diversified economy with middle-income population driven by the private sector; eradicating extreme poverty and hunger; building human capabilities; creating a modern policy and institutional framework; and creating an efficient, resilient and wellfunctioning financial market. It builds on past achievements but also aims to correct macroeconomic imbalances that have emerged over time, address sector-level constraints and ease structural bottlenecks to expand public and private investments. The HGER, in its totality, represents a major policy shifts towards a more market based, private sector-driven and open economy, integrated with regional and global markets.

Furthermore, а Ten-Year Development Plan 2029/30) has been to launched implementation. The plan subsumes key elements of the HGER; it focuses on a sustained high economic growth that will bring macroeconomic stability, broad-based growth, reduce poverty, control inflation, and increase employment. It also envisages to modernize agriculture, industry and mining sectors, induce structural change in the economy, improve productivity and production, and create backward and forward linkages among and between sectors. At the same time, the plan anticipates strengthening democracy institutions; inclusive social and opportunities for all Ethiopians; expand the role of the private sector, the youth and female in the economy; and build green economy.

These all require generating scientific evidence by undertaking research, organizing dialogue forums. disseminating research and forum outputs to policy makers and other stakeholders. This in turn requires proper planning in terms of activities, resources, and time periods. Cognizant of these all, EEA has prepared this Five-Year Strategic Plan (2021-2025) with the intention to provide analytical and multidimensional insights to the described above.

2. VISION, MISSION, AND CORE VALUES

Vision

The EEA is envisioned to become a premier economics association in Africa by 2030.

Mission

The mission of EEA is to provide a platform for networking, access to information and learning; to contribute to a better understanding of the global, national and local economic issues; to inform and influence economic policymaking and investment decision; to offer training and foster the advancement of discipline of economics.

Values

Professionalism, integrity, independence, quality, efficiency, inclusiveness, teamwork, accountability and transparency.

Motto

Professionalism and Economic Thinking for Development!

3. SITUATION ANALYSIS

The internal and external conditions that affect the Association are critically evaluated before designing interventions in the next five years to come (2021-25). This analysis provides the knowledge to identify the current opportunities and challenges to the Association and the services or products it delivers. The purpose of this situation analysis is to focus on strengths, shore up the weaknesses, capitalize on the opportunities, and to recognize the threats in the course of implementation of the intended activities in the strategic plan.

3.1. External environment

The external environment of the Association is scanned from different angles, including political, economic, social and legal factors for the opportunities and threats expected to prevail in the next five years.

3.1.1. Opportunities

Opportunity in this case is an area of need in which EEA can operate successfully and productively. In the strategic plan period, there are at least four obvious opportunities in the external environment that EEA should prepare itself to exploit them.

1. The revised proclamation for civil society organizations: The current civic society proclamation has avoided the previous legal restrictions on sources of funds and scope of operation of civic organizations. EEA has the opportunity to raise funds and engage in various activities deemed to be relevant to its strategic objectives. The revised proclamation created conducive environment to civic societies. It allows EEA, as a professional association, to protecting the rights and interests of its members, promoting professional conduct, building the capacities of members or mobilize professional

contributions of its members to the community and the country at large¹.

- 2. Favorable government policy: The current homegrown economic agenda and the 10-year perspective plan are among the major opportunities to identify national priorities of targeted interventions to be undertaken by EEA. There are a number of areas of interventions where the EEA can contribute its professional expertise to designing socioeconomic policies and projects/programs, undertaking research, and conducting capacity-building activities in many sectors of the economy including agriculture, rural development, manufacturing, trade, banking and finance.
- **3.** *Existing network of EEA:* The existing EEA network (including members and partners) is another opportunity for its wider, inclusive, and effective engagement in research, training and other collaborations.
- **4.** High demand for EEA services: The growing demand for EEA services and products by various stakeholders (including GoE, regional states, national and international organizations) is the driving force enhancing its involvement in research, training, and advisory services.

3.1.2. Threats

There are multiple threats or challenges posed by an unfavorable trends or developments that would lead, in absence of a coping strategy or action, to deterioration in benefits EEA is expected to realize. The primary threats expected in the next five years are the following:

1. Socioeconomic shocks: Ethiopia is experiencing several socioeconomic shocks including COVID-19, locus outbreak, droughts, and floods. COVID-19 pandemic, for instance, are expected to have continued impact on

¹ FDRE (2019), Organizations of Civil Societies Proclamation, Proclamation No. 1113/2019, Addis Ababa, Ethiopia.

sectors (domestic and foreign), household various livelihoods, and firms and their operations. The various restrictions taken by the government due to the pandemic are significantly and adversely affecting EEA's operations including research, survev and collection, and organizing of events (conferences, dialogue forums, trainings, etc.). workshops, pandemic is creating substantial national and global economic recession where countries and donors have limited resources to allocate for grants requested by civic societies like EEA. This economic recession since outbreak of the pandemic unavoidably leads to limited access to research and capacity building grants nationally and internationally. Other shocks also affect EEA's operations and requires feasible coping strategies.

