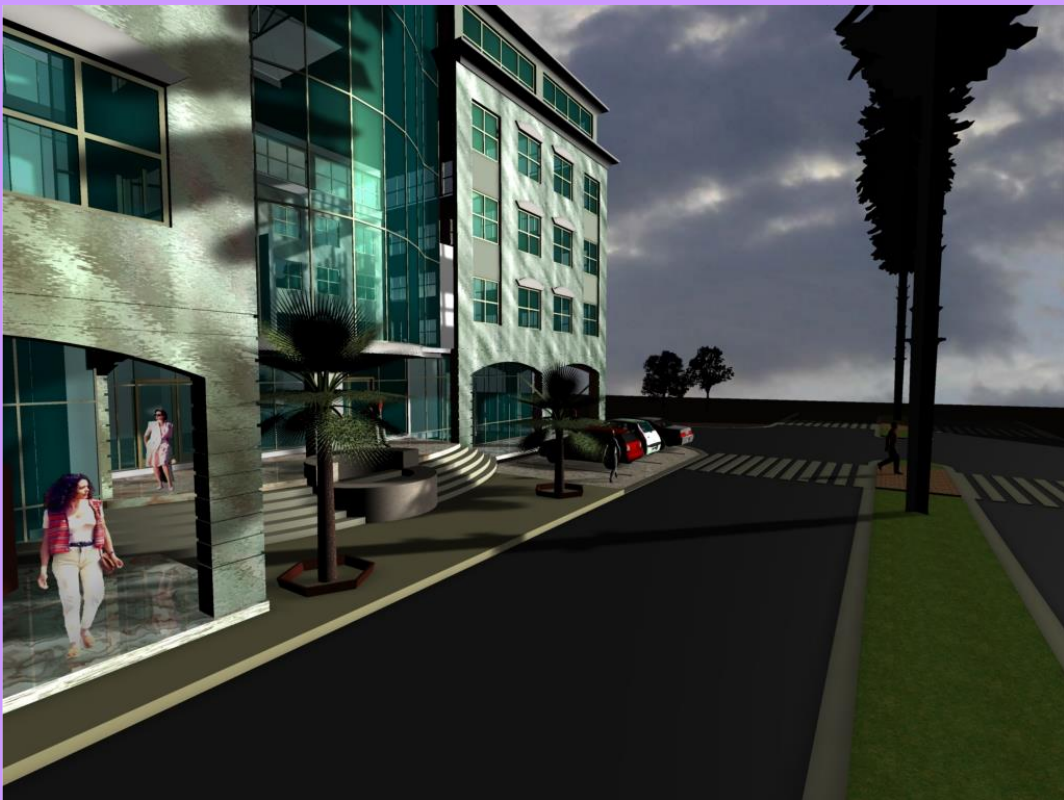


Ethiopian Economic Association

Annual Report

July 2005



CONTENTS

I.	MESSAGE FROM THE PRESIDENT	1
II.	INTRODUCTION:	3
III.	ACTIVITY REPORT.....	3
1.	Research Activities.....	3
2.	Training	7
3.	Vision 2020 Ethiopia Forum.....	8
4.	Workshops and Paper Presentations.....	8
5.	Publications.....	10
6.	Data Processing, Networking and Documentation Services.....	12
7.	Collaborative Activities	13
8.	Institutional Capacity Building	14
9.	Membership Drive	15
10.	The EEA Multi Purpose Building Project	15
11.	EEA Training Institute	17
12.	Administrative Activities	18
13.	Major Challenges	19
IV.	PLANNED ACTIVITIES.....	19
1.	Ongoing and Planned Research Activities:	19
2.	Training	22
3.	Workshops/Seminars.....	22
4.	Publications.....	22
5.	Vision 2020 Ethiopia Forums	22
6.	Lectures, Conferences and Workshops	23
7.	Distribution of Publications	23
8.	EEA/EEPRI Documentation Center Services.....	23
9.	Website Services	24
10.	Reorganize the Office of the Secretariat.....	24
V.	AUDITED FINANCIAL STATEMENTS	25

I. MESSAGE FROM THE PRESIDENT

*Wolday Ameha (PhD), President of
EEA*

After serving six years as a Vice President and one year as a President, I have seen significant changes in the vision of EEA. Although we started small, we had a grand vision. In EEA, we have translated our dreams into reality. I can assure you that, by any standard, we have built one of the most successful professional

associations in the area of economics. I am proud to be part and parcel of this process. We have also proved that we can make a difference. We now should move to the provision of quality services to members on a sustainable basis. The challenge ahead is to meet the high expectations of members and the responsibility to provide value-adding services.

This annual report describes the activities of EEA during the fiscal year 2004/05, planned activities of 2005/06 and the external audit report of 2004/05. The Year 2004//05 witnessed great strides and challenges. Among the achievements are:

- ◆ *The research output of EEPRI*
- ◆ *Training*
- ◆ *Vision 2020 Ethiopia*
- ◆ *Workshops, seminars and conferences*
- ◆ *Publications of the Ethiopian Journal of Economics*
- ◆ *Fundraising*
- ◆ *Data processing, networking and documentation services*
- ◆ *Reorganizing the Secretariat*
- ◆ *The kick-start of EEA's multi-purpose building*
- ◆ *Planning process for EEA's training institute*

On behalf of the Executive Committee of EEA, I would like to take this opportunity to register my sincere appreciation for the achievements made in the year 2004/2005. In my view, we have reached the time to pause and declare, "Success". This year has been a year of materialization of the initiatives and of important progress in activities that started in the previous years. The year saw inspiring progress, particularly the kick-start of the multi-purpose building of EEA. On the 27th of May 2005, the EEA awarded and signed construction agreement with Elmi Olindo, a construction firm, to start construction of a four-story building which will be completed in 18 months from the signing of the construction agreement. Of course our success is the result of the

contributions of members, development partners, the government and those EEA staff and Executive Committee members before us.

In spite of the significant achievements, the tasks before EEA are great and the time is short. However, I remain optimistic about the future of EEA. The opportunity squarely lies before us for the association to make concerted efforts to come to grips with perhaps the most significant economic problems of Ethiopia. The work done by economists and the research and the decisions that will be made within the profession in the next few years, promise to be extraordinarily influential, in terms of improving the welfare of the entire Ethiopian society. If we fail to do this, history may be even less forgiving than our greatest critics today.

