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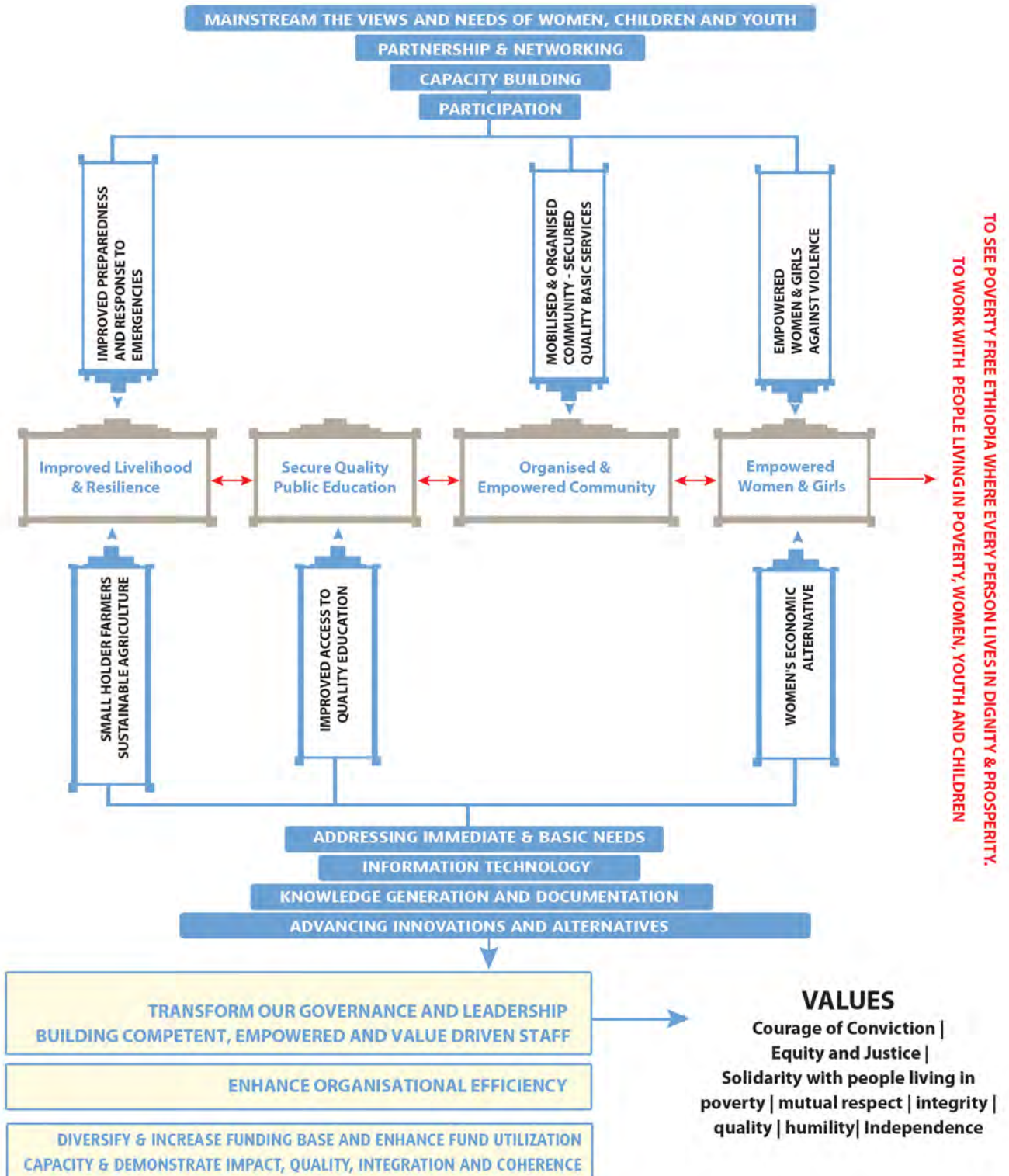
**COUNTRY STRATEGY  
2012 -2017**

**ETHIOPIA**

Addis Ababa  
November 2012

*Collective Action to End Poverty*

# KEY ELEMENTS OF CSP IV



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## **COUNTRY STRATEGY PAPER IV**

*Some twenty years ago, women in Dalocha spent four to six hours in search of water. AAE initiated a drinking water project in 2002 and helped establish the Dalocha Women Water Development Association to manage and sustain the water. Today it benefits over 108,000 people.*





## Contents

<b>1. Background</b>	<b>1</b>
<b>2. Poverty and the Changing Context</b>	<b>3</b>
<i>2.1. Poverty and economic growth</i>	3
<i>2.2. Poverty, gender and inequality</i>	4
<i>2.3. Politics, law and citizens' participation</i>	8
<i>2.4. Climate change, environment and vulnerability</i>	10
<i>2.5. Global context</i>	11
<i>2.6. Regional context</i>	12
<b>3. Key Achievements and Lessons from CSP III and ICSP</b>	<b>13</b>
<b>4. Our Theory of Change</b>	<b>16</b>
<b>5. Our Identity</b>	<b>17</b>
<b>6. Core Strategies and Approaches</b>	<b>18</b>
<i>6.1. Who we work with</i>	18
<i>6.2. Core strategies</i>	18
<b>7. Mission Objectives, Change Promises and Key Actions</b>	<b>21</b>
<b>8. Organisational Development Objectives (ODO) and Key Results</b>	<b>28</b>
<b>9. Conclusion</b>	<b>37</b>
<b>Annexes</b>	<b>38</b>

## Foreword

**I** am honoured to present ActionAid Ethiopia's (AAE) fourth country strategic plan (CSP IV) for the period 2012 to 2017. Ethiopia has registered laudable economic progress and witnessed social changes over the last two decades. Notwithstanding these, challenges related to food, health, unemployment, drought and climate change remain quite critical. Human vulnerability and inequality endure as major concerns.