- 2. Macroeconomic instability: The Ethiopian economy is several macroeconomic experiencing challenges including inflation, liquidity problem in the financial sector, shortage of foreign exchange, high debt burden, dominance of black money and ineffective monetary policy, and illegal trade, to mention a few. government is taking several measures to combat and control such macroeconomic challenges. Regardless of the policy efforts to combat and control macroeconomic challenges, most of them are more likely to prevail in the coming five years. The EEA should plan and get prepared to operate and succeed in an economy multiple macroeconomic challenges are constraining its interventions.
- 3. Political reform, peace and security challenges: The other prevalent threat in Ethiopia is lack of peace and order nationwide. People and institutions are uncertain about the likely condition of the disorder and insecurity in different regions of the country. This problem of insecurity in the country undoubtedly uncertainty in business operations and depletes confidence of donors, research institutions, and other partners nationally and internationally. These domestic

and foreign peace and security challenges coupled with the opposing interest of eastern Nile basin countries on the construction and operations of the Grand Ethiopian Renaissance Dam (GERD) are expected to remain as a major threat for smooth operations of EEAimplementing projects and raising funds. In these uncertain environments, EEA should particularly focus on its capabilities, and manage the threats for successful implementation of its activities. It requires vibrant strategies adaptive to the changing conditions of peace and security nationally and internationally. Since the installation of the new administration, series of reform measures were undertaken, the most visible one being political reform that included opening up political space, return of exiled political parties and individuals, opening of media outlets, rapprochement with Eritrea, and outreach to neighboring countries. However, the ongoing political reform is not without costs. Depending on the benefits and costs experienced by different elites in the last three decades of the previous regime, there are multiple and opposing interests seriously challenging socioeconomic planning and development in the country. These include the political unrest aggravated by different political parties and other illegal groups, and unrefined perception of the international community about the real picture of the political and economic reform being undertaken in the country. EEA requires to design suitable coping strategies in the process of fund-raising and implementation of its projects and recurrent activities.

4. Legal, regulatory and policy constraints: The Ethiopian economy is constrained by multiple legal, regulatory, and policy challenges. The primary legal and policy constraints adversely affecting EEA's operations include implementation of tax regulation, utilization of foreign currency (e.g., payment in foreign currency), ease of doing business, and liberalization of the financial markets (e.g., closed financial market to global operators). The EEA requires to design feasible strategies

to minimize the adverse effects of such constraints and/or convert them to opportunities.

- 5. Limitation of implementation capacity: In addition to legal and policy constraints, capacity of the government to implement policies and strategies and enforcement of laws is very much limited. The implementation capacity of the government remains the major threat to civil societies in the process of realizing their strategic objectives. Accordingly, the EEA is required to assume such capacity limitations of the government and strive to attain its strategic objectives in the presence of such constraints.
- 6. Corruption and bad governance: Corruption and bad governance; mainly caused by the corrupt political and economic environment; and professional ethics (habits, customs, tradition and demography) are the overriding challenges of economic development and transformation in Ethiopia. Corruption undermines the realization of the SDGs by aggravating economic loss and inefficiency, poverty and inequality, dysfunctionality of public and private sector, failures in infrastructure, rigged economic and political systems, and partial justice. The EEA requires assuming this serious challenge and designing its interventions using relevant matching and converting strategies suitable to the attainment of its strategic objectives.

3.2. Internal environment

The internal environment of the Association is assessed in terms of its tangible and intangible resources, competencies, and competitive advantages in the civic society's business environment in which it operates. This assessment of the internal environment allows identifying the strengths and weaknesses of the Association and aids the decision making of EEA management in the process of planning and execution of intended activities.

3.2.1. Resources

The primary internal factor by which organizations are assessed is their tangible and intangible resource endowment. EEA has both physical and financial resources which enable it to potentially perform better in the civic society environment. The primary physical resources of the building Association include its and the associated infrastructure. The EEA building has multiple purposes of serving as EEA offices and generating income which are believed to smooth financial instabilities expected in other organizations without such resource endowment. The other resource which makes EEA relatively competitive in its service and product delivery is human resource, particularly its experienced researcher staff and members. However, its limited research staff capacity is expected to constrain its research and training undertakings. This calls for an urgent action to fulfill critical additional research staff responsible to assume its major research undertakings in the primary thematic areas of research (current staff reported in Table 1).