To meet this end, there is an abundant reservoir of goodwill towards the association from various corners. The willingness of members to assist in the various undertakings of EEA is one of the important assets of the Association. It is through the dedicated efforts of literally its members that the work of EEA is carried out. For me, serving as a president of EEA has been a learning experience, a challenge, and a rare opportunity to become acquainted with a broad cross-section of our membership.

I would like to take this opportunity to thank all our members for their active participation and excellent inputs. I would like to appreciate the cordial relationship and the support that has existed from government institutions and friends of EEA. The Executive Committee takes the pleasure to salute the staff of the secretariat, EEPRI, and the project for their commitment and hard work.

Last but not least, EEA recognizes the support from our dedicated partners including: the African Capacity Building Foundation (ACBF), Friedrich Ebert Stiftung of Germany (FES), Embassies of the UK, Sweden, Norway, Ireland and the Netherlands.

Wolday Amha
President, EEA

II. INTRODUCTION:

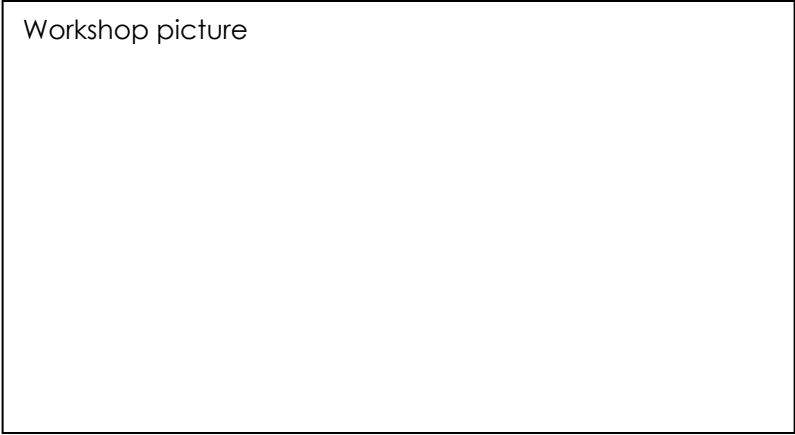
Since its establishment in 1991, the Ethiopian Economic Association (EEA) has made significant progress. In line with its objectives, it has contributed to the economic policy making process of the country through research and training, policy advice and various collaborative activities. This report covers the activities of the Association accomplished through its research arm, the Ethiopian Economic Policy Research Institute (EEPRI), the Project Office for the EEA Multipurpose Building and Training Institute, as well as the EEA Secretariat. The first part of the report covers the activities during the period July 2004 to June 2005 while the second part highlights planned activities for the period July 2005-June 2006. The last part provides the audited financial report of the EEA for the period July 2004 to June 2005.

III. ACTIVITY REPORT

1. Research Activities

1.1. The Fourth Annual Report on the Ethiopian Economy: The thematic focus of the Fourth Annual Report on the Ethiopian economy is "*Transformation of the Ethiopian Agriculture*". A larger part of the report is devoted to agricultural sector discussing potentials, opportunities, performance, constraints and policies related to the different sub-sectors, and on the basis of that it draws important policy implications. The other part of the report deals with the performance of the major macro economic variables, manufacturing sector, trade and urban poverty situation in the country. The report is being currently finalized.

Workshop picture



1.2. Research on Industrialization and Industrial Policy in Ethiopia: This is a report of an extensive study conducted by the Institute using quantitative and qualitative data on selected large and medium scale industries in major urban areas. The study assesses the structure, performance, input-output interactions and major

constraints and challenges of the industrial sector. It also examines the government industrial strategy, rules and regulations of multilateral trade organizations, and experiences of countries that embarked on successful industrialization. On the basis of this, it has drawn some policy implications, which could contribute to policy debate on industrialization in Ethiopia. The report has been published and being distributed.

1.3. The Agricultural Extension Program Research Project: The objective of the research is to study and evaluate the extension program of Ethiopia as a major instrument to realize the government's rural and agricultural development strategy. The study evaluates the impact of agricultural extension program in facilitating the process of learning and utilization of new technologies, and its contribution to economic growth through improving farmers' productivity, efficiency and increase in output and factor demand. A multi-disciplinary team has been established to conduct the study. A survey of 4600 rural household, and 650 agricultural extension experts and development agents was conducted in July and August 2004. The report is ready for printing.

1.4. Macro Econometric Modeling: This project was scheduled to be implemented in three phases and expected to be finalized in three years. The first phase of the project, which include taking stock of data availability and checking consistency and accuracy, sector and variable identification, compiling and summarizing and preparation of background paper(s) is completed. The project is currently at the initial stage of the second phase of the project i.e. model construction. The third stage will be Testing and Application which includes testing of the model using selected policy shocks, final refinements of the model including incorporating auxiliary (satellite) models that will feed into the main model, retesting of the model using conventional criteria and making necessary adjustments and documenting and preparing the model for actual policy forecasting.

1.5. A study on "Women Empowerment and Impact of Women Development Initiative Project:" This project has been designed and implemented with financial support of the World Bank. Both phases of the study involving qualitative assessment and quantitative survey have been implemented. Key basic tables generated from the study were forwarded to the World Bank. The study has strengthened the gender based research capacity of the Institute and its results are likely to influence the thinking and program design on gender related interventions.

1.6. Assessment on Competition Law in Ethiopia: A preliminary assessment is made on the proclamation of the competition law in Ethiopia upon the request of the World Bank mission which visited the Institute. The work has been done with the expectation of a joint work with the mission in the near future.

1.7. The Role, Perception and Impact of Civil Society Engagement in Poverty Reduction in Ethiopia: A study on the Role, Perception and Impact of Civil Society Engagement in Poverty Reduction in Ethiopia is designed implemented in collaboration with the Center for International Studies, Dublin City University. Questionnaires have been designed and finalized. Research assistants were recruited and provided with training. The study has been implemented in six regions of the country. The study will generate extensive information on current engagement of civil society groups in poverty reduction activities in Ethiopia.