In the last 22 years, AAE has achieved positive results that have impacted lives of people living in poverty, especially those who live in inaccessible and remote places. We have witnessed progressive results through our programmes such as ACCESS (children's access to basic education), women empowerment, livelihood development and supporting PLWH. While we are proud of the achievements made so far, we are equally aware of the structural causes of poverty that compel us to engage with women, children, people living in poverty and government continuously to transform and change the status quo.

CSP IV is underpinned by four mission objectives and six change promises through which we seek to renew our endeavour to make AAE a centre of excellence in the eradication of poverty. We commit to promoting alternatives that add value to development approaches pursued by government and CSOs. We desire to refine our ability to learn, upscale best practices and address emerging challenges together with our strategic partners and allies.

In developing the strategic plan, the country programme applied participatory and consultative processes and incorporated perspectives of people we work with, partners, government institutions, AAE staff and the wider AA family. The strategy is informed by a contextual analysis of poverty in Ethiopia, our wealth of experience and the AA Federation strategy, Peoples' Actions to End Poverty. Thorough processes such as organisational development review, peer review and external review enriched it further.

I would like to acknowledge the CSP envisioning and write-up team consisting of Yaekob Metena, Muluken Arefaine, Ambachew Deresse and Bisrat Alemu. I also recognise the invaluable guidance and contribution of African CPs hub, especially Olutayo Bankole-Bolawole and Ken Odumbe.

I appeal to you to embrace this strategy and renew your commitment so that together we may realise its great aspirations.

I am proud to be part of the ActionAid-Ethiopia team, a synergy that plays profound roles in spearheading change.



**Jemal Ahmed, Country Director**

**November 2012**

*The strategy is informed by a contextual analysis of poverty in Ethiopia, our wealth of experience and the AA Federation strategy Peoples' Actions to End Poverty.*



# 1. Background

ActionAid Ethiopia (AAE) is a non-governmental anti-poverty agency operating in Ethiopia since 1989. It is a member of the ActionAid International Federation and registered in Ethiopia as a foreign charity.

This is AAE's fourth country strategic plan and runs for the period 2012 to 2017. It outlines AAE's continued commitments and aspirations to end poverty in Ethiopia. AAE has evolved through three distinct development phases since its inception. The first phase (1989 - 1994) was characterised by micro-level welfare and service delivery approach executed through annual plans. The second phase was ushered in 1995 when AAE developed its first Country Strategic Plan that extended to 1999. During this period emphasis was given to building community organisations around saving and credit initiatives, applying participatory approaches to development practices and advocating for ACCESS, an alternative approach to basic education. The third phase is marked by the introduction of the Rights Based Approach to development, an overarching development philosophy that guides the organisation's entire work.

So far AAE has implemented three Country Strategic Plans and an Interim Country Strategic Plan that have defined its identity, mission, organisational objectives and priorities across time. As a dynamic organisation, it consistently scans the operating environment and adjusts itself in order to remain relevant to the context and the cause it stands for.



AAE has grown from a woreda/district-based integrated development programme into an organisation well recognised in the country. It has made significant contributions towards realising a poverty free Ethiopia where people can enjoy a life of dignity and prosperity. At the end of its Interim Country Strategic Plan (2011), AAE had 15 long-term development programmes covering 20 woredas/districts. Ten of these were directly managed by AAE while five were managed by partner organisations. Overall, AAE facilitates the implementation of short and long-term development programmes across six regional states and Addis Ababa City Administration.

Country Strategic Plan IV is a result of a series of reviews and consultative processes. Key milestones and a time line guided its development. A Strategy Envisioning Team was formed to lead the entire process with an overall guidance from the Country Director. External and internal reviews were conducted to evaluate achievements and draw lessons from the past two strategic plans. Country programme review, context mapping and stakeholders survey, organisational development review, internal review and peer review were conducted to assess the past and lay foundation for the new strategic plan. CSP IV also shares the inspiration and commitments of the AA Federation strategy, *Peoples' Actions to End Poverty*.

A wide range of partners and stakeholders including poor people we work with participated in the development of CSP IV. The draft strategy was circulated widely and the feedback used to refine and enrich the strategy.

CSP IV reiterates a fresh AAE's commitment to address the structural causes of poverty. Unlike thematic approaches employed in preceding strategic plans, it focuses on four mission objectives and six change promises. It outlines organisational objectives and key result areas envisaged to achieve organisational efficiency and effectiveness in order to deliver on mission objectives and change promises.



## 2. Poverty and the changing context

Constraints at global, regional and national levels continue to undermine efforts to realise development aspirations in general and improve capabilities of people living in poverty in particular. The world economy has witnessed quandaries in recent years among which a severe financial crisis, economic meltdown, food price hike, food production and productivity constraints and an alarming increase in unemployment rate are the major ones. Climate change has added to the conundrum. Many of these factors affect Ethiopia too, albeit on a varied degree.

### 2.1. Poverty and economic growth

Ethiopia's economy has grown rapidly over the last eight years. Official reports issued by government and UNDP indicate that the country registered an average annual growth rate of 11% during the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) years (2005/06 to 2009/10) (MoFED, 2010). IMF and World Bank revise this figure to around 9%. Since 2003/4 Ethiopia's real GDP has grown much faster than the continent average.

The national level absolute poverty head count index dropped from 38.7% in 2004/05 to 29.6% in 2010/11 (GTP, Annual Progress Report for Fiscal year 2010/11). Despite such encouraging performance, the growth falls short of guaranteeing a meaningful reduction in the national poverty level and addressing issues of inequality and vulnerability. According to UNDP's HDR for 2011, Ethiopia's HDI value remained in the low end of human development category at a value of 0.363 positioning the country 174th out of 187 countries. Income poverty is slightly higher in rural areas (39.3%) than in urban (35.1%) (MoFED, 2010). Urban poverty and population growth are emerging challenges requiring proactive responses and some form of urban social safety net programme (MoFED, 2010). A significant proportion of people who responded in AAE's national level assessment and context analysis argued strongly that inequality is widening through time and that many households are still unable to feed themselves as a result of soaring food prices<sup>1</sup>. Such trends of inequality call for appropriate policies and actions through strong roles of government and civil society.