Table 1: Human resource endowment by functional units and educational level (2020)

S/N	Functional units	PhD	MSc/ MA	BSc/ BA	Diploma	Other	Total
1.	CEO office	1					1
2.	Research and Policy Analysis						
3.	Staff	2	1	-	-	-	3
4.	Associate researchers (members)	63					63
5.	Partnership and Communication	-	3	1	-	-	4
6.	Administration and Finance	-	1	1	2	2	6
7.	IGA	-	-	2	1	10	13
	Total	66	5	4	3	12	90

EEA is also endowed with intangible resources including its reputation (good institutional profile), networking, and strong membership base. The reputation of EEA and its established network with partners in the past three decades is the competitive advantage for successful implementation of its activities.

3.2.2. Capabilities and competencies

Resources are not productive on their own. The most productive tasks require that resources collaborate closely together within teams. Organizational capability is a firm's capacity for undertaking a particular productive activity. The interest here is not in capability per se, but in relative capability of EEA to other organizations or civic societies. To identify capabilities of EEA, the functional classification approach is used in this case. The functional classification identifies EEA's organizational capabilities in relation to each of the principal functional areas currently employed (Table 2).

The major weakness of EEA which undermines its relative competence includes the following:

- 1. Lack of proactive and transformative leadership;
- 2. Outdated bylaw, job grades and salary scales, and job descriptions;
- 3. Outdated operational manuals (leading to unsystematic operations);
- 4. Inadequate employee benefit package (leading to low employees' motivation); and
- 5. Inefficient resource utilization (including buildings, human resource, material, and website, etc.).

The primary task of the leadership should focus to conduct and finalize an institutional reform and to install a system (including procedures, manuals and guidelines) relevant to realize the attainment of its strategic objectives.

Table 2: Organizational capability of EEA by functional units

Donational mais	Capabili	ty/Competency
Functional unit	Strength	Weakness
CEO office	 Fertile profile in terms of experience and networking Good relationship with the EC 	 Delay in installing the institutional reform Poor planning and lack of strategic focus Lack of participatory leadership and team spirit
RPA	 Capacity & experience in research Strong research coordination capacity Strong motivation and team sprit Good networking 	 Absence of research policy and guidelines Shortage of research staff Less attractive salary scales No research incentives Gender imbalance of research staff
Partnership & Communication	S	 Absence of communication & publication strategy/policy Absence of fund-raising strategy Absence of director Inadequacy of dissemination and publicity of outputs Less attractive salary scales Underutilization of web resources (e.g., social media, website) Low quality of print materials Inadequate publicity of the EEA
Administration and Finance	 Motivation and commitment of staff Experience in grant administration	Out-dated and incompatible system and operational manuals

Functional unit	Capability/Competency							
Functional unit	Strength	Weakness						
	 Motivation to implement modern financial and other systems (e.g., IPSAS) 	 Inefficient resource utilization Inadequate employee benefits Less attractive salary scales Shortage of man power 						
IGA	 Strong and committed leadership Adequate staff IGA enhanced Improvement of facility management 	 Poor safety and security Underutilized building spaces Limited diversification of income sources Lack of integration of facilities with EEA office Identification of parking spaces and offices 						

4. STRATEGIC OBJECTIVES AND PRIORITIES

4.1. Strategic objectives

The Strategic Plan, which is informed by EEA's comprehensive reform, aims to guide, achieve and manage EEA's current and emerging tasks. Reflecting on its comparative strengths, EEA strategic plan focuses on the following strategic objectives and results. EEA anchors its performance towards these strategic objectives and results that correspond and respond to its institutional and national priorities. The strategic objectives generally aim at realizing four overriding and interrelated objectives of research, training, and partnership.

Strategic objective 1: Conduct an independent social, economic, environmental and policy research:

- Result 1.1: Latest and reliable scientific evidence is generated to support and influence policy making, investment decision, program design, and implementation;
- Result 1.2: A well-organized economic database and resource center is established and made available to stakeholders including members, donors, researchers, practitioners, and public and private sector actors.
- Result 1.3: Policy-relevant scientific knowledge is published and disseminated to users to help and influence the design and implementation of economic policies in Ethiopia.