1.8. Impacts of HIV/AIDS on Labor Costs in Ethiopia: The project is designed in collaboration with the Center for International Health and Development, Boston University. A research protocol has been prepared. Survey design format and questionnaires are being finalized. The study will generate key information on the type and extent of HIV/AIDS impact on labor cost and will help business firms and government institutions to design appropriate advance measures. Suitable commercial agricultural firms have been identified as the prime subject of study.

1.9. Child and Adolescent Workers in the Ethiopian Coffee Sub-sector: The proposal has been prepared to secure funding to study the situation of children and youth in coffee producing areas of Ethiopia. Currently the first part of the study which focused on the assessment of the socio-economic situation of children and adolescents in south western Ethiopia for developing concepts for intervention has been finalized. The report has been finalized and submitted to the University of Bonn, Center for Development Research.



A young boy cleaning and preparing spices for market, Bonga.

1.10. Review of the Historical Development of the Ethiopian Agricultural Extension systems: a detailed review of the extension policies, programs, institutions and organizations the implications for the performance of smallholder agriculture under the three governments (the Imperial, Derg and EPRDF) has been made.

1.11. Quarterly Reports: Four issues of reports on quarterly macroeconomic performance of the Ethiopian Economy were released during September 2004 to August 2005. The first of these reports, which focused on the dynamics of inflation, government finance, money supply, balance of payment, and investment, covered the third quarter of fiscal year 2003/04. Reports on the fourth quarter of fiscal year 2003/04 and the first quarter of 2004/05 were subsequently released in December 2004 and April 2005, respectively. The most recent quarterly report, which covers the second quarter of 2004/05 (October 2004-December 2004) has just been published.+++++

1.12. The Road to Economic Growth: The aim of this study was to characterize and discuss the sources of economic growth from the conceptual point of view and briefly reflect on the economic growth record of developed and developing countries with the hope of drawing some lessons. The paper was presented for the Workshop on the United Nations and Economic of Growth on September 2, 2004 in Addis Ababa, Ethiopia.

1.13. A Review of the Performance of Agricultural Finance in Ethiopia: Pre and Post Reform Periods: The purpose of this paper was to briefly review the performance of rural finance in Ethiopia both before and after the financial reform with the aim of drawing some lessons.

1.14. Property Rights in Ethiopia and Its Implications: A concept paper has been prepared to solicit funds to undertake a detailed research on property rights. This is expected to contribute, among others, to policy debate on the investment and business environment in Ethiopia.

1.15. The Impact of Liberalization of the Textile Industry on the Ethiopian Economy: A proposal has been prepared on the stated topic and attempts are made to seek for funding to conduct the research.

1.16. Database Updating: The EEA/EEPRI database which was launched in 2003 and which contains data on agriculture and environment, social sector, public and private sectors, the industrial sector, population and labor, infrastructure, technology, and power, and macroeconomic variables has been updated.

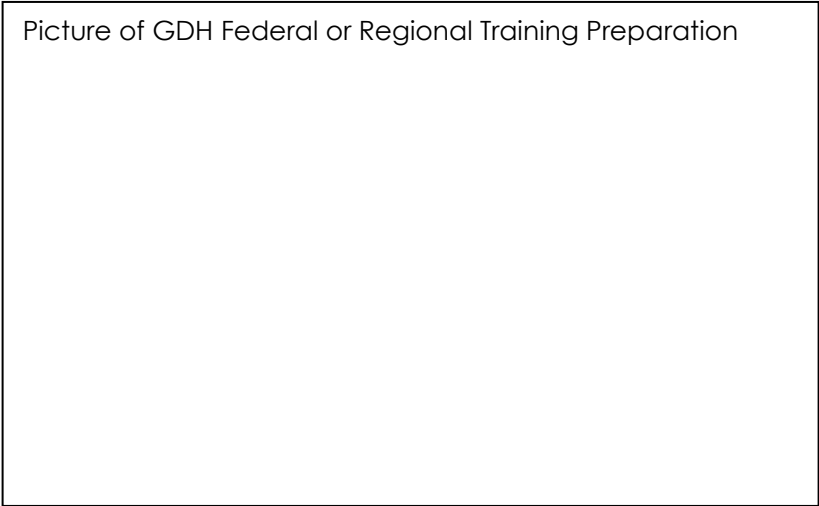
1.17. Executive Opinion Survey on Business Leaders (2005/2006): As a partner Institute, EEPRI has conducted the 2005-2006 Global Competitiveness Survey on business elites for the World Economic Forum. Using the survey results of the Institute and similar affiliate organizations throughout the world, the Forum has published and globally disclosed the 2004-2005 Global Competitiveness Report. The report reveals the competitiveness status of Ethiopia in the global economy and makes the policy makers aware of policy

areas that need to be addressed to change the unfavorable business climate.

2. Training

2.1. Measuring Governance, Human Rights and Democracy: As a continuation of the training program that the Institute launched in the previous fiscal year, a total of 187 participants drawn from the Amhara, Tigräi, Oromiya, SNNP, Benishalgul Gumuz, Gambela, Dire Dawa, Harar, and Somali received training. It is to be recalled that the goal of the training was to contribute to the creation of democratic society in Ethiopia where good governance is safeguarded and human rights are respected. Under this overall goal, the project set as its purpose building the capacity of key stakeholders in the country including federal and regional parliamentarians, Civil Society Organizations (CSOs) and Central Statistics Authority (CSA) in measuring good governance, human rights and democracy. The training was also planned to create awareness among other stakeholders and sensitize the general public on the issue. This project was financed by DFID.

Picture of GDH Federal or Regional Training Preparation



2.2. Formulating Economic Policy Program: The Institute with a financial support from Initiative Africa gave a two days training for political parties on the essence and principles of economic policies as well as the experiences of other successful countries in designing and implementing overall and sectoral policies and formulating projects and programs.