Production and productivity problems characterise the agricultural sector, which is the basis of the national economy and source of jobs for 80% of the country's workforce. Agriculture's contribution to GDP declined from 42% in 2009/10 to 41% in 2010/11 while the share of services increased from 45% in 2009/10 to 45.6% in 2010/11<sup>2</sup>.

<sup>1</sup>Context Mapping and Stakeholders Survey, Mela Consulting PLC, 2011

<sup>2</sup>GTP, Annual Progress Report for F.Y. 2010/11





Erratic rainfall patterns coupled with rapid population growth and consequent land degradation threaten further reduction in the productivity of agriculture and increased vulnerability to drought. As a result food security remains quite a challenge both at national and household levels. The GTP has placed due emphasis on transforming agriculture to high growth path to address food security challenges and curb inflationary pressure while broadening the export base. Commercialisation of smallholder farming is believed to gain attention as a major source of agricultural growth during the planning period (GTP, 2011).

Maintaining macroeconomic stability is a serious challenge in the face of a rising inflation and its consequences on living conditions, particularly on the poorest and vulnerable. Inflation has increased at an alarming rate, averaging 31.8% between 2007 and 2009 and escalated further in 2011. According to UNDP's (2011) predictions, increase in the number of people living in poverty in general and income poverty and malnutrition in particular could worsen as a result of persistent price hikes. Government's efforts to curb impoverishment and destitution of vulnerable people need to be complemented by players within the civil society sector.

## **2.2. Poverty, gender and inequality**

Ethiopia is the second most populous country in Africa, next to Nigeria, with a projected population of 84,320,987 (41,763,988 females) in 2012. Its population is predominantly young with children and the youth accounting for 73% of the population. Ethiopia's population has grown steadily over the last three decades, from 42.6 million in 1984 to 53.5 million in 1994 and 73.8 million in 2007. There were slight declines in annual population growth rates over these periods, from 3.1% in 1984 to 2.9% in 1994 and 2.6% in 2007<sup>3</sup>. Taking the population projection for the year 2012, (84.3 million<sup>4</sup>) as a baseline and a 0.1% reduction in annual growth rate over a period of five years, the total population is estimated to reach 95.5 million at the end of this strategy period (2017).

<sup>3</sup>DHS Report, Ethiopia- 2011

<sup>4</sup>The population projection based on the results of the May 2007 National population and Housing Census of Ethiopia (CSA, 2012)



*Gender gaps in girls' enrolment in primary education have narrowed; women live longer and have fewer children and there have also been increases in women's participation in the labour market.*

Progressive measures have been taken in creating commendable strategies, legal and policy frameworks, such as the 1994 National Constitution, Women's Policy, Action Plan on Gender and Development, Sector Development Plan for Women and Children, the Revised Penal Code and the National and Regional Family Laws. These are opportunities for civil society actors to collaborate with the government and other players to promote gender equality. As a result of efforts made by the government and civil society players, gains have been made on gender equality over the past years. Gender gaps in girls' enrolment in primary education have narrowed; women live longer and have fewer children and women's participation in the labour market has improved. Evidences indicate a decline in the prevalence of various forms of violence against women such as FGM and early marriage, a drop from 31.1% in 1997 to 21.4% in 2009.<sup>5</sup> However, the progress has been slow and uneven. Gender disparities remain pervasive and entrenched and continue to be drivers of poverty. Women's educational attainment and skills acquisition is significantly lower compared to those of men at all levels - only 31% of rural female and 75% of urban females had ever attended school<sup>6</sup> according to a survey conducted in 2010. Women and girls' social roles as care givers and managers of household food security, unequal gender distribution and control of resources (land, property and financial capital), constraints on women's socio-economic mobility and lack of decision-making power continue to place women and girls at highly disadvantaged positions. The national gender survey conducted in 2010 has confirmed that there is still high prevalence of gender-based violence and various forms of HTPs against women and girls. The Global Gender Gap Report (2010) ranks Ethiopia at 121st place among 134 countries in terms of the magnitude and scope of gender-based disparities.

Such trends are expected to persist into the future as a result of entrenched patriarchy and discriminatory norms and practices on one hand while institutional capacity gaps remain in the areas of enforcing existing policy and legal provisions. Both government and civil society players should seek to address structural factors that underpin the widespread persistence of gender inequalities and gender-based violence.

<sup>5</sup>Ethiopia Gender Survey, Population Council, 2010

<sup>6</sup>Ethiopia Gender Survey, Population Council, 2010.



*Ethiopia is a signatory of the UN Convention on the Rights of the Child, which creates a space for civil society actors to engage in the advancement of children's wellbeing.*

Children who constitute substantial proportion (nearly 45%) of the country's population are traditionally neglected, abused and are the most invisible, powerless, and excluded sections of the society. Ethiopia is a signatory of the UN Convention on the Rights of the Child, which creates a space for civil society actors to engage in the advancement of children's wellbeing. Though the national and international policy frameworks are conducive, the practice is associated with numerous challenges. Of the 7.12 million children eligible to pre-school education (age 4-6), only 4.8% had the access in 2009/10.<sup>7</sup> Gross enrolment rate (GER) for primary level has reached 93.4% in 2009/2010. Nonetheless, the net enrolment rate (NER) for the same level (1-8) and year was 82.1%, which shows that a considerable number of school-aged children did not attend school. Gender gap in education is still an issue though it is improving. Proportion of female students increased from 45.3% in 2005/06 to 47.4% in 2009/10 for primary (1-8) and from 36.4% to 43.7% for secondary education (9-10).