Strategic objective 2: Strengthen capacity of members, and national and regional institutions through training and focused technical assistance:

- Result 2.1: Capacities of members and stakeholders are enhanced.
- Result 2.2: Technical assistance to stakeholders on focused thematic areas is rendered.

- Result 2.3: Long-term training programs have been launched.
- Result 2.4: Membership base and services are enhanced.

Strategic objective 3: Broaden and diversify EEA's strategic partnership and networking for sustainable economic and policy research, training and technical assistance, and knowledge generation and dissemination:

- Result 3.1: Strategic partnership is established and expanded to forge alliance with national and international institutions and organizations.
- Result 3.2: EEA funding sources are diversified and made sustainable.
- Result 3.3: Professional role of EEA is enhanced through increased and diversified conferences, workshops, panel discussions, dialogue forums, and other events.

Strategic objective 4: Enhancing internal capacity of EEA to realize its vision and mission.

- Result 4.1: Internal source of funding and cost management are improved.
- Result 4.2: Safe, secure, and comfortable working environment for staff is created
- Result 4.3: Quality and quantity of staff is improved.
- Result 4.4: Technological and management capacity of EEA is modernized.

4.2. Strategic priorities

In the coming five years of its strategic intervention, EEA commits to align its strategic goals and objectives with national priorities and actively participates in development agenda by providing independent economic, social research and policy analysis. For setting strategies, inputs from key federal ministries, private sector actors, and other stakeholders have been utilized. EEA is ready to scale up its

services making good use of internal organizational and institutional reform.

The EEA plans to align its strategic objectives to the following six major thematic areas of research, training, technical assistance, and knowledge dissemination:

- **1.** *Macroeconomy:* This research theme focuses on the following subthemes:
 - Economic growth and development policy options;
 - Foreign sector performance;
 - Fiscal policy and revenue mobilization;
 - Monetary policy and financial liberalization; and
 - Inflation.
- **2. Agricultural and rural transformation:** This research theme comprises the following subthemes among which priority topics will be selected and undertaken during the planning period:
 - Land use and tenure policy;
 - Agricultural/rural finance and insurance;
 - Agricultural commercialization and mechanization;
 - Agricultural marketing and value chains; and
 - Agricultural production and innovation.
 - Irrigation development
- **3.** *Trade and industrial development*: This research theme comprises the following subthemes among which priority topics will be selected and undertaken during the planning period:
 - Manufacturing;
 - Trade and industrial analysis;
 - Market and industrial organization;
 - Micro and small enterprise (MSE) development and job creation;
 - Intersectoral linkages;
 - Economic integration; and
 - Business enabling environment.

- **4. Welfare and human development:** This research theme comprises the following subthemes among which priority topics will be selected and undertaken during the planning period:
 - Poverty, inequality and livelihoods;
 - Food and nutrition;
 - Basic social services (education, health, housing, water and sanitation, electricity, etc.);
 - Labor and employment;
 - Urbanization and population dynamics; and
 - Migration.
- **5.** *Institutions*, *environment and climate change:* This research theme comprises the following subthemes among which priority topics will be selected and undertaken during the planning period:
 - Institutions and property rights;
 - Economics of natural resources;
 - Economic valuation of resources;
 - Economics of climate change; and
 - Environmental impact assessment and sustainability.
- **6. Gender, Women & Youth:** This research theme comprises the following subthemes among which priority topics will be selected and undertaken during the planning period:
 - Gender roles and differentials;
 - Women & youth economic empowerment;
 - Women & youth employment; and
 - Female entrepreneurship.

5. ACTION PLAN

EEA plans to undertake several research projects and organize different forums and trainings workshops during the strategic plan period. The research activities will be organized under the six main focus areas described above. In the next five years, about 58 research projects will be carried out (Table 3). The number of research projects, workshops and conferences, training programs, human resource recruitment, and membership services that will be carried out on yearly basis are shown below.

Table 3: Research priorities and targets in the strategic plan (2021-25)

No.	Research theme	Targets (2021-25)
1.	Macroeconomy	11
1.1.	Economic growth and development policy options	3
1.2.	Foreign sector performance	2
1.3.	Fiscal policy and revenue mobilization	2
1.4.	Monetary policy and financial liberalization	2
1.5.	Inflation	2
2.	Agricultural and rural transformation	12
2.1.	Land use and tenure policy	3
2.2.	Agricultural/rural finance and insurance	3
2.3.	Agricultural commercialization and mechanization	2
2.4.	Agricultural marketing and value chains	2
2.5.	Agricultural production and innovation	2
3.	Trade and industrial development	10
3.1.	Manufacturing	2
3.2.	Trade and industrial analysis	2
3.3.	Market and industrial organization	2
3.4.	MSE development and job creation	1
3.5.	Intersectoral linkages	1
3.6.	Economic integration	1
3.7.	Business enabling environment	1

No.	Research theme	Targets (2021-25)
4.	Welfare and human development	10
4.1.	Poverty, inequality and livelihoods	2
4.2.	Food and nutrition	1
4.3.	Basic social services (education, health, housing, water and sanitation, electricity, etc.)	3
4.4.	Labor and employment	2
4.5.	Urbanization and population dynamics	1
4.6.	Migration	1
5.	Institutions, environment and climate	7
٥.	change	•
5.1.	Institutions and poverty rights	2
5.2.	Economics of natural resources	2
5.3.	Economic valuation of resources	1
5.4.	Economics of climate change	1
5.5.	Environmental impact assessment and sustainability	1
6.	Gender and women & youth	8
6.1.	Gender roles and differentials	3
6.2.	Women & youth economic empowerment	2
6.3.	Women & youth employment	1
6.4.	Female entrepreneurship	2
	All themes	58

6. RISKS AND ASSUMPTIONS

6.1. Expected risks and potential solutions

Implementations of the indicated actions and attainment of the goals and objectives depend on favorable internal and external factors. Potential risk factors that may affect implementation of actions and attainment of goals include the following:

1. Withdrawal of donors' support: Donors may sometimes decline from offering grants and financial supports due to various reasons. This is expected to adversely affect EEA's performance. In such situations, the EEA should look for ways absorbing such adverse

effects through identification of new funding sources, diversification of funding sources and donors, and enhancing internal sources of funding. This would help in ensuring continuity of its activities without significant damage.

- 2. Changes in government policy directions and strategies: It is more likely that the current government policies and strategies on which this plan depends will continue. However, if changes happen, the EEA needs to revise its strategic directions in line with the changes.
- **3. Political instability:** Following government's reform measures, there are various indications of political instability in the country. It is also expected that the government will be able to manage such instabilities by finalizing its reform processes and the associated interventions. However, if political instability happens unexpectedly, the EEA should accordingly adjust its activities.

6.2. Assumptions

It is assumed that the following expectations and requirements are in place for the successful attainment of the goals and objectives:

- 1. Existing donors' support will sustainably continue;
- 2. The EEA's reputability will continue;
- 3. Policy makers and other stakeholders utilize scientific evidences generated by EEA;
- 4. CSO regulations will remain conducive;
- 5. The demand for EEA services and outputs will continue;
- 6. EEA will put in place and maintain key research and administration staff;
- 7. Members' participation in EEA's activities will continue; and
- 8. The existing commitment of the executive committee will continue.

7. BUDGET AND RESOURCE REQUIREMENT

The success of EEA critically depends on the commitment and efficiency of its human, financial, physical and technological resources. To accomplish the planned activities, the required financial resources are indicated below (Table 4). The total budget proposed for this Strategic Plan is about 5.2 million dollars for a period of five years, of which about 80 percent is allocated to the main activities of EEA including research, training and publication, conferences, workshops, and dissemination (including core staff salary) activities. The remaining 20 percent is allocated for administrative expenses.

Table 4: Budget breakdown of the strategic plan in USD (2021-25)

Activity	Budget	~									
Activity	share (%)	2021	2022	2023	2,024	2025	Total				
Research*	56.0	445,946	556,757	572,973	651,351	700,000	2,927,027				
Training	1.0	8,100	10,800	10,800	10,800	10,800	51,300				
Publication and dissemination	1.6	15,302	16,275	16,843	15,870	17,816	82,106				
Conference, workshops/dialogue forums	8.1	96,905	73,662	82,311	82,311	86,365	421,554				
Core Staff Salary	13.0	52,943	127,457	152,334	165,510	179,829	678,073				
Administrative expenses	18.4	215,683	161,648	179,851	198,472	207,100	962,755				
Contingency (2%)	2.0	16,698	18,932	20,302	22,486	24,038	102,456				
Total	100.0	851,575	965,531	1,035,414	1,146,802	1,225,948	5,225,270				

Note: It is assumed that one demand-driven/collaborative research (category 1) costs USD 110,811 while an outsourced project (category 2) requires USD 16,216. The numbers of projects under category 1 are planned to be 3, 4, 4, 5, and 5 in years 2021, 2022, 2023, 2024, 2025, respectively; while the number of projects under the second category in the indicated years are 7,7, 8, 6, and 9, respectively.