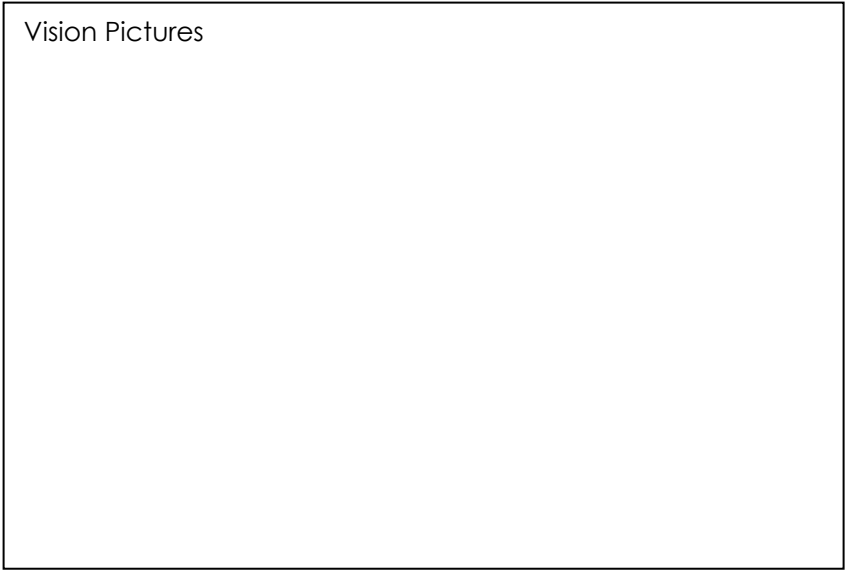
2.3. Report Writing Skills: a total of 12 members of the EEA were trained in advanced report writing skills which was conducted in collaboration with the British Council. This was an intensive course designed with particular focus on upgrading the skill of EEA members as part of its regular program.

3. Vision 2020 Ethiopia Forum

One of the most significant avenues for strengthening the EEA members' relations is the Vision 2020 Ethiopia forums, where at least all members who maintain e-mail contact with the Secretariat and a few other accessible ones are regularly approached, on a monthly basis and as necessary, to participate in exchange of views on current economy of the country.

Seven monthly forums were organized between December 2004 and June 2005 in which some 918 invited guests, including EEA members, government dignitaries, religious clerics, business persons, members of NGOs and Ethiopians from the Diaspora participated.

Vision Pictures



Vision 2020 Ethiopia discussions are published in the monthly Economic Focus, the monthly Bulletin of the EEA. In addition, as of December 2004, comments and questions by the audience and reactions by speakers, discussants and chairpersons, are edited verbatim with a view to ensuring readability and high standard.

4. Workshops and Paper Presentations

Lectures, conference and workshops on important contemporary social and economic development policy issues in Ethiopia were organized in which many EEA members participated. The purpose of these programs is to help EEA members and the public large to exchange views on topical issues of contemporary economic and social concerns to Ethiopians. The EC of the Association invited distinguished national and foreign professional economists to give lectures. Conferences and workshops were based on research projects conducted by the EEA/EEPRI or/and in collaboration with

other national and/or international organizations and prominent individuals.

4.1. The Third International Conference on the Ethiopian Economy:

The conference was held between 2 and 4 June 2005. It was attended by about 350 participants. A total of 82 papers were presented covering various themes on the Ethiopian economy. Eight papers were presented by the research staff of EEPRI.

Picture of participants at the Third International Conference on the Ethiopian Economy

4.2. Dissemination of the Third Report on the Ethiopian Economy: A workshop was conducted on 7 November 2004 to publicize and disseminate the Third Report on the Ethiopian Economy. Concerned invitees from relevant organizations and the media attended the workshop.

4.3. Experts' Consultation on the Transformation of the Ethiopian Agriculture: The objective of the workshop was to get feedback from stakeholders on areas that should be addressed in the Fourth Report on the Ethiopian Economy particularly with regards to agriculture and rural development experiences, challenges faced potentials and the role of government and non-government organizations.

4.4. The Role of Industry in Enhancing Productivity of Agriculture: A paper was prepared and presented on the workshop conducted to commemorate the Ethiopian Industry Day under the theme "Role of the Industrial Sector for the Growth of Agriculture". This workshop was organized by the Ethiopian Manufacturers' Association.

4.5. Chronic Urban Poverty: A workshop on Chronic Urban Poverty was organized in August 2004 in collaboration with the Chronic Poverty Research Center at Manchester University. A presentation on "The Need to put Urban Poverty in the Policy Limelight" was made. Relevant and qualified experts were identified and commissioned to undertake studies on the theme.

4.6. **Economic Policy Issues and Options for Ethiopia:** This dialogue was organized in collaboration with Inter-Africa Group and the Initiative for Policy Dialogue, based at Columbia University in New York on August 30, 2004.

4.7. **Democracy, Development and the case for the Developmental State:** A public lecture was delivered by the 2001 Nobel Laureate in Economics, Professor Joseph Stiglitz (Columbia University, New York) and Professor Robert Wade (London School of Economics) on August 30, 2004. EEA also hosted a visit by Professor Stiglitz in which he had a talk with research staff of the Institute at the EEA office.

4.8. **Economics of Rotating Savings and Credit Associations (ROSCAS):** EEPRI has arranged and organized a public lecture on the Economics of Rotating Savings and Credit Associations (ROSCAS). Invited members of the EEA and other participants from pertinent organizations attended the workshop.

4.9. **Public Lecture on “Reconfiguring the Ethiopian Nation in a Global Era” and “Savoring Ethiopia’s Past, Co-Creating her Future”:** EEA organized a lecture by Professor Donald N. Levine, University of Chicago on August 6, 2004.

4.10. **Workshop on “Macroeconomic Policies, Agrarian Change and Development”:** In cooperation with CODESRIA and IDEAS, EEA organized an international workshop on Macroeconomic Policies, Agrarian Change and Development during the period December 12 to 16, 2004. More than 70 participants who came from several African countries attended the workshop.

4.11. **“International Conference on the Agrarian Constraint and Poverty Reduction: Macroeconomic Lessons for Africa”:** Following the workshop “Macroeconomic Policies, Agrarian Change and Development” EEA organized an international conference on “Agrarian Constraint and Poverty Reduction: Macroeconomic Lessons for Africa” in cooperation with CODESRIA and IDEAS. Several papers were presented on the conference.

4.12. **Public Lectures on “The Poverty-Growth-Inequality Triangle”:** The lecture was given by Mr. Francois J. Bourguignon, Chief Economist and Senior Executive Vice President of the World Bank on October 12, 2004,

4.13. **Public Lecture on “Rural-urban Transition and Poverty Reduction”:** The lecture was delivered by Prof. Frank Ellis on November 18, 2004.

5. Publications

The following publications were printed and distributed during the reporting period.

6.1. Research Reports:

- Third Report on the Ethiopian Economy: Industrialization and Industrial Policy Framework in Ethiopia.
- Research Report on Industrialization and Industrial Policy in Ethiopia, March, 2005.
- The Food Security Role of Agriculture in Ethiopia: An article entitled "The food Security Role of Agriculture in Ethiopia" was published in Journal of Agriculture and Development Economics (ESA/FAO). Vol. 1, No. 1, 2004, pp. 138-158.



6.2. Working Papers:

- FDI in Ethiopia: Nature, Size and Performance, December 2005.
- Food Security and Poverty in Ethiopia: Evidence and Lessons from Wollo
- Quality and Financing of Education in Ethiopia
- Historical Development and Current Challenges of Agricultural Extension with Particular Emphasis on Ethiopia
- The Arithmetic of Debt Sustainability and its fiscal Policy Implications: the Case of Ethiopia

6.3. Other Regular Publications:

During the reporting period five issues of Economic Focus and two issues of the Ethiopian Journal of Economics were published and disseminated.

6. Data Processing, Networking and Documentation Services

6.1. **Survey Data:** Activities undertaken in this regard include preparing data entry and verifying programs, editing and cleaning programs, transforming data into the desired computer application format, providing the required data sets and producing tables. Accordingly during the reporting period the World competitiveness report survey 2004–2005 of the World Economic Forum and the Ethiopian Agricultural Extension Survey data were processed.

6.2. **Strengthening the EEA/EEPRI Network System:** Building on previous initiatives at the Institute to have an efficient working system, a reliable dedicated server was purchased and made operational. Moreover, a local email exchange is configured using Exchange server. Microsoft ISA has been installed and configured for better internet connection and web security. In the same line a regular monitoring of the system's performance, updating virus definition, operating system and software, troubleshooting, upgrading system hardware and software were also undertaken.

6.3. **EEA/EEPRI Documentation Center Services:** The EEA/EEPRI documentation center is providing reading service for its own staff, EEA members and other scholars/researchers. During the reporting period more than 854 users got services from the documentation center and about 50 members got internet service. The documentation center was successful in acquiring around 100 new materials of which 44 were journals obtained through donation while the rest were free copies and exchanges. Upon internal request several materials were also collected from the World Bank library based on internal request.



In terms of strengthening the documentation center 1,780 materials were encoded, catalogued and classified, labeled and

shelved. In this line a new circulation system has been developed, and 4,000 new book cards were printed along with book pockets and due data slips. All materials in the library are ready to be used in pocket based circulation system. In addition 120 readers' pockets are printed for internal users. Currently efforts are underway to put the catalogue on the EEA/EEPRI web site and for developing circulation system software and linking it to the web site.

7. Collaborative Activities

7.1. Collaborative Forums: The Institute has been collaborating with various governmental and non governmental organizations in presenting professional views and advices on important issues on the Ethiopian economy. The forums that the Association has been participating include the National Development and Trade Policy Forum which is entrusted with the responsibility of preparing the country's position paper with respect to the Economic Partnership Agreement to be concluded in 2008. In addition, the Association has contributed in the design and establishment of the Civil Society Poverty Action Network and it is a board member. The Association also took part in a Civil Society Network on Budget Trucking and Analysis on HIV/AIDS organized by Action Aid Ethiopia and EDASSA. In addition, EEA/EEPRI is actively participating in the EDRI initiated Social Accounting Matrix (SAM) building project through two of its research staff. The Association has also attended the forum organized by the African Capacity Building Foundation aimed at creating a Continental Knowledge Network for African Policy Institutes and Specialized Training Institutions. Besides the Association is a member of the steering committee set up the Addis Ababa Transitional City Government to develop Urban Development Indicators, the Delegated Resource Management Committee Task Force and has assigned a focal person for the Ethiopia Country Water Partnership which is a forum initiated by an international NGO Water Aid in January 2005.

7.2. Collaborative Seminars, Conferences and Workshops: The Association has also been contributing to research initiatives by partner organizations through dissemination of its already completed studies as well as papers prepared by its research staff at conferences, workshops and seminars on topics of relevance. Among such major activities, the Association reviewed and provided comment on the newly drafted Legislation on Rural Land Administration at the request of the House of People's Representatives of the Federal Democratic Republic of Ethiopia. Moreover, the Association organized debates on economic issues in Bahir Dar, Nazareth, Mekele, and Awassa in connection with the May 15, 2005 National Election in the country. A research staff of EEA/EEPRI also took part in a debate organized by the Inter-Africa group in connection with the May 15, 2005 National Election in Nazareth in November 2004. The research staffs of EEA/EEPRI have participated and contributed in various academic activities

including teaching, thesis advising and examining both at undergraduate and graduate levels.

The staffs of EEA/EEPRI took part and contributed in several workshops, forums, and conferences organized by various governmental and non-governmental organizations which include workshops on African Association for Agricultural Economists, cross-Sectional policy planning issues in forestry, Access to Market Policy Development for Ethiopia, t'chat Habit and other Psychotropic Drugs in the Spread of HIV/AIDs and their Impact on Health and Socio-economic well-being, Securing Land Rights in Africa, Current Affairs of Land Policy and Development in Ethiopia, Access to and Administration of Rural Land in Ethiopia, the nature and magnitude of child labor and HIV/AIDS in Ethiopia, and Poverty Reduction through Export Promotion. In addition, the Association participated in international conferences on HIV/AIDS and Food and Nutrition Security, Third African Evaluation Conference, on Post July 2004 African Strategies for Bilateral and Multilateral Trade Negotiation. Similar other forums in which the Institute actively took part include, Implementing Sustainable Development: Building Capacity for Integrated Policy Design and Implementation Commercial Code of Ethiopia, Agricultural Trade Laws in the Context of WTO Trade Regime, Poverty and Development in Ethiopia: Challenges and Options, the Biannual Grantees and Partners Meeting of the David and Lucile Packard Foundation Meeting, and meeting on Millennium Development Goals at the MDG center.

8. Institutional Capacity Building

Several initiatives were undertaken with the aim of building institutional capacity and further enhancing the objectives of the EEA. The initiatives focused on enhancing EEA's membership and improving EEA's operations, efficiency, effectiveness and source of income. These included restructuring of the EEA, membership expansion drive, opening of chapters in universities, colleges and training Institutes around the country, and expansion and improvement of distribution of the EEA's various publications.

8.1. Restructuring of the EEA: A concept paper for restructuring the Association to suit the present internal and external environment is under preparation. Upon completion and conduct of an in-house discussion. The concept paper shall be submitted for donor funding for undertaking a full-fledged organizational review. Subsequently, the new organization structure shall be submitted by the EC to the General Assembly for approval. The organizational study shall be supported by a strategic plan of the Association for 20-25 years. The strategic plan shall maintain and promote EEA's active role in the growth process of the country.

8.2. Readership Expansion Drive: The proposal intends to expand readers and distribution of EEA's major publications,

including the Ethiopian Journal of Economics, the monthly Economic Focus, the Annual Report on the Ethiopian economy, the Quarterly Macro-Economic Performance of the Ethiopian Economy, the Proceedings on the International Conference on the Ethiopian Economy and other occasional thematic and working papers. A concept paper will be developed and one or more funding agencies would finance distribution of EEA's publications for interested national and regional libraries, government ministries and their allied agencies, private libraries of businesses, universities, colleges, Institutes and high schools. It is now known that the EEA has over 65,000 different publications accumulated over the years.

9. Membership Drive

To maintain and expand the EEA membership, significant policies and measures are being taken. First, members' interest, consistent with the objectives of the Association, is being closely upheld and monitored. To these effects trainings, lectures, conferences, discussion forums, and workshops were organized during the year and efforts to reach as many members as possible had been made. In addition, different publications were produced, membership recruitment conducted, and documentation and website services rendered. A measure to induce members to take part in the day to day activities of the Association was also undertaken.

However, it must be said that because of inadequacies in addresses and lack of knowledge of members' interest and preferences and limitation of space, these efforts have not been fully realized. This is further compounded by the fact that the Association has no regular meeting place where interaction among its members could take place and relation strengthened. The EC hopes that this would be resolved as soon as the Training Institute building is completed and opportunities to meet regularly open up.

9.1. Membership Recruitment: A total of 78 new members have joined the Association in 2004/5. E-mails were sent to all members who have e-mail addresses with the Secretariat to update their addresses. The response, nevertheless, has not been satisfactory. Of the 547 e-mails that were sent out to members, only eight responses were received.

9.2. Active members: The number of active members as defined by those settling their membership fees, was very low, less than 10% for the reporting year. The corresponding figures for 2004, 2003, 2002 and 2001 were also less than 20%. The EC intends to launch new ways to increase the proportion of active members.

10. The EEA Multi Purpose Building Project

10.1. Preparatory Work: The EEA Multi Purpose Building is a four storey building that shall house the Association's Headquarters and

the EEA Training Institute. The building is designed by courtesy of the Association of Ethiopian Architects and incorporates everything that a modern educational and research facility requires. The building includes 9 class rooms that could also serve as caucus rooms during conferences; a computer laboratory; over 30 staff offices; a library; a conference hall that can seat 400 people, including a projector room for showing movies; a student lounge; and a resource center. In addition, the building also incorporates a gymnasium; a multi purpose hall that could comfortably seat 1000 people; a cafeteria; and a coffee shop for students and faculty; and 9 shops in the ground floor.



The EEA Multi Purpose building

As part of the effort realizing the project objectives the design work has been completed by the Association of Ethiopian Architects. License was also obtained from the Municipality of Addis Abeba City Government for commencing construction of the building. Based on a standard selective bid process the EC awarded the contract to Elmi Olindo Construction Company for a total of Birr 21,495,738.62.

Picture of the Contract Award Signing Ceremony for the
Construction EEA Multipurpose Building

10.2. Fund Raising for the project: The Association has already secured about Birr 6 million for the building from its various undertakings. The Fundraising Committee (FRC), elected at the 12th General Assembly in 2003, has also continued its effort to raise funds. This year its activities included: Timket Dinner Activities; Members Contribution Activities; and 3rd International Conference Activities.

At the Timket fund raising party about 90 people attended and a total of Birr 27,700 was raised. In line with the decision of the GA at its 13 Meeting, the EEA members promised and decided to contribute a minimum of Birr 1000, 5000 and 500 per full member, per institutional member and per associate member, respectively. To date 19 full members have fully paid their contributions; 29 have started payment; and one institutional member has fully settled its contribution. The total contribution so far received is Birr 32,850.

At the 3rd International Conference on the Ethiopian Economy, the Fund Raising Committee managed to raise contributions for the construction of the EEA building: Birr 9,150.00 was contributed by participants of the Conference. More contributions are expected to forth come in due course.

In Addition, the Project Office prepared and submitted a proposal to obtain loan from Construction and Business Bank of Ethiopia for the construction of the building. The Bank accepted the proposal 'in principle' and further negotiations are being made to acquire the required loan. The loan is expected to make up about 60% of the total cost of the building.

The Project Office has an agreement with SIDA of Sweden, DCI of Ireland, and Netherlands Development Cooperation for funding its running costs over a period of two years.

11. EEA Training Institute

The Planned Training Institute aims to provide graduate training program in the fields of economics and management. The objective of the Institute is to establish an internationally accredited Masters program in Economics and Business Management, in addition to providing short term skill upgrading programs for professionals working in government, the private sector and non- profit making organizations.

The Project Office initially expects to operate the Institute in partnership with world class universities in the fields of EEA's interest. To this end, it has identified first-rated internationally accredited universities that offer Masters in the above fields of studies. The partnership is expected to enable the Office to identify universities that would participate in developing the curriculum, organizing the program and supplying some teaching staff and shall assist in selecting qualified Ethiopian staff residing here in Ethiopia and in

the Diaspora. The Project Office has already found Ethiopian professionals in the Diaspora, who have shown interest in participating in the Project.

The overall budget and feasibility study for the first five years of the project shall be prepared with partners and consultants, clearly identifying costs and source of funding in due course.

12. Administrative Activities

12.1. EEPRI Directorship: The EC of the EEA has accepted the resignation request of Dr. Berhanu Nega, the former Director of EEPRI whose first term of service expired in June 2004. Accordingly an international vacancy announcement for the post was made. After careful screening process the EC hired Dr. Assefa Admassie who served the EC of the Association in various capacities for a long time. Dr Assefa resumed work since mid July 2004.

12.2. EEA Secretariat: Ato Yaicob Likke joined EEA as Head of its secretariat. Ato Yaicob Likke, who has been an active member of the association, worked for various governmental and non-governmental institutions at various capacities.

12.3. Other New Faces at EEPRI: In the reporting period two of the staffs of EEA/EEPRI left the institution at their own request. Wrt Yigebashal Kassa, who served in the position of Head, Librarian for more than three years was replaced by Wrt Mihiret Wube in November 2004. Also Wrt Bruktawit Mengesha who served in the position of Executive Secretary for more than four years was replaced by Wrt Helen Kedir since June 2005. EEPRI appreciates the excellent contribution of the outgoing staff members during their stays while warmly welcoming the new ones.

12.4. New Headquarter of EEA/EEPRI: The EEA/EEPRI has changed its office premise which was located in the Janmeda area around Sidist Killo. Accordingly EEA/EEPRI has moved into its new office located at Kirkos Kifle Ketema, around Lancha area since July 2005.

12.5. EEA Consortium of Donors Meeting: Three meetings of EEA's Consortium of Donors were held to discuss on reports and plans of the EEA/EEPRI during the reporting period. The first was held in September 2004 where the outgoing and the incoming Director of the Institute attended. Moreover relevant periodical activity and financial reports were also submitted to the donors.

12.6. Project Proposal for the Second Phase Financing of EEA/EEPRI: The Institute has prepared a project proposal for the second phase financing of EEA/EEPRI activities. The proposal will be submitted to funders after being commented by the Executive Committee of the EEA.

12.7. Internship Program: As part of the objective to strengthen the study and practice of the economics discipline in the country, the EEA has continued accepting interns. During the reporting period the Institute hosted four interns who were final year students of Economics departments of Addis Ababa and Bahir Dar Universities.

13. Major Challenges

While EEA has accomplished much in the past, there are some major challenges that have seriously undermined the activities of the Association. The Executive Committee believes that these challenges need to be addressed to make the Association more dynamic and efficient. In the opinion of the Executive Committee the following are the major challenges.

2.1. Inadequate participation of members: While EEA has a registered membership of more than 1500, many members are not due paying members. If members are to benefit from the activities of the Association it is important that they renew their membership and regularly pay their membership fees. Moreover, the response to email messages of the Association is disappointingly very low.

2.2. Inadequate Resources: The Association attempts to execute its activities with the support of development partners. The support of development partners is limited, constraining the activities of the Association.

2.3. Journal backlog: Shortage of articles and lack adequate number of reviewers have contributed to delays in publishing the Journal on a regular basis.

IV. PLANNED ACTIVITIES

The Executive Committee plans to accomplish the following activities during the planning period through its various organs.

1. Ongoing and Planned Research Activities:

1.1. Report on the Ethiopian Economy: The draft of the Fourth Report on the Ethiopian Economy has already been produced. As it has been the case in the previous reports, it will be published after being reviewed by the Executive Committee members and renowned professionals on the respective topics. The report is expected to come-out within the first months of the reporting period.

1.2. The Fifth Report on the Ethiopian Economy: Topics for the respective chapters will be developed and worked on in addition to the updates on the macro and sectoral economic indicators.

1.3. National Business Agenda: A private sector development project, designed in collaboration with the Ethiopian and Addis

Ababa Chamber of Commerce to apprehend the private sector constraints and advocate for its appreciation by the government and the public at large, has been submitted to CIPE for financing.

1.4. Property Rights in Ethiopia and its Implications: Efforts will be made to solicit funding through submitting the concept paper prepared for donors and undertake a detailed research on the area. This is expected to contribute, among others, for policy debate on the investment and business environment in Ethiopia.

1.5. The Impact of Liberalization of the Textile Industry on the Ethiopian Economy: A research proposal has already been prepared. The Institute is seeking for funding to conduct a full fledged research on the proposed area, submitting for potential donors.

1.6. The Agricultural Extension Program Study Research Project: Plans are underway to finalize the Agricultural Extension Program Study Research Project which started in the previous year.

1.7. Child and Adolescent Workers in the Ethiopian Coffee Sub-sector: A representative sample survey of farming households in the Coffee growing areas of South West Ethiopia will be made on issues of child labor in the region. Accordingly data analysis and report writing tasks are also planned to be conducted during the plan year.

1.8. Impacts of Land Registration and Title Certification in Ethiopia. Research idea has been initiated to study the impacts of land registration and title certification in Ethiopia. The study is thought to be conducted in collaboration with the World Bank Research Group.

1.9. Survey of Micro-Enterprise Investment Potentials in Rural Ethiopia: Research idea has been initiated to conduct household level survey of micro-enterprise investment potentials in rural Ethiopia. The project is to be undertaken in collaboration with the World Bank Research Group.

1.10. Agri-Business and Private Commercial Farm Sector Development: A study on Agri-business and private commercial farm sector development has been initiated. The project will be implemented pending the availability of funding.

1.11. Macro econometric Modeling: The remaining two phases of the macro-econometric modeling project, model construction and testing and application, will be completed by December 2005. The Model Construction phase includes establishing sectoral linkages, data diagnoses and characterization, estimation of some auxiliary parameters, deciding on estimation methods, preliminary sector based estimation and preliminary test of economy wide model using a battery of appropriateness tests (plausibility of parameters, forecasting ability of the model and stability). On the

other hand the Testing and Application Stage of the project includes testing of the model using selected policy shocks, final refinements of the model including incorporating auxiliary (satellite) models that will feed into the main model, retesting of the model using conventional criteria and making necessary adjustments and documenting and preparing the model for actual policy forecasting.

1.12. Quarterly Economic Report: Four issues on the quarterly macroeconomic report of the Ethiopian Economy are expected to be released during the period September 2005 to August 2006. The first of these consecutive quarterly reports covers macroeconomic performances during the third Quarter of 2004/05 fiscal year (January –March 2005) and will be released in September 2005. The second issue will cover the macroeconomic performance of the fourth quarter of fiscal year 2004/05 (April-June, 2005) and will be published in October 2005. The third and fourth issues will provide report and analysis on the macroeconomic performances of the Ethiopian economy during the first (July-September 2005) and second (October – December 2005) quarters of fiscal year 2005/06, respectively.

1.13. Review of Development Strategies: A study which aims at reviewing and analyzing the basic development strategies followed in the past in Ethiopia, and surveying the development experiences of different countries with the view to deepen our understanding of basic development strategies and provide reference materials for the students and policy makers will be carried out following the final phase of the macro econometric modeling project i.e. December 2005.

1.14. Civil Society and Poverty Reduction in Ethiopia: This study which is being conducted with financial support of Development Cooperation Ireland and in collaboration with the Dublin City University will be finalized in the reporting period.

1.15. Impacts of HIV/AIDS on Labor Cost in Ethiopia: The study will be implemented in collaboration with Boston University. Activities to be undertaken include finalize survey questionnaires and selection of study sites, undertake data collection, entry and processing, analyze data and produce a report.

1.16. Root Causes of Poverty in Ethiopia and the Way Forward to Address the Problem: A study on the root causes of poverty in Ethiopia and the way forward to address the problem of sustained poverty in Ethiopia will be conducted.

1.17. Annotated Bibliography: Most studies on the Ethiopian Economy are scattered and undocumented. To mitigate this problem, we plan to prepare an exhaustive document detailing the various studies that have been carried out to date n different issues on the Ethiopian economy.

2. Training

At least two trainings are planned for members of the Association over the planning period.

- Application and Use of Economic Instruments for Environmental and Natural Resources Management.
- Time-Series Econometrics

3. Workshops/Seminars

Following previous traditions, the Association plans to organize several workshops and seminars either independently or in collaboration with other organizations during the planning period. The following are examples.

- National workshop on the outcome of the Agricultural Extension Study project report.
- Workshop on launching the AEO (African Economic Outlook)
- Workshop on land and the challenge of sustainable development in collaboration with FSS and AESE.
- In House seminars and public lectures

4. Publications

The Association will publish several reports including working papers, research reports, quarterly macroeconomic reports and other publications. For example, the following working papers are planned to be published during the plan period.

- The sugar sector in Ethiopia;
- Input-Output Framework for the Industrial Sector;
- A Comparative Assessment of the Business Confidence and Investment Climate in Ethiopia (2002/2003 – 2005/2006);
- Agricultural Growth and Poverty Reduction in Ethiopia
- Working Paper on HIV Impact on labor cost in Ethiopia
- Five working papers on different macroeconomic issues will be published.

5. Vision 2020 Ethiopia Forums

In accordance with the decision of EC at its 51st meeting of 18 July 2005, Vision 2020 Ethiopia forums shall continue effective September 2005. It is hoped that in addition to the monthly forums, biweekly discussions shall be introduced, if financing, personnel and other issues could be secured. Furthermore, effort shall be taken to take some of the discussions to some major capitals around the country.

The Executive Committee has currently approved the following topics.

- Entrepreneurship, Culture, Human Behavior, and Socio-Economic Development in Ethiopia
- Research and Economic Development in Ethiopia
- Institutions, political freedom and Socio-Economic Development in Ethiopia
- Media, and Social and Economic Development in Ethiopia

Speakers, discussants and chairpersons/moderators are in the process of being identified and approached. The modality of future Vision 2020 Ethiopia forums is being discussed by the EC.

6. Lectures, Conferences and Workshops

More vigorous study of the training requirement of EEA members and the public will be made. One method is to reach members through e-mail and to request for their interest. Similar questionnaire will be filled by members of the GA on 14 August 2005. Another method is to pass similar questionnaire at Vision 2020 Ethiopia forums and other conferences.

The 4th International Conference on the Ethiopian Economy: As in the previous three Conferences, the 4th International Conference on the Ethiopian Economy will be organized in 2006.

7. Distribution of Publications

All currently produced publications shall also be published and distributed more effectively than has been the case in the past. To this effect a well-designed distribution system throughout the country, including through distribution to all government organizations, national and regional libraries, and private organizations, chamber of commerce, NGOs, UN agencies and embassies is proposed.

Currently, EEA publications are sold through six book shops. Sales through bookshops shall also be pursued vigorously after studying the demand and supply conditions as well as the marketing problems that are faced by the EEA and sellers.

1.1. Publicizing of the EEA Objectives, Program and Activities

There is plan to seek radio and television as well as the publication media to actively promote the objectives, programs and activities of the EEA. Unlike in the past, Quarterly Reports as well as Annual Reports of the EEA, 2005/06, shall be produced and distributed for public consumption.

8. EEA/EEPRI Documentation Center Services

Activities to be undertaken at the EEA/EEPRI documentation center include finalization of the development of library database

for the purpose of circulation system and online reference, encoding of all the available data in to the newly developed database, purchasing additional information resources like books, journals and reference materials based on users discussion and the budget allocated and furnishing the library to facilitate the service and to preserve the available materials. Moreover, developing the reference, periodicals and circulation sections' services in terms of variety and quantity will also be undertaken. These sections are currently functioning like subjects among other collections under the circulation section.

9. Website Services

In order to make the website accessible and update there is a plan to change the current static website into a dynamic one. In addition to upgrading the website, efforts shall be made to make the EEA Statistical Data Base available online via the Internet to the public. The cost of online service along with staff retention and training cost are being assessed for financing by donors. As soon as the proposal is completed and donor financing is secured, the Secretariat shall inform its members and the public at large the type of information that are available on line via the Internet.

10. Reorganize the Office of the Secretariat

The Office of the Secretariat and other arms of the Association will be reorganized to make EEA more responsive to the needs and expectations of its members.

V. AUDITED FINANCIAL STATEMENTS

Current EEA Consortium Members of EEA

- Development Cooperation of Ireland
- Embassy of Nederland
- Embassy of Norway
- Embassy of Sweden
- Embassy of UK
- Friedrich Ebert Stiftung of Germany (FES)