Though marked decline has been observed over the last decade, infant and under-five mortality rates are still considerably high, 59 and 88 deaths per 1,000 live births, respectively. With regard to nutrition, though positive changes have been made in recent decades, only 4% of children aged 6-23 months are fed with the recommended infant and young child feeding (IYCF) practices. Social discrimination against certain sects has remained a living challenge in the Ethiopian society for so long. Marginalised groups include occupational minorities, artisans like potters, metal workers, tanners and weavers. Despite indispensable roles these groups play in their societies, they are despised, distanced and marginalised by the majority in many parts of the country because of social and religious prejudices against them. As a result, they are despised, degraded and prohibited from participating in public and societal interactions. In many instances, they are also supposed (and sometimes forced) to occupy marginal areas - outskirts of settlements or low-lying areas considered least suitable for habitation and cultivation.

Notwithstanding some changes in the traditional, socio-economic and political spheres, misperception of and discrimination against these occupational groups have still persisted, though in a more covert manner and in lesser degree than in the past. The government and civil society players need to give attention to policy and program measures on promoting empowerment of these groups and enhancing social equality within the wider public.

<sup>7</sup>Ministry of Education, ESDP IV



Ethiopia has good policy frameworks and instruments such as the 1993 Population Policy, the 2000 National Youth Policy, the Health Sector Development Program (HSDP IV) and the Comprehensive National Adolescent and Youth Reproductive Health Strategy (2006-2015). The key healthcare problems that still deserve considerable attention are related to maternal and child care services. Only 10% of births in the past five years were delivered by a skilled provider (DHS, 2011). Knowledge of family planning services has improved even though the proportion of women who are currently using methods of contraception is only 29% and a quarter (25%) of currently married women are still unable to get family planning services due to various socio-cultural and economic barriers.

Data available on HIV indicates that around 1.1 million people live with the virus. The adult HIV prevalence rate ranged from 1.4 - 2.8% in 2009 with differences in the urban (7.7%) and rural (0.9%) incidence levels. Women have a relatively higher HIV prevalence (1.9%) than men (1.0%).

Changes have been observed in provision of public services in recent years. However, access to and quality of basic services are still living challenges to many unreached and vulnerable communities. The national and rural coverage of potable water supply in the year 2009/10 was 68.5%, and 65.8% respectively (GTP, 2010). Ethiopia is said to have progressed well to meet most of the MDGs including universal access to primary education. According to official figures, the gross and net enrolment rates for primary school (grades 1-8) reached 96.4% and 85.3% respectively in 2010/11 (MoE Statistics, 2011). Nevertheless, around 2.8 million children (predominantly female) are still out of school nationally, mostly from pastoral areas, poor and vulnerable families, and children with disabilities. Enrolment in preschool education is only 4.8%, which is indicative of inadequate attention given to early childhood development.



*Ethiopia is said to have progressed well to meet most of the MDGs including universal access to primary education.*



Private sector growth has been strong in recent years mainly due to improvements in policy provisions, institutional set-up and stable and secure environment in the country. According to the Investment Climate Assessment Study conducted in 2009, though there were improvements in the condition for private investment and enterprise growth, there are concerns that challenge the sector, such as access to land, firms' perceptions of the overall tax regime, access to credit, and utilities such as electricity and water. On the other hand, beyond its role on revenue generation, job creation and advancement of the national economy, the private sector has played relatively minimal role in advancing its corporate social responsibility. Activities of multi-national corporations (MNCs) are growing. Not much has been done so far to change the conception of corporations as merely economic entities. Civil society groups can actively engage to promote an understanding that puts corporations in a broader social and environmental context where they are able to account for their actions and play active role in meeting their social responsibility.

### **2.3. Politics, law and citizens' participation**

Ethiopia's route to democratic governance and social change is underpinned by "the developmental state", an approach to governance that emphasises the role of the state in accelerating growth and development. The developmental state approach offers an alternative to the dominant neo-liberal paradigm.

The Ethiopian Constitution provides for a tiered government structure consisting of a federal government overseeing Regional States, Zones, Woredas/districts, and Kebeles (the lowest administrative unit). Regional states are given extensive power with their own legislative, executive and judicial machineries. The federal system is intended to facilitate decentralised decision-making. However, observers argue that decentralisation has not been as effective as expected in realising the intended local governance and decision-making goals mainly due to gaps in enforcement of the existing policy and legal frameworks and institutional capacity limitations. The lower administrative tier (Woreda) is the basic unit of planning and political administration where local communities can take active roles in development processes. The structure offers an opportunity for CSOs to engage with government and local communities in the way of enhancing poor people's role in development processes.



*the country's legal and policy framework that favours the promotion of human rights and freedoms, gender equality and women's empowerment, citizens' participation and equitable and sustainable development is an opportunity to foster efforts on poverty reduction and social change.*

Overall, the operating environment in Ethiopia is characterised by challenges and opportunities. There is an abundant supply of favourable legal and policy frameworks that offer tremendous opportunities for promotion of human rights and freedoms, gender equality and women's empowerment, citizens' participation and equitable and sustainable development. On the other hand, despite sufficient rationales for their introduction, some legal provisions such as the Press Law, the Charities and Societies Proclamation and the Anti-Terrorism Law have triggered much public debate and criticism for putting certain restrictions on citizen's participation and civic involvement in the country's development processes. According to the 2010 NGO Sustainability Index report (USAID 2010), Ethiopia has one of the most restrictive legal environments in Sub-Saharan Africa. The Charities and Societies Proclamation, which came into force in February 2009 restricts the scope/space of operation for charities and societies and their access to funds. On a positive note, the proclamation ascertains the legitimacy of charities and societies to engage in charitable causes and allows the pursuit of multiple charitable purposes. It also provides for income generating activities, accountability mechanisms and representation of charities and societies in the charities and societies board. On the other hand, the proclamation delineates areas of engagement and funding sources for charities and societies and requires them to register and operate under one of three categories - Ethiopian, Ethiopian Resident or Foreign. Ethiopian Charities and Societies are allowed to work on rights-related interventions but must generate not less than 90% of their funding from Ethiopian sources. This is to mean they may not access more than 10% from foreign sources. Ethiopian resident and foreign charities can receive unlimited foreign funds, but are not allowed to work on advancement of human and democratic rights, promotion of equality (of nations, nationalities and peoples and of gender and religion), rights of children and disabled persons, conflict resolution or reconciliation and efficiency of justice and law enforcement services. The majority of NGOs (82%) were re-registered as resident and foreign charities to engage in service provision (USAID report, 2010). The new regulatory framework also significantly restricts networking and cooperation among NGOs.



With regard to the role of media, the existing policy and legal framework exhibit both enabling and impeding elements. Whereas Article 39 of the Constitution guarantees citizens the right to hold opinion, protection of freedom of expression and protection for the media and its right to institutional independence, there is a growing concern that enactment of the Mass Media and Freedom of Information Proclamation on July 1, 2008 circumvents these constitutional provisions. Though the preamble declares that the proclamation removes all impediments to the operation of the media in Ethiopia, critics question its applicability. The overall size (number) of media outlets (both print and electronic) has diminished in the wake of the highly contested election in 2005. The current role of media as a key institution to promote development and social change is not very strong.

#### **2.4. Climate change, environment and vulnerability**

The National Policy on Disaster Prevention and Management (NPDPM) adopted in 1993 had served as the national framework for disaster management. A draft National Policy and Strategy on Disaster Risk Management has been formulated recently based on limitations of the NPDPM and other implementation challenges. This new policy framework is expected to bring a paradigm shift in the approach to disaster management by moving emphasis away from a system that heavily relies on response to a full cycle Disaster Risk Management (DRM) that encompasses prevention, mitigation, preparedness, response, recovery and rehabilitation.

A strategy (Ethiopia's Vision for a Climate Resilient Green Economy - CRGE, 2011) has been put in place to tackle climate change and mitigate its impacts. According to the CRGE, the country has become warmer over the past century and that human induced climate change will bring further warming over the next century at unprecedented rates. An estimated 50% of land resources are already degraded while 85-90% of Ethiopia's rain-fed agri-culture remains highly susceptible to fluctuations in rainfall (UNDAF-Ethiopia, 2012-2015).



According to findings of the Joint Government and Humanitarian Partners' report, the number of people requiring relief food assistance had grown steadily during the years 2008, 2009 and 2010 with 4.6 million, 4.9 million and 5.2 million respectively, then declining to 2.8 million in 2011 and rising again to 3.2 million in 2012. Given this trend an effective system of disaster risk reduction and people-centred approach targeting vulnerable and disadvantaged communities has to remain a part of strategic priorities for development actors, including civil society players.

Foreign enterprises, governments and private equity funds are increasingly invited to lease land and engage in large-scale commercial farming. The government strongly argues that investments in land could significantly increase the country's food supply as well as create numerous job opportunities throughout the economy. However, some argue that opportunities attached to land lease could not be compared to the benefits of enhancing production and productivity of smallholder farmers and ensuring their entitlement on access to and ownership of natural resources.

## 2.5. Global context

The MDG's 2011 report witnessed a robust improvement in reduction of the proportion of people who live on less than USD1.25 a day in developing countries in the first half of the decade. However, global inequality is still immense that the world as a whole is far more unequal than any single country. Progresses made so far in most developing countries have hardly succeeded in adequately reaching poor and disadvantaged sections of society and in bridging the urban-rural gap. On the other hand the world economy is slipping further 'into the danger zone' because of risks from the Euro-zone. Following the unprecedented drought in USA and subsequent decline in crop production (120q/ha in 2011 from 140q/ha in 2010), it is anticipated that global food prices will hike and relief food assistance will see a drastic decline in the years ahead. This has implications on development agencies and the civil society that solicit resources for investment in their poverty eradication efforts. Meanwhile, the global balance of power is shifting rapidly, following the emergence of new economies in Asia and Latin America (mainly India, China and Brazil). Overall the economic meltdown and financial crisis may pose potential threats on efforts to create a reliable funding base.





## 2.6. Regional context

Though Ethiopia continues to register rapid economic growth, it faces some of the adverse effects of a fast globalising world. IMF calculations on the effects of the changing global economic environment on Ethiopia's balance of payments in 2009/10 yield estimated adverse impact in the range of USD 260–300 million (Ethiopia-MDG Progress Report, 2010). CSOs like AAE need to take such challenges into account.

Ethiopia has maintained smooth and healthy diplomatic relationships with major world powers (US, Russia, China and EU), most of its neighbours (except Eritrea) and other African countries. However, the Horn of Africa is fraught with challenges such as recurrent cross-border conflicts between pastoralist communities, conflicts between the Republic of Sudan and the new South Sudanese State, unresolved border disputes between Ethiopia and Eritrea, the rise of religious extremism and lack of a strong central government in Somalia. These challenges have important implications for Ethiopia, particularly on peace, stability and effectiveness of poverty reduction efforts. Contributions of the African Union and regional groupings such as IGAD, ECOWAS and others serve the continent as peace and development forums.



### 3. Key achievements and lessons from CSP III and ICSP

AAE's third CSP was designed and implemented with the key objectives of ensuring a holistic empowerment of poor and excluded people, transforming gender relations towards equality, equity, participation and respect and fulfilment of women's rights and ensuring the responsiveness and accountability of government, donors and multilateral institutions to the needs and rights of poor and excluded people. The ICSP has objectively aimed at enhancing the capabilities of poor women and men to secure sustainable livelihoods and building collective capacity to respond to the needs of poor people through working with development partners and stakeholders.

Review findings of CSP III and the ICSP confirmed that ActionAid Ethiopia has successfully realised objectives outlined in both strategies. Programmes implemented during the two strategy periods have brought real positive changes in the empowerment of people living in poverty as evidenced by changes in their conditions, consciousness and organisation. They have also contributed toward a much better enforcement of government's development policies and practices.

Community members, CBO leaders and representatives of local institutions as well as various levels of government have confirmed that AAE's engagements have made significant contributions in the realisation of positive, observable changes in the lives of people, especially women, girls and vulnerable groups. AAE has enhanced poor people's capability and enabled them to secure sustainable livelihoods.

The programme review also confirmed that AAE has empowered people living in poverty to actively engage in development endeavours and take actions on affairs that affected their lives. Various categories of CBOs were established and capacitated and their members enabled to govern them. Women's participation in livelihood enhancement activities improved their income, reduced their economic dependence and fostered their empowerment.



Communities' awareness has generally improved on the importance of girls' education, effects of VAW and HTPs, causes and consequences of poverty and the way to combat them. Women Watch groups served as effective instruments in addressing VAW and HTPs at local level, enhancing women's critical consciousness and their ability to engage traditional and religious institutions. Law enforcement agencies now take Women Watch groups as trusted partners in the control of VAW and HTPs committed against women both at household and community levels. This in turn has enhanced women's leadership roles and recognition of their contributions to development.



*Women's participation in livelihood enhancement activities improved their income, reduced their economic dependence and fostered their empowerment.*

The formulation and implementation of CSP III took place in a very challenging legal and political environment. Factors such as the global financial crisis, the subsequent economic meltdown and exchange rate fluctuations posed serious challenges for implementation of CSP III and the ICSP. Internally, challenges such as high staff turnover, gaps in resource mobilisation and grant management, deficiencies in programme focus, quality and linkage and partnership development processes tested the two strategy periods.

The organisation-wide change process that AAE underwent at the onset of the ICSP served as a systematic coping mechanism to the global financial crisis and overriding changes in the country's political context. The organisation experienced painful consequences such as staff redundancy, mostly in DAs and regional coordination offices as a result. This affected female staff disproportionately, worsening gender imbalance in the organisation, including at leadership level. On a positive note, the process has prompted AAE to improve its fundraising capacity, management of donor funded projects and implementation of programmes.



AAE's success during the last two strategy periods was attributed to its capability to deal with internal and external challenges, involve people living in poverty directly, use its accumulated experience, deal with challenges transparently and strategically collaborate with partners and government at various levels. Resolute leadership and staff commitment to organisational mission, principles and values helped to cope up with external challenges.

The challenges encountered during the two strategy periods were not without opportunities for learning either. Lessons drawn include proactive and continuous scanning of the operating environment and maintaining flexibility in approaches and organisational set up (without compromising basic principles and approaches) to effectively respond to and cope with external changes in order to remain resilient. Strengthening our local support to provide education, water and other services in collaboration with various actors fostered mutual understanding on interventions, reoriented empowerment and enhanced grassroots solidarity.

AAE's people-centred approach and efforts to ensure genuine participation of communities in decision-making processes guarantee its success in delivering development programmes. Our reliance on strategic development approaches like empowering communities, building their institutional capacity and addressing immediate needs not only enable communities to implement development programs efficiently and effectively, but also empower them to demand accountability from others. More could be done in this regard if CBOs are able to rationally connect among themselves to ensure solidarity through building platforms and networks and create interface with appropriate government bodies to claim and realise their needs and aspirations.

We recognise that little in our mission makes us different from many of our competitors. It is rather the way we work that sets us apart - applying people-centred approaches, taking clear sides with people who live in poverty, vulnerable women, men and children and their institutions to discover and advance alternatives and establish sustainable solutions. Our participatory methodologies and development models such as ACCESS, CBAP, Immersion, PRRP, Participatory Vulnerability Analysis, REFLECT and Women Watch Groups stemmed from working with communities.

Raising adequate and sustainable partnership income and improving our utilisation capacity will be key focus areas to stay active and vibrant. Empowering staff to meet organisational ideals and creating and nurturing a collegial working environment will be motivating for staff and indispensable to building positive organisational image.



## 4. Our theory of change



*Raising peoples' consciousness, organisation and proactive engagement, influencing systems and practices, proper documentation and sharing of best practices and lessons are among the key tools to tackle the underlying causes of poverty.*

Our philosophy of how change can happen to end poverty rests on our deep and holistic understanding of the underlying causes of poverty and its dynamic nature. ActionAid believes that there is more to poverty than the paucity of income, wealth and/or material possessions. People living in poverty not only struggle to make sustainable living from meagre income, but also experience powerlessness as a result of missed opportunities in every sphere of life. People living in poverty do not adequately bargain and negotiate on their strategic interests and priorities to secure a dignified life.

Poverty is mainly caused by people's lack of capability to critically assess and analyse their situation and take organised action to bring sustained change in their condition and position.

Poverty can be eliminated in its entirety when people living in poverty are able to take proactive individual and collective actions to build their own organisations through which they can organise and lead anti-poverty actions, advance alternatives, facilitate critical reflection and analysis and influence for change.

Raising peoples' consciousness, organisation and proactive engagement, influencing systems and practices, proper documentation and sharing of best practices and lessons are among the key tools to tackle the underlying causes of poverty. People can make change happen; nonetheless, the complexities attached to poverty and the path and processes through which change happens do need renewed vision, zeal, commitment and passion of the people working together.



## 5. Our identity

### Our vision

to see a poverty-free  
**Ethiopia**  
where every person  
lives in dignity and  
prosperity

### Our mission

to work with people  
living in poverty,  
women, youth and  
children to eradicate  
poverty

#### Our values

**Courage of conviction** - we nurture a working environment that supports creativity, courage and principled actions without fear of failure in pursuit of making the greatest possible impact on the causes of poverty;

**Equity and justice** - in our relationships and dealings with people and institutions, we endeavour to ensure that all people irrespective of gender, ethnicity, location, political affiliation, health status, religion, social class etc. have fair and equal opportunity;

**Solidarity with people living in poverty** - in the fight against poverty, we align ourselves with poor people, women, youth and children;

**Mutual respect** - we recognise and respect the innate value, potential and power of all people;

**Integrity** - we uphold the highest degree of honesty, transparency and accountability in the discharge of our duties and responsibilities as well as relationships with others;

**Quality** - we work with a sense of professionalism and maximise value for money;

**Humility** - in our presentation and behaviour, we recognise the immensity of the task and we believe that we are part of a wider alliance against poverty;

**Independence** - our approaches, relationships and actions are free from any religions, ethnic or party political affiliation.



## 6. Core strategies and approaches

### 6.1. Who we work with

Our context analysis reveals that people living in poverty consist of poor households, women, children and youth who reside in rural and urban areas. These are the most affected sections of society that deserve utmost attention in all our anti-poverty works. ActionAid primarily works with them and their institutions to respond to their needs and aspirations. It also works with institutions that have demonstrated commitment to the needs and aspirations of people living in poverty.

### 6.2. Core Strategies

Given the complexity of social change, we do not anticipate change to happen only at the end but also in the course of inception, implementation and evaluation stages of development programmes; hence, AAE places strong emphasis on processes too.

Our engagements will be guided primarily by principles of empowering people living in poverty, working in solidarity with those who share common purpose for collective action and impact and evidence-based lobbying and influencing on strategic development issues to bring change in policies, systems and practices. In doing so our efforts will be directed to organising and mobilising people living in poverty and advancing alternatives.

**Participation:** ActionAid believes that ensuring proactive participation of people living in poverty guarantees success to development endeavours. People living in poverty, women, children and youth will be mobilised, conscientized and organised to critically analyse their situation, reflect on their options and play active role in identifying development issues and opportunities, planning, implementing and evaluating development programmes. Approaches such as participatory planning and budgeting as well as Participatory Review and Reflection Processes (PRRPs) will be employed





as avenues for instituting a culture of participatory decision-making. We will also involve our partners and government stakeholders in programme development cycles (from inception to evaluation phases) to ensure ownership and sustainability.

**Capacity building:** Enabling people living in poverty to organise around development interventions facilitates collective power to bring changes. Opportunities will be created to develop people's innate potentials. Emphasis will be given to initiating and strengthening community-based organisations and supporting creation of second level organisations (unions, forums, networks, etc.). Key capacity enhancement programmes will comprise of needs-based training, exposure visits, provision of seed capital and other forms of technical, administrative and system development. AAE will support capacity development of its partners and civil society organisations that share a common purpose in the fight against poverty. Capacity building will help AAE collaborate with and enhance the responsiveness of the public sector to demands of people living in poverty.

**Partnership and networking:** We realise that poverty is a complex and multi-faceted phenomenon and that peoples' livelihoods are affected by decisions and choices made by others. It is imperative to create greater collaboration with other development actors to promote collective agenda. AAE will join hands and stand in solidarity with a range of players including CBOs, civil society organisations, academic and research organisations, the media and networks to fight the structural causes of poverty. Emphasis will be given to working in partnership with agencies of people living in poverty at different levels to enhance their institutional capacities to work in solidarity with other pro-poor institutions and among themselves. Likewise we will continue to strengthen collaboration and critical engagement with government institutions so that peoples' demands are met effectively.

**Knowledge generation, documentation, sharing and learning:** Knowledge generation through conducting researches helps to identify development challenges, share best practices and lay grounds for evidence-based influencing and lobbying to foster change in thoughts, policies, systems and practices.





We will support internal action researches and closely work with research and academic institutions. Programme appraisals, internal and external evaluations, case studies and participatory review and reflection processes that involve communities and partners are areas of local knowledge generation. AAE will strengthen its documentation practice through establishing a system that ensures the flow of information from grassroots to national and international levels for learning. Emphasis will be given to sharing our achievements and best practices with communities, partners and other relevant organisations and stakeholders. AAE will also strive to learn from the good practices of other actors.

**Information technology and communication for development:** Quick and effective flow of information accelerates holistic development. The rapid development in information and communication technology opens up opportunities to all, including poor and vulnerable people. Emphasis will be given to using information technology to support our mission, especially around grassroots communities. While exploring other feasible options, community radio models will be enhanced. AAE will also strengthen its communication systems and approaches.

**Mainstream the views and needs of women, children and youth:** Every aspect of our development undertakings will be designed in ways that incorporate the needs, benefits and aspirations of women, children and youth.

**Addressing immediate and basic needs:** AAE will continue to enable people living in poverty access essential and basic needs crucial for livelihood improvement and support them during emergency situations. We view the delivery of services not as an end in itself but as means to mobilise and organise communities to make decisions and partner with other actors. Likewise we view our emergency responses as avenues to save lives and support and promote sustainable development in a manner that does not perpetuate dependency on external support. AAE recognises that the state has primary responsibility to meet development demands. We refrain from duplicating the state's roles and actions. Through enabling access to basic services, we strictly adhere to the principle of value addition and introduction of alternatives and innovations.

**Advance innovations and alternatives:** Our approaches to addressing the structural causes of poverty seek to challenge the status quo and conventional ways of doing things. We will promote innovative and alternative ways. Our local programmes play an essential role in modelling innovations for scale up and greater impact.



## 7. Mission objectives, change promises and key actions

**Mission Objective 1:** *Improved livelihood and resilience of people living in poverty through sustainable agriculture and enhanced capability to manage risks:*

Despite encouraging economic growth, considerable proportions of people still live below the poverty line. People living in poverty, particularly women-headed and landless households in rural areas, pastoralists and youth in urban centres are the most affected. Incidences of natural hazards largely associated with climate change cause major losses of livelihoods particularly among the rural poor. Food shortage due to inadequate rainfall and recurrent drought remains a major challenge. Food gaps are usually bridged by external relief assistance and other coping mechanisms. Macro economic factors such as inflation erode livelihoods of people living in poverty and aggravate their vulnerability. To combat these challenges, AAE commits itself to the following change promises:

#1

Improved livelihood and resilience of people living in poverty through sustainable agriculture and enhanced capability to manage risks:

Mission Objective



## Change Promise #1

*By 2017 food security of at least 61,000 smallholder farmers living in poverty will be improved through sustainable agricultural development.*

AAE will intensify its support to organisations of people living in poverty, youth, women residing in rural and urban areas, and vulnerable groups to enable them build alternatives, increase agricultural production and income base and play active role in the protection of their environment. AAE will continuously explore the situations of urban people living in poverty through in-depth/rapid studies and strategically engage to enhance urban livelihoods.

## Key actions

- Awareness-raising and capacity-building on technicalities of climate resilient sustainable agriculture (CRSA);
- Supporting women, youth, and farmers' self-help groups and cooperatives to build and promote alternative livelihoods such as seed banks, local processing and joint marketing strategies;
- Supporting research, policy and media to promote regional and national dialogue on issues related to climate change and food security through CRSA networks.



## Change Promise #2

*By 2017 we will have assisted over 150,000 vulnerable people build resilience and people affected by disasters and economic shocks restore their livelihoods.*

During emergencies AAE will mobilise the necessary resources and support affected people. Special emphasis will be given to most vulnerable groups such as women, children and the elderly. We will also focus on building the capacity of various stakeholders and partners for effective disaster risk reduction in the long term.

AAE recognises the need for solid preparedness, integration and synergy among humanitarian agencies as well as government institutions in order to enhance the effectiveness of emergency responses. It will actively participate in various forums and promote stronger networking among organisations.



**#2**  
**People living in poverty organised and empowered to influence and secure quality public education**

**Mission Objective**

## Key actions

- Building the capacity of communities, particularly women, local and national authorities/ institutions on vulnerability analysis, emergency preparedness, response and recovery systems.
- Promoting and playing active role in networking among organisations working on disaster risk reduction and dissemination of best practices in disaster risk reduction.



### **Mission Objective 2: People living in poverty organised and empowered to influence and secure quality public education**

The country has done much in promoting access to education for all, particularly at primary level. Nevertheless, a considerable number of school-aged children are still out of school while poor quality of education has featured as a key concern. In major urban centres income disparity determines the opportunity a child can have in accessing quality education. Children in most rural and pastoral areas and those coming from urban families living in poverty have very minimal access to early childhood development services.

AAE has been supporting communities and working with duty bearers to increase children's access to basic education. It will continue supporting communities to improve their access to quality basic education and early childhood development. Children's issues will be mainstreamed in most of our interventions to bring lasting changes in their lives and development.



# Change Promise #3

By 2017 over 134,000 children, 50% of whom are girls, will have secured access to quality basic education.



To realise this promise AAE will work with communities, PTAs/SMCs, teachers' unions/associations, networks and government institutions and facilitate harmonisation of the demand and supply sides.

## Key actions

- Supporting community initiatives to promote and uphold equal access to quality education and early childhood development for all;
- Supporting children, parents and teachers to participate in developing school improvement plans using the PQS framework;
- Supporting women's and men's literacy and empowerment, increasing their participation in SMCs and PTAs and empowering them to strengthen school governance and promote access to quality basic education;
- Supporting national and regional dialogues between teachers' unions and/or education networks and others to deal with issues and practices that have a bearing on quality education.



**Mission Objective 3:** *Women and girls empowered to attain better social status and economic capabilities and combat practices that hinder their wellbeing and development*

Women and girls' access and opportunity to make decisions are still challenged though the degree varies from place to place and/or community to community. Despite significant changes in the representation of women in various decision-making positions in government, which are commendable, achievements are still inadequate in light of the magnitude of their constituency, capacity and space to influence the public sector towards meeting women's needs and aspirations.

# 3  
 Women and girls empowered to attain better social status and economic capabilities and combat practices that hinder their wellbeing and development

Mission Objective



## Change Promise #4

*50,000 women and girls will protect themselves from violence and harmful customary practices through mobilization, solidarity building and collective action.*

Women and girls are still victims of various forms of discrimination and are vulnerable to harmful social norms and traditions that inhibit their participation in and benefit from development. As the country's economy grows and the demand for labour rises, many women and girls migrate to urban centres from rural areas in search of work. Domestic work, labour intensive casual work in construction and manufacturing sectors absorb many of them. They are paid less compared to their male counterparts and experience various forms of sexual/domestic violence. On the other hand, the majority of women are housewives shouldering both reproductive and productive responsibilities. However, this "unpaid care" is rarely recognised in the society.

Building on experience and lessons learnt from the previous strategies, AAE will continue focusing on enabling women and girls and the community to change the situation. Major priorities will be empowering women and girls to attain better social status and economic capabilities.

## Key actions

- Educating/sensitizing women and girls and communities on factors inhibiting women and girls' health, access to education and their active participation in and benefit from development;
- Promoting safe cities programs in urban slums and peri-urban areas toward improving women and girls' access to public services and infrastructure to guarantee their safety and mobility;
- Promoting the documentation and sharing of best practices that demonstrate women's enhanced access to social and economic alternatives to multiply effects of our programmes.



## Change Promise #5

By 2017, a total of 14,000 urban and rural women living in poverty will have optimised economic alternatives and got better entitlement and access to productive resources.

## Key actions

- Building the capacity of women’s groups to realise sustainable agriculture and natural resource management by drawing on traditional and scientific knowledge including promotion of access to relevant extension services, modern inputs, training, finