



Policy Dialogue Forum on Ethiopian Economy

Organized by EEA in Collaboration with USAID

Elilly International Hotel, Addis Ababa, Ethiopia

September 2-3, 2022

Final Report

Addis Ababa, Ethiopia

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Acronyms and Abbreviations

USAID	The United States Agency for International Development
HoPR	Ethiopian House of Peoples Representatives
CSOs	Civil Society Organizations
CEO	Chief Executive Officer
IGC	International Growth Center
NBE	National Bank of Ethiopia
CBE	Commercial bank of Ethiopia
SOE	State Owned Enterprise
GDP	Growth Domestic Product
BOP	Balance of Payment
FDI	Foreign Direct Investment
REER	Real Effective Exchange Rate
EPRDF	The Ethiopian People's Revolutionary Democratic Fron
ND	National Dialogue
HGER	Home Grown Economic Reform
EEA	Ethiopian Economics Association

I. Introduction

Ethiopian Economics Association, in collaboration with USAID, has organized a Two-Day Policy Dialogue Forum at Ellily International Hotel, in Addis Ababa, Ethiopia. The Policy Dialogue forum took place from the 2nd -3rd of September 2022. The dialogue forum focused on four thematic areas: Political Economy of Ethiopia, Land Policy and Related Issues, Conflicts and Post-Conflict Economic Recovery Options, and National Dialogue in Ethiopia. The participants of the dialogue forum were invited from different walks of lives including from the Ethiopian House of Peoples Representatives (HoPR), representatives of the federal and regional government officials, selected university presidents/vice presidents across the country, CSOs, and development partners.

The forum centered on recent scientific studies undertaken by senior researchers of the fields. The main objectives of the forum were to create a space for dialogue and bring stakeholders together and discuss on the four issues stipulated above. The outcome of the dialogue is believed to be used as an input for the policy makers.

Such a forum is, therefore, crucial for Ethiopia; and making such a pragmatic dialogue which is supported by research would play a paramount importance to identify the root causes of the problems and suggest realistic solutions to the policy makers. Generally, it was believed that such a dialogue would give green light to policy makers to produce pragmatic solutions to the current socio-economic challenges.

Ten invited speakers drawn from various corners of the country presented their research findings. In view of this, a total of over 200 participants from an assortment of stakeholders and concerned government officials around the country attended the forum. The purpose of this report is, therefore, to summarize the main points made during the dialogue forum. The topics discussed under theme 1 were macroeconomic instability in Ethiopia, costs and drivers of inflation in Ethiopia, and the removal of part of fuel subsidy in Ethiopia. Topics presented under theme two included the question of land ownership rights in Ethiopia, the evolving question of land tenure for sustainability in Ethiopia, and land certification and tenure security in Ethiopia. Presentations under theme three were a review work of the effect of the Russia-Ukraine war on the Ethiopian economy and the effect of internal conflict on the Ethiopian economy both of which could grab

the attention of policy makers in the Ethiopian socio-economic and socio-political sector. Presentations under theme four included the role of national dialogue for peace building and political stability in Ethiopia and the role of civic society organizations for inclusive national dialogue in Ethiopia.

II. Session Two: Welcome Remarks]

1. Professor Mengistu Ketema, the CEO of the Ethiopian Economics Association, delivered a welcome speech. Maintaining all the protocols of high level forum, Professor Mengistu, warmly welcomed the dialogue participants. In his welcoming speech, Professor Mengistu introduced the overall objectives of the forum and highlighted that EEA has been organizing such platforms for the last three decades. Professor Mengistu also added a brief background of EEA, the recent activities which the association is engaged in and activities accomplished by the association and activities underway.



Fig. 1. The CEO of EEA while delivering a welcome speech

2. **Ms. Brittany Gleixner-Hayat, country representative of USAD, Ethiopia** in her context delivered a brief message to the participants. In her message, Ms. Brittany focused on the importance of the topics of the policy forum for the ongoing peace building and inclusive dialogue, creating space for debate in the country. Ms. Brittany further briefly explained about the expected outcome of the dialogue. She also showed USAID's interest to work with the EEA on agreed common interest areas of both institutions.



Fig 2. Ms. Brittany Gleixner-Hayat, the USAD Ethiopia country representative, while delivering the message

3. H.E Dr. Yohannes Ayalew, President of Development bank of Ethiopia, conveyed an opening remark of the dialogue forum as a guest of honor. In his opening speech, H.E. Dr. Yohannes Ayalew shared his views on the experience of such similar platforms and the importance of such high level policy dialogues. He further emphasized on the topics of the dialogue and their importance in identifying policy options. Dr. Yohannes underscored that Ethiopia is currently facing multifaceted macro and microeconomic problems and hence, this kind

of dialogue is imperative to inform policy makers to come up with appropriate policy directives and curb the socioeconomic challenges that the society is facing.

Indeed, Dr. Yohannes listed key macroeconomic challenges that the country is facing. He specifically pointed out problems of the contemporary Ethiopian Economy. Among these, high rate of general inflation, serious shortage of foreign exchange, domestic conflicts which destroy the physical, psychological and social capital of the country, and balance of payment problem were raised as the most important ones. Dr. Yohannes finally concluded his opening remarks by emphasizing on the role of the civil society organizations in contributing to the efforts of mitigating the observed problems in the country. He added that all of these problems are timely and worth discussing during the forum.



Fig. 3. H.E Dr. Yohannes Ayalew while delivering the opening speech,

Dr. Yohannes further underscored that to alleviate these challenges, evidence-based research findings and policy recommendations are crucial. For this, Dr. Yohannes emphasized on the role

of CSOs in producing empirical solutions and organizing such policy forums. Wishing a fruitful deliberation, H.E Dr. Yohannes, officially opened the dialogue forum.

III. Session Three: Thematic Area One

4. Dr. Tewodros Makonnen, a senior Economist at the International Growth Center (IGC) Ethiopia country office, made a presentation on macroeconomic instability in Ethiopia. In his presentation, Dr. Tewodros highlighted the conceptual framework of his presentation and briefly discussed the background of Ethiopian Economy. During his presentation, Dr. Tewodros addressed quick points on the following specific issues in particular: measurement of macroeconomic instability, a home grown economic reform program, major macro tenets of reform, mechanisms of controlling inflation, removing financial repression as a reform and its consequential results, prudent fiscal policy with its reforms and consequential results, forex and balance of payment with its reforms and consequential results, the impact of COVID-19 outbreak on the observed inflation, and the impact of Ukraine-Russia conflict on the inflation which the country experienced.

With the above particular points, Dr. Tewodros listed key variables which result in macroeconomic instability. These variables include inflation, external debt, and fiscal instance. He also highlighted that investment in Ethiopia was dominated by public sector investments mainly construction and trade. In response to this problem, the government adopts a Home-Grown Economic Reform (HGER). Generally, the causes and policy reform undertaken by the government in the HGER agenda was the focus of Dr. Tewodros's presentation.

Dr. Tewodros stressed that exchange rate asymmetries, inertia in monetary effects, and supply side factors such as shortage of marketable surplus product, lack of proper vertical market integration, geographic dispersion, and political instability in the country in the last few years were the possible causes of inflation in Ethiopia. He further emphasized that bias in credit and forex exchange to state owned enterprises, and exchange and forex surrender requirements were indicated as a possible causes of inflation which create financial repression.

He further underscored that, in order to contain inflation, the government has taken different policy measures including reducing money supply and financing of foreign debt through marketable treasury bills. Dr. Tewodros specifically remarked that the following reforms were made to address the problem: the national bank of Ethiopia (NBE) bill removed, reforms in banking sector, establishing capital market, and issuance of marketable treasury bills. As a result of these reforms, loan and advances to private banks have doubled, credit to private sector by commercial bank of Ethiopia (CBE) increased.



Fig. 4. Dr. Tewodros Makonnen while presenting on Macroeconomic Instability in Ethiopia

The other cause of inflation raised by Dr. Tewodros is Prudent Fiscal Policy which is potentially caused by wasteful public projects, inflationary financing of deficit, and debt distress especially non concessional ones. As a response to this particular problem, the government considered State Owned Enterprise (SOE), debt restructuring, and Treasury bill (T-bills) financing of deficit as reform measures. Dr. Tewodros mentioned that as a result of this reform, more than 200 billion birr has been raised through T-bills; some of the State Owned Enterprises (SOEs) like telecom were partly privatized; and the country's debt burden stands at 50% of GDP.

Dr. Tewodros noted that forex and balance of payments were also the other observed inflationary problems. High parallel-official market rate difference and severe forex shortage were the main binding constraints raised. To ease the challenge, the government have taken reforms like speeding up of the exchange rate, build up reserves, move towards market based foreign exchange system, and promote exports, remittances, FDI, and tourism. Despite the effort taken by the government, Dr. Tewodros did not skip without mentioning the fact that problem of forex shortage, gap between parallel and official exchange rate still persists. He underscored that little progress was made towards market-based system; exports improved while balance of payment (BOP) is severely affected by multiple shocks.

Lastly, the impacts of Covid-19 shock on BOP, service sectors (hotel and tourism) performances, remittances, and foreign direct investment (FDI) were highlighted and mentioned by Dr. Tewodros. The internal conflict, which he mentioned as a very disruptive scenario, also severely affected FDI, loans, and grants. As a result, it heavily constrained the government's budget and had a huge economic cost. In conclusion, the presenter noted that despite the major reforms undertaken by the government, the macro-economy has been highly unstable.

In general, Dr. Tewodros concluded that despite a progress made in the economic reforms, the country has experienced a high macroeconomic instability. The presenter further concluded that the Ethiopian state of macro-economy has been slow and the country's economy has been unstable which has been stricken by various shocks facing macroeconomic imbalances. Therefore, weathering the shocks and sustaining the undoing holistic reform is pivotal. Dr. Tewodros still mentioned that if the above points are not jointly met, the country will not have a sustainable macro-economy.

5. Dr. Degye Degye Goshu, a Research and Policy Analysis Director at EEA, made a presentation on costs and drivers of inflation in Ethiopia. His study employed both parametric and non-parametric data analysis techniques. In his presentation, Dr. Degye specifically raised dynamics and challenges of inflation, top drivers and constraints, and the quest for transformation policies and price stability. Coupled with facts and figures on dynamics of inflation in Ethiopia, Dr. Degye briefly presented the conceptual framework and methodology. The result of the study indicates that Ethiopia was one of the 10 inflationary economies of the world and the 3rd inflationary

economy in Africa next to Zimbabwe and South Sudan. Dr. Degye's study further indicates that the food price inflation covers 57% of the current inflation while non-food inflation shares 43% of the inflation in the country. This implies that the effect of welfare is paramount affecting the majority of the society.

It was also mentioned by the presenter that the effect of inflation is disproportionately affecting the lowest quintile of the population. Generally, in his presentation, Dr. Degye noted that the inflation in the country is mainly driven by:



Fig 5. Dr. Degye Goshu while presenting on Costs and Drivers of Inflation in Ethiopia

Structural formation of the economy: The service sector, which accounts for about 52.2% of the economy, is the dominant sub-sector of the country's economy. Agriculture and manufacturing sectors, on the other hand, are not growing with the rate that the service sector is growing, i.e. demand creating sector is growing more than the supply side of the economy. The typical feature of this subsector is consumption based and induces extra demand to the goods market that further worsens the price rise. Moreover, contracting industrial and manufacturing sector followed by contracting productive capacities are key for the soaring prices.

Agricultural productivity: Crop and livestock productivity and livestock holding are continuously contracting in per-capita terms.

Money supply: The gap between the increase in money supply and increase in GDP is widening. As money supply grows, monetary instability is negatively related. The continuous money supply exacerbated the inflation in the country. In addition, the high gap between the lending and borrowing interest rates contributed much. It was also observed that money supply growth in the country was unstable over the last three decades.

Exchange rate policy: The continuous depreciation of Ethiopian birr could not really help to promote export of the country. In other words, the presenter said that devaluation of the country's currency inflated prices. Dr. Degye underscored that Ethiopia's exchange rate is the most volatile in East Africa. This is justified by various indicators:

- Real Effective Exchange Rate (REER) has been decreasing since 2010
- There is a negative relationship between REER and foreign direct investment
- Ethiopia is the 6th bottom African country in relation to export to GDP

Exports: Ethiopia was one of the bottom African countries in export performance. The country is also exporting products that have high demand domestically creating supply shortage.

Interest rate: There exists a high difference of interest rates between lending and saving.

Tax policies: Ethiopia's international openness is too low and the country is among the top 10 African countries with high tax rate on imported commodities. This makes the country to be one of the top import tariff rate in Africa.

Economic and political transformation: Though the Ethiopian government is undergoing various economic and political reforms, various indicators in this regard are not encouraging.

- a. Transformation index of the country is about 2.6 which is interpreted as failed transformation, where political transformation is relatively better as compared to economic transformation;
- b. Declining rate of monetary stability following poor economic transformation index;
- c. Poor governance and structural constraints to control the price rise.

Forex Reserve: continuous decline in forex reserve in the country.

6. Mr. Kibour Genna delivered a speech on removal of fuel subsidy reduction in Ethiopian Economy. In his speech, Mr. Kibour noted that subsidy can be made at different stages of fuel supply chain: production, distribution. Kibour said that fuel consumption subsidy is usually made for consumers while production subsidy is made for fuel producers. In this regard, in Ethiopia, fuel subsidy is started during the imperial regime to help those in need says Mr. Kibour. He further noted that the most important question is whether a subsidy should be made on the production or final consumer price. In addressing this point, the speaker said that the main aim of subsidy is to reduce inequality. To this end, the current debate in Ethiopia is that the subsidy is not reaching those in need, the poor segment of the population. The argument is that subsidy should be made on productive sectors, and which is also environment friendly.

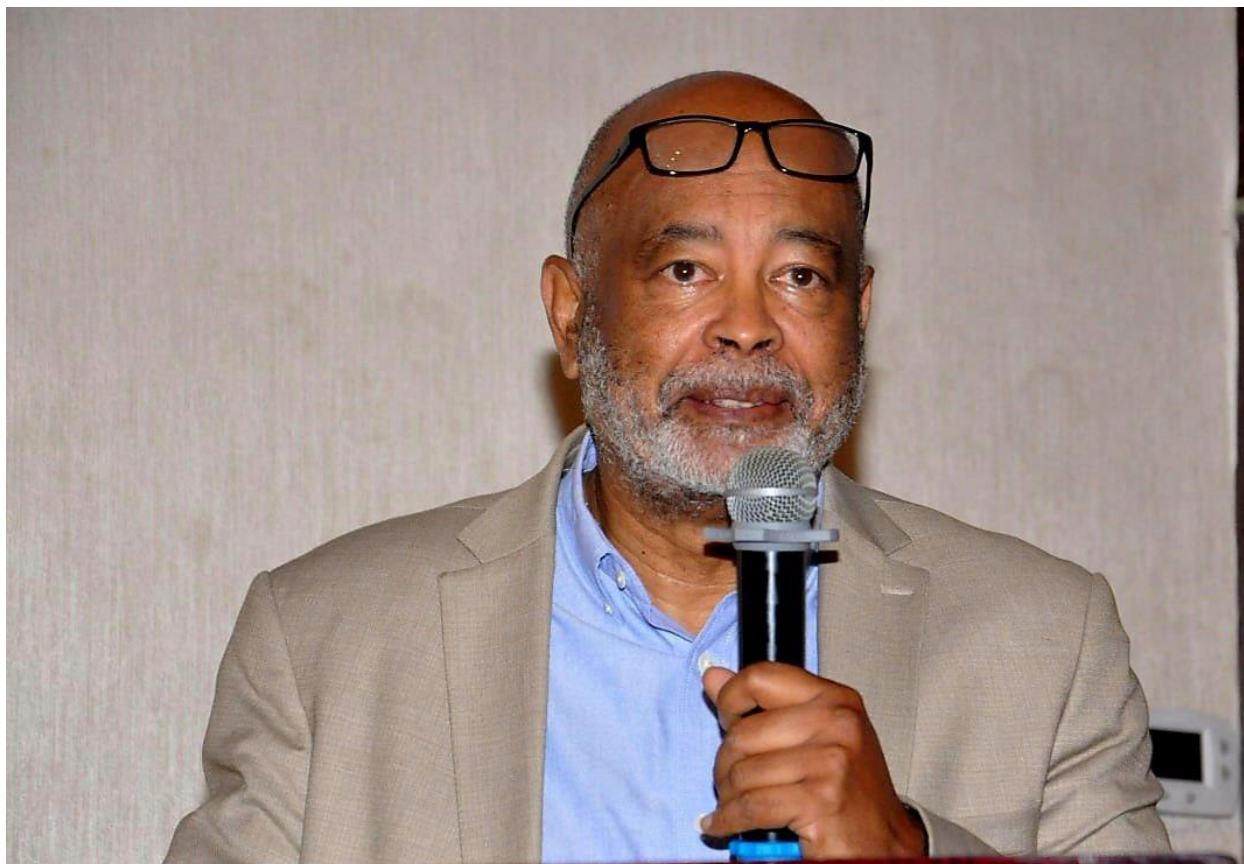


Fig. 6. Mr. Kibour Gena while presenting on Removal of Part of the Fuel Subsidy in Ethiopian Economy

Kibour mentioned the experience from other countries particularly the experience of France and Ecuador on removal of fuel subsidy which shows that it reversed their decision of removal of the subsidy due to public revolt. Mr. Kibour in his speech criticized that removing fuel subsidy contradicts with the initial objective of the subsidy. He mentioned that it is better to hold a discussion with the public before removing the subsidy focusing on how to compensate those in need. In this way, he stressed on the importance of subsidy for the poor. Thus, the country's subsidy policy should better be reassessed again.

IV. Session Four: Thematic Area Two

7. Professor Belay Kassa made a presentation on the question of rural land ownership rights in Ethiopia. With this specific topic of presentation, Professor Belay addressed the following specific

points: Access to Rural Land, Tenure Security, Land Registration, Agricultural Policies and Pastoralists, Large Scale Commercial Farming, **and** Polarized Debate on Land Matters. Prof. Belay in his presentation reviewed land tenure system that prevailed in Ethiopia during the three successive regimes (Imperial, Derg, and EPRDF). He pointed out that tenure security has been a serious problem in the country. Many used different expression to express the seriousness of the tenure security problem in the country. These include: Tenants of the State, Land to investors, Ghost Farmers and son and so forth. Prof. Belay mentioned that there is a common saying that ‘One who controls the land, controls the society’. That is why land has been a center of Ethiopian politics for over a century.



Fig. 7. Prof Belay Kassa while presenting on the Question of Rural Land Ownership Rights in Ethiopia.

Prof. Belay has also referred to the FDRE constitution article 40 (4) that talks about land distribution among the people of Ethiopia. However, there is no excess land for distribution among the people indicating the constitution is not in a position to address the problem. The study also indicated that the average land holding per household varies by region but the average land size

per household is less than one hectare. This made majority of the youth to be landless as the farmers have no enough land to transfer to their children.

Prof. Belay added that land redistribution was attempted in Amhara region during the Derg regime but challenged by the people. The same exercise was made in Amhara region in 1997 but it created a sense of insecurity among the community. In 2002, land holding certificate was started in some parts of the country to boost farmers' sense of land ownership. In the 2002's proclamation, it permits that leased land can be used as collateral for investors, but it does not say anything about this for smallholders. Land registration in pastoral areas of Oromia region in Borena zones was also made. But majority in other regions remain unregistered. In this presentation, Prof. Belay emphasized that there is a polarized debated on whether land should be owned by private or by the public. However, he made his point that one form of land ownership shouldn't be the only option. He also highlighted that the current land property right in the country is contradicting with market economic system which the government is following. He stressed that there is also no strong economic reason for state ownership of land.

8. Professor Belay Simane also made a presentation on the Evolving Question of Land Tenure for Sustainability in Ethiopia. The study used different research works conducted on **Choke Mountain and the state of the environment in Ethiopia**. In his presentation, Prof. Belay Simane emphasized that land use has an irreversible environmental impact. Land use has many actors; it is multi-dimensional and highly uncertain and unpredictable. He has also looked at the 10 years development plan from land tenure security perspective. He raised that there is a mismatch between natural resource management and government policy. The increase in population is putting pressure on environment which necessitates to have a land use policy. Prof. Belay Simane also underscored that effective land use policy is a driver for sustainability. Food demand is expected to increase, and to meet this demand cultivation should increase by 60%. This implies that **unattainable** land use and population pressure are the main drivers of land degradation. He also noted that land use policies have not been fully implemented.



Fig 8. Prof. Belay Simane while presenting on The Evolving Question of Land Tenure for sustainability in Ethiopia

9. Dr. Hailu Elias presented his part on Land Certification and Tenure Security in Ethiopia. In his presentation, Dr. Hailu addressed the following specific issues: the concept of land certification, the role of land certification, land certification program in Ethiopia, challenges and the way forward.



Fig. 9. Dr. Hailu Elias while presenting on Land Certification and Tenure Security in Ethiopia

V. Session Five: Thematic Area Three

9. Professor Mengistu Ketema presented on the effect of Russia-Ukraine War on Ethiopian Economy. With this specific topic of presentation, Prof. Mengistu addressed a wide range of issues which triggered hot discussions among the participants of the forum. Prof. Mengistu underscored that the ongoing conflict has caused severe supply disruptions, resulting in sharp price increases for commodities of which Russia and Ukraine are large global suppliers as well as their close substitutes. In his presentation, Prof. Mengistu noted that prices of essential commodities such as grain, petroleum, and fertilizer have consequently surged significantly.

He further emphasized that the Russia-Ukraine conflict has triggered turmoil in the financial markets, and drastically increased uncertainty about the recovery of the global economy. While looking the issue from the perspective of Africa in general and from Ethiopia in particular, Prof. Mengistu said that the most visible impact of the war on Africa is the rising prices of fuel, fertilizer, and food (basically wheat and edible oil), inflation and financial instability. The poorest are the hardest hit as a large proportion of their consumption expenditure is on food and transport. He also mentioned that about 24.7% to 47.9% of the inflation in Ethiopia is attributed to the effect of Russia-Ukraine conflict. Furthermore, the conflict adversely affects the country's GDP growth and increase the proportion of the people under poverty line.

As a recovery options, he stressed on the need to enhance local production and enhancing productivity of food items, increasing energy use efficiency, encouraging use of alternative organic fertilizers, and establishing and strengthening new supply lines (trade partner countries). He also indicated the need to locally produce chemical fertilizers and natural gas, if available, in the long run.



Fig. 10. Prof Mengistu Ketema while presenting on the Effect of the Russia-Ukraine War on the Ethiopia Economy and Recovery Options

10. Dr. Alemayehu Seyoum Taffesse, a Senior Research Fellow at the International Food Policy Research Institute (IFPRI), presented on The Effect of Internal Conflict on Ethiopian Economy and Recovery. His topic also covered different contents in it. Specifically, he summarized his presentation with the following major points that internal conflict has four consequential effects namely: Distraction, Disruption, Diversion, and Dissaving. Generally, Dr Alemayehu Seyoum Taffesse's findings indicate that internal conflict results in: reductions in levels and growth rates of GDP and private consumption, fall in household incomes where poorer households face larger reduction and rise in poverty and inequality.



Fig 11. Dr. Alemayehu Seyoum Taffesse presentation on the Effect of Domestic Conflict on the Ethiopian Economy and Recovery.

VI. Session Six: Thematic Area Four

11. Dr. Semir Yusuf presented on the Significance of National Dialogue for Holistic Transformation in Ethiopia as a Developing Country, Here Dr. Semir raised different critical issues from both the developed and developing nation's perspectives.

Unlike the situation in Ethiopia, the experiences of western countries show that the challenges they faced are sequential development, interdependent development, upheavals producing desirable outcomes in the long run. Hence, it is impossible to replicate the western experience for developing countries because of co-existence pressure, contradicting pressure, and persistence of undesirable process.

He mentioned that there are conditions which make national dialogue successful. For national dialogues to be successful, it should be seen widely credible, it should operate in favorable political environment, and it should use best experiences in process design. In summary, the speaker concludes that the national dialogue can lay foundation for a holistic change. For this to happen, it deserves a stringent quality control, needs participation of several responsible stakeholders. Dr. Semir mentioned that national dialogue should bring all stakeholders together. He also noted that national dialogue is very important to bring about national consensus. However, he confesses that there is lack of clarity on the concept of inclusiveness. Inclusivity-level of societal and political representation (governance by people) and its outcome is measured by level of inclusiveness created by the national dialogue output (government for people).



Fig. 12. Dr. Semir Yusuf while presenting on the Role of National Dialogue for Peace building and Political Stability in Ethiopia

12. Ato Ahmed Hussein also made a presentation on related topic entitled as the Role of CSOs for Inclusive ND in Ethiopia. In his presentation, Mr. Ahmed also touched different issues which caused warm deliberations among the participants. Ahmed noted that civic society organization (CSOs) are important at different stages of the national dialogue including the preparation stage and advocacy stage which could be in terms of educating, serving as a watchdog on the process not to be exclusive, consolidating inclusive national dialogue (ND) culture, and building the capacity of the national dialogue facilitators.



Fig. 13. Mr. Ahmed Hussein while presenting on the Role of CSOs for Inclusive National Dialogue in Ethiopia

In conclusion, with regards to the capabilities of the CSO in the country, Ahmed identified the following challenges. CSO sector are fragmented and there is a sense of competition among them. There is a limited experience and poor culture regarding the national dialogue. There is lack of comprehensive understanding about inclusivity. There are also political polarization and active internal armed conflicts, and boycotting the national dialogue. Inflation and instability, resource and logistic issue, and loopholes in the legal framework are also other challenges.

VII. Session Seven: Plenary Session and General Reflections from Presenters

Following the presentations, the floor was open for discussion. Comments, suggestions and recommendations were made by the participants. Given the volume of research findings in the country in general and by EEA, it was asked about how these findings are being used by the policy makers and practitioners. Moreover, the participants asked if there are changes made so far to

influence the policy making. Of course, the session presenters elaborated on what EEA has been doing in terms of disseminating research findings. EEA organizes policy dialogue forms, and prepare policy briefs and policy working papers and disseminates them to help informed policy making.

It is also asked if the HGER is running in the right direction. It was also asked that whether or not we are observing the intended outcomes and it is understandable that the country is experiencing very complicated economic problems while we are under reform. And it was reflected from the presenters that the problems are not directly emanated from the domestic policy or the reform process rather, the conflict, the intervention of others (sanctions), the Russia-Ukraine conflict also caused significant contribution for the malfunction of the economy.

If the devaluation of Ethiopian currency is not helping, what impact does it have on the economy? The continuous depreciation of the currency is not only for promoting export. In addition to this, commodities should be discouraged; the gap with parallel market exchange rate should be narrowed; remittance should be encouraged; and exporters and importers should be encouraged to use the formal banking system.

It was also suggested that the outcomes of the forum should be organized in a book form and distributed for all relevant stakeholders. It was also pointed out that the gap between saving and lending interest rates need some reform by the banks. It was also recommended that high government officials such as high-level government representatives from National Bank of Ethiopia and Ministry of Planning and Development should participate on such important forums. It was reflected that the reality for the cause of devaluation is external influence. It is really important to figure out whether the current devaluation policy is reducing or expanding poverty in the country. As the response of export sector to currency devaluation may take time, the impact may not be seen instantly. Moreover, it was commented that it is impossible to say devaluation or revaluation of currency is good using a simple word. It needs further analysis. Still, a note was made that the difference between saving-lending interest rate should be narrowed, and banks need to be competitive.

Concerning the issue of subsidy removal, it was reflected that subsidy is making the transportation service very complex. Nowadays, it is very difficult to find a transport. Taxis are the beneficiaries of the subsidy as they make a tariff increment illegally. There is no follow-up from the government side. Generally speaking, subsidy is for all sections of the population of the country. However, looking deeper, it is higher income and middle-income group who are benefiting most from the subsidy program. They are not those food insecure group that are benefiting from the subsidy program. Regarding the tariff of private transport service providers, it is about controlling. The government should make a continuous follow-up on this. In conclusion, Mr. Kibour stressed that given the capacity of the country and its benefit, removing the implemented subsidy reduction is essential. But, it needs further discussion on how to protect the poor.

Others have reservations if the suggested recommendations really solve the problems in Ethiopia. It was also reflected that the people do not want the removal of subsidy; however, the government has already started removing it and pushing for further removal of subsidy. Others also mentioned that the idea raised on subsidy that benefit only the rich segment of the population seems very strong argument. The poor is suffering a lot from the current removal of the subsidy-this needs another look. Moreover, it was stressed that there is no standard tariff charged by cross country private transport service providers. There should be some regulations from the government on this. It was also suggested that the findings on cost of internal conflict on the country's economy should better be presented in terms of numbers to see the magnitude and then the recommendations should be made region wise.

On the issue of national dialogue, it was mentioned that the national dialogue addresses some problems in the country, but it also needs some favorable environment for its implementation. Thus, given the internal conflict in the country, it should be carefully worked on the mechanisms of bringing effective national dialogue. Some also showed reservation if Ethiopia is really ready for the national dialogue.

This needs urgent attention. Public-Private partnership should be encouraged. A question was also raised as to how the country can could improve food production given the shortage of fertilizer and other agricultural inputs. It was also raised that the topic on cost of internal conflict in Ethiopia focused only on the Northern part of the country. It would have been good to consider conflicts in

other parts of the country as well. Another issue raised was about how majority consensus on the national dialogue could be built given diverse attitude and need in the country.

About the estimated cost of the internal conflict to be indicated in terms of number, it was reflected by the presenter that final checking on the figures is yet to be done, and it will be made public once it gets finalized. It was also suggested that such a study should cover other parts of the country where there has been internal conflict. It was responded that the team will continue the work in other parts of the country, but the focus of the current study is only the north part of the country. Finally, Dr. Alemayehu Seyoum Taffesse concluded by the following remark: It is better to start imperfect rather than waiting for perfection to come.

About issues related to national dialogue, Dr. Semir clarified on the concept of inclusiveness and participatory national dialogue. According to Semir, inclusiveness is about entertaining all ideas, political views. The focus here for political parties as they reflect the demand and ideas of the people they represent. Participatory, on the other hand, refers to involving the community to participate at different stages of the national dialogue process. It is the right issue and it is important to capture imagination of the community.

Thus, inclusive and participatory dialogue makes the national dialogue to be successful. Instable political environment does not mean that national dialogue is impossible. It is not correct to expect all the problems to be solved by the national dialogue. National dialogue solves some of the problems while others can be solved over time in other ways. The important thing is to make national dialogue institutional and put a foundation for it. Dr Semir also stressed though national dialogue can create national consensus, the interference of foreign countries is complicating our problems.

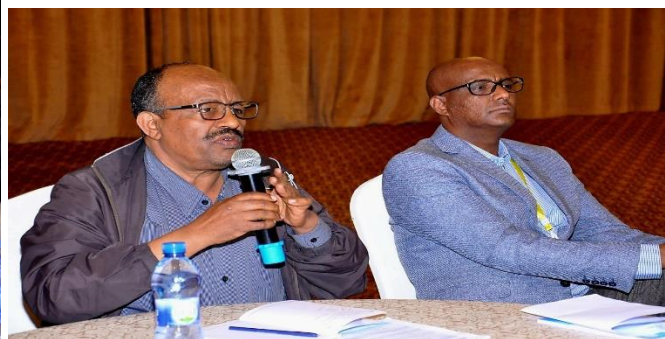




Fig. 14. Participants while raising questions during the general discussion

VIII. Session Eight: Closing Remarks

Dr. Lemma Gudissa, Vice-President of the EEA, began his closing remarks by recalling the number of participants in the forum who came almost from all corners of professions. He also recapped the four thematic areas of the dialogue forum on which the results of ten research studies were presented. He also mentioned all of the thematic areas and he briefly summarized the topics of presentations. Having summarized the points, he said that the topics of the presentations are

contemporary and the presenters are senior with profound research experience. The problems are all timely and the causes of each problem were also briefly reflected with suggested way forward. Dr. Lemma also noted that the problems are presented based on evidence and analysis were also made accordingly.

As recommendations, the participants suggested that the studies undertaken so far and those being undertaken need to be under close attention of policy makers. Though it is a good beginning, fiscal and monetary policy decision making bodies should work more closely with the EEA. Thus, EEA should take this as an assignment and work on it strongly. It should pledge to take this assignment today and to work on it more strongly. Finally Dr. Lemma officially closed the forum by appreciating the whole sessions of the forum and stressed that it was a very fruitful and effective deliberation. He was very happy to see everything to deliver as planned. He then thanked the organizers drawn from different stakeholders. More specifically, Dr. Lemma took the opportunity and expressed his gratitude to different institutions and participants

Dr. Lemma said that organizing such a forum can never be easy. Accordingly, he thanked many people, and organizations such as the EEA, USAID, all presenters, and all members of the EEA, senior people, the two moderators, and participants. He underscored the importance of working together and also promised that his university will take a leading role to develop geothermal energy roadmap. He importantly stressed those participants to realize the gap and know what type of support they will get from stakeholders. Finally, he wished all participants all the best and announced the official closing of the dialogue forum.



Fig 15. Dr. Lemma Gudissa, Vice-President of the EEA, while delivering a closing remark

IX. Press Conference

The policy forum was concluded by proving press conference on three major issues. The press conference emphasized on political economy, conflict and conflict related issues, and the national dialogue. After the press conference briefing, journalists have raised questions. Of invited 20 Medias, ten Medias attended the press conference.

Accordingly, those who attended include the following,

1. Ethiopian News Agency
2. EBS TV
3. Balageru TV

4. The Reporter Newspaper
5. Addis Zemen Newspaper
- 6 Fortune
7. Tikvah Ethiopia telegram
8. Ethiopian Insider
9. Add Wazema radio
10. Besrat FM101



Fig. 16. During the press conference

Lessons Learnt

- Despite limited HR, the EEA realized its capacity to organize high level events in short period of time.

- The role of professional assistance delivered by Ms Soleyana Shimeles, communication specialist, has assisted the EEA to amplify the event to the general public via different communication channels.
- Pre-forum training on communication and media engagement has enhanced the EEA capacity during the conference and the press conference.
- The social media usage particularly the Twitter, Facebook and Telegram allowed the EEA to reach, nurture, and engage with the target audiences.

Challenges Faced

Shortage of finance and material resources: As indicated in the contract, the EEA planned to invite 100 forum participants. However, more than 120 participants have attended on the 1st day of the conference alone. This has created pressure on the EEA in managing the cost and handling material resources.

Speaker selection: During our initial contact, most speakers including the guest of honor were interested and confirmed to speak on the identified thematic and topics of the forum. However, because of different reasons, some speakers were unable to accept the offer at the eleventh hour. This has created burden on the EEA.

Inflation: The price of the proposed materials during the proposal development have significantly increased due to the current inflation. As a result, there is mismatch between the planed budget and the actual payments.

Recommendations for way forward

The EEA found that this short term policy forum is highly successful. Hence, we want to further enhance the partnership with the USAID in similar events and beyond.