In terms of source of financing, EEA plans to raise more financial resources from donors in the form of core program support fund and from its activities of demand-driven and collaborative research. In addition, EEA plans to get some funds from its IGA. As a result, during the planning period, EEA plans to raise about 46.7 percent of the required fund from donors' support while the remaining 53.3 percent will be mobilized from its own sources that include research activity fund (demand-driven research and collaborate researches), transfer from EEA's IGA and membership fee, sales of publication and other sources. The proposed financing plan in absolute and relative terms is presented in Table 5.

Table 5: Proposed sources of financing plan in USD (2021-2025)

Course of financina	Budget			Budge	et year		
Source of financing	share (%)	2021	2022	2023	2024	2025	Total
Core program donor support fund	46.7	727,725	767,803	775,734	809,000	790,407	3,870,668
Research activity fund	44.7	84,938	130,959	180,410	227,492	284,298	908,097
Transfer from IGA	5.8	25,946	51,892	62,270	74,724	89,669	304,501
Membership fee, sales of publication and other sources	2.7	12,966	14,877	17,000	35,587	61,574	142,004
Total	100.0	851,575	965,531	1,035,414	1,146,802	1,225,948	5,225,270

8. MONITORING AND EVALUATION

This five-year strategic plan envisions to producing to-the-standard research and other related outputs. However, this type of long-term strategic plan would be defective without a monitoring and evaluation unit in place. EEA has embarked on a reform process and come up with new and conducive organizational structure. Each unit under this structure is responsible to implement the planned activities. The EEA shall accordingly evaluate and monitor activities of these functional units through the rigorous methods stipulated in its bylaw, working manuals, and procedures.

These laws and working procedures stipulate continuous M&E process where performances are evaluated in monthly, quarterly, and yearly basis by involving different bodies of EEA. Monthly evaluation will be done by EEA management and internal staff; quarterly by Executive Committee (EC); and yearly by the General Assembly of EEA.

process of monitoring and evaluation The undertaking a continual process of information gathering and analysis to make judgments about progress towards the goals and objectives of the strategic plan. It also involves analyzing the reasons behind the success or failure of the initiatives within the strategic plan. Moreover, the data generated and analyzed will be used as a feedback into the management decision making process to improve the execution of the strategic plan. In order to create such a learning environment, the EEA will organize an annual reflection meeting involving various stakeholders. It will also produce periodic reports which required are accountability purposes by its members, donors, government, and other partner organizations.

Annexes Annex 1: Activities and targets in the five-year plan (2021-25)

S/N	Activities	Baseline (2020)	2021	2022	2023	2024	2025	Total
1.	Research	10	10	11	12	11	14	58
1.1.	Macroeconomy	5	2	2	2	2	3	11
1.2.	Agricultural and rural transformation	1	2	3	2	2	3	12
1.3.	Trade and industrial development	-	2	1	2	2	3	10
1.4.	Welfare and human development	4	2	2	2	2	2	10
1.5.	Institutions, environment and climate change	-	1	1	1	2	2	7
1.6.	Gender and women's economic empowerment (WEE)		1	2	3	1	1	8
2.	Training and technical assistance							
2.1.	Training	-	3	4	4	4	4	19
2.2.	Technical assistance	2	3	3	3	3	3	15
3.	Publications							
3.1.	State of the Ethiopian Economy book	1		1		1		2
3.2.	Ethiopian Journal of Economics (EJE)	2	3	3	2	2	2	12

S/N	Activities	Baseline (2020)	2021	2022	2023	2024	2025	Total
3.3.	Proceedings (regional and international)	2	3	3	3	3	3	15
3.4.	Policy working papers	6	5	6	7	6	8	32
3.5.	Newsletters/brochures	2	2	2	2	2	2	10
4.	Conference, workshops and dialogue forums	5	9	10	11	11	13	54
4.1.	International conference on the Ethiopian Economy	0	1	1	1	1	1	5
4.2.	Annual regional conferences	0	2	2	2	2	2	10
4.3.	Panel discussion forums and other workshops	5	4	5	6	6	7	28
4.4.	Pre-election political parties debate on economic issues	0	2	0	0	0	0	2
4.5.	Research validation and dissemination workshops	5	3	3	3	3	3	15
5.	New partnerships and networking	3	4	4	4	4	4	20
6.	EEA membership services							
6.1.	Registration of new members	129	150	150	200	200	200	900
6.2.	Internship	-	5	5	5	5	5	25
6.3.	Installing online membership services	-	x	x	x	x	x	x
6.4.	Best thesis award		4	4	4	4	4	20

S/N	Activities	Baseline (2020)	2021	2022	2023	2024	2025	Total
6.5.	General assembly	-	1	1	1	1	1	5
6.6.	Strengthening and expansion of regional chapters		X	X	x	x	x	X
7 .	Staff recruitment							
7.1.	Research staff	2	7	1	1	-	-	9
7.2.	Administrative staff	4	2	1	-	-	-	3
8.	Staff training (short-term)							
8.1.	Types of training	2	2	2	2	2	2	10
8.2.	Number of trainees	30	20	15	10	5	10	60
9.	Enhancing the technological capacity							
9.1.	Designing network infrastructure (teleconference room, security camera)	-	X					
9.2.	Data security and management system	-	X					
9.3.	Automation	-	X					
10.	Income generating activities (IGA)							
10.1	Initiate new income generating business lines	1	1	1	1	-	-	3
10.2	Standard facility management practice (%)	-	30	60	75	90	100	-

Annex 2: Detailed sources of funding (USD) for the strategic plan (2021-25)

No	Description		_ TOTAL				
110.		2021	2022	2023	2024	2025	- IOINE
1.	Core program donor support fund	727,725	767,803	775,734	809,000	790,407	3,870,668
2.	Income from research activity (demand-driven and collaborative researches)	84,938	130,959	180,410	227,492	284,298	908,097
3.	Membership fees	6,850	8,083	9,537	11,445	35,914	71,829
4.	Sales of publication	846	1,058	1,217	1,338	1,446	5,905
5.	Transfer from IGA (net profit)	25,946	51,892	62,270	74,724	89,669	304,501
6.	Gain from foreign exchange	4,054	4,459	4,905	5,396	5,936	24,750
7.	Sundry	1,216	1,277	1,341	17,408	18,278	39,520
	Total revenue	851,575	965,531	1,035,414	1,146,802	1,225,948	5,225,270

Annex 3: List of latest research publications/outputs released by EEA

	Publication	Publication type	Year of publication
1.	Agriculture and Rural Transformation in Ethiopia: Obstacles, Triggers and Reform Consideration $(001/2020$	Policy Working Paper	Jan 2020
2.	Economic and Welfare Effects of COVID-19 and Responses in Ethiopia: Initial Insights (002/2020)	Policy Working Paper	April 2020
3.	The Economy-wide Impact of the COVID-19 in Ethiopia: Policy and Recovery options (003/2020)	Paper	July 2020
4.	Assessment of COVID-19 Effects and Response Measures in Ethiopia: Livelihoods and Welfare Implications (004/2020)	Paper	July 2020
5.	The Economic Significance of the Grand Ethiopian Renaissance Dam (GERD) to the Eastern Nile Economies: A CGE modeling approach (005/2020)		August 2020
6.	Inflation Dynamics and Macroeconomic Stability in Ethiopia: Decomposition Approach (006/2020)	Paper	January 2021
7.	Proceedings of the 17 th International Conference on the Ethiopian Economy	Proceedings	2019/20
8.	Newsletter 01/2020, March 2020.	Newsletter	2019/20
9.	The 2017 Report on the Ethiopian Economy: "Challenges of Sustaining Ethiopia's Foreign Exchange Earnings from Exports and Remittances"	Annual Economic Report	2018/19
10.	Proceedings of the $15^{\rm th}$ International Conference on the Ethiopian Economy (2 volumes)	Proceeding	2018/19
11.	Proceedings of the 5^{th} Annual Conference on the Eastern Ethiopia Regional Development.	Proceeding	2018/19
12.	Proceedings of the 7^{th} Annual Regional Conference on the	Proceeding	2018/19

No	Publication	Publication type	Year of publication
	SNNP Region Economic Development		
13.	Proceedings of the 7 th Annual Regional Conference on the Amhara Regional State Economic Development	Proceeding	2018/19
14.	EEA Research Brief No 1/2017: Reducing the maize yield gap in Ethiopia: Analysis and policy simulation	Research Brief	2018/19
15.	transformation in Europia	Annual Economic Report	2017/18
16.	Ethiopian Economy (2 volumes)	Proceeding	2017/18
17.	Proceedings of the 4th Annual Conference on Eastern Ethiopia Regional Economic Development.	Proceeding	2017/18
18.	Proceedings of the bu Annilal Regional Conference on the	Proceeding	2017/18
19.	Proceedings of the 5 th Annual Regional Conference on the Tigray Regional Economic Development	Proceeding	2017/18
20.	Proceedings of the 7 th Annual Regional Conference on the Amhara Regional Economic Development	Proceeding	2017/18
21.	Ethiopian Journal of Economics (Vol. 25, number 1 and number 2)	EJE (two issues)	March & May 2017
22.	Ethiopian Journal of Economics (Vol. 26, number 1 and number 2)	EJE (two issues)	April & August 2018
23.	Ethiopian Journal of Economics (Vol. 27, number 1)	EJE	November 2018
24.	Ethiopian Journal of Economics (Vol. 27, number 2)	EJE	April 2020
25.	Ethiopian Journal of Economics (Vol. 28, number 1 and number 2)	EJE (two issues)	September & December 2020

Annex 4: List of latest conferences, workshops, and dialogue forums organized by EEA

No.	Topic of the event	Name of partner/ collaborator	Time period
1.	Panel discussion on "the State of Financial Intermediation and the Resilience of the Ethiopian Financial System"	Open Society Initiative for Eastern Africa (OSIEA) & Friedrich Ebert Stiftung (FES)	September 2019
2.	Panel discussion on "Challenges of Agricultural Transformation in Ethiopia: How can we fail on our competitive advantage?"	OSIEA & FES	October 2019
3.	Panel discussion on "Ethiopia's Home-Grown Economic Reform Agenda: A Pathway to Prosperity"	OSIEA & FES	October 2019
4.	Panel discussion on "Social Policy in Ethiopia: Prospects and Challenges"	UNICEF	December 2019
5.	Panel discussion on "Inflation Dynamics in Ethiopia"	OSIEA & FES	February 20, 2020
6.	17 th International conference	IFPRI/ESSP, Initiative Africa, FES, UNECA, the World Bank, IGC, APRA/IDS, CEPHEUS/Growth Capital Partners, Frontieri	July 2019
7.	16 th International Conference	ESSP-IFPRI, EDRI, USAID, UNDP, UNECA, IGC, AKLDP, FES	July 2018
8.	15th international conference	ESSP-IFPRI, EDRI, ACBF,	July 2017

No.	Topic of the event	Name of partner/ collaborator	Time period
		USAID, UNDP, UNECA, IDS,	_
		AEMFI, IGC, World Bank, IDPR,	
		AKLDP, FES, LSMS-ISA,	
		University of Oxford, UK Aid,	
		IZA, ILRI, Growth and Labour	
		Markets in Low Income	
		Countries Programme	
	The Ninth Annual Conference on the Southern	PD 0	June 2019
9.	Nation, Nationalities and people Regional State	FES	
	(SNNPRS) Economic Development		
1.0	The Eighth Annual Conference on the Southern	PD 0	April 2018
10.	Nation, Nationalities and people Regional State	FES	
	(SNNPRS) Economic Development		N. 1 0017
	The Seventh Annual Conference on the Southern	PDG	March 2017
11.	Nation, Nationalities and people Regional State	FES	
	(SNNPRS) Economic Development		D 1
12.	The Sixth Annual Regional Conference on the	FES	December
	Economic Development of Eastern Ethiopia		2017
13.	The Fifth Annual Regional Conference on the	FES	November
	Economic Development of Eastern Ethiopia		201
14.	The Sixth Annual Regional Conference on Tigray	FES	June 2018
	Regional State Economic Development		34 0016
15.	The Fifth Annual Regional Conference on Tigray	FES	May 2016
	Regional State Economic Development		0 1 0010
16.	The Ninth Regional Annual Conference on	FES	October 2018

No.	Topic of the event	Name of partner/ collaborator	Time period
17.	Amhara Regional State Economic Development The Eighth Regional Annual Conference on Amhara Regional State Economic Development	FES	September 2017
18.	High Level Policy Dialogue with Amhara Regional State officials at Bahir Dar	FES	December 2017
19.	Dissemination workshop on Early Labour Market Transitions of Women in low Income African Countries	University of Sussex	September 2017
20.	Dissemination workshop on Migration, Remittances and Forest Dependence in Ethiopia: Implications for food security, gender and forest conservation	University of Sussex	September 2017
21.	Dissemination workshop on Food and Nutrition Security: Learning Across Boarders'	IFPRI	September 2017
22.	Dissemination workshop on Infrastructure Financing and Sustainability: The Role of Multilateral Development Banks	South African Institute of International Affairs (SAIIA).	April 2017
23.	Dissemination workshop on Integrated Assessment of the Determinants of the Maize Yield Gap in Sub-Saharan Africa: Towards Farm Innovation and Enabling Policies (IMAGINE	Wageningen University.	April, 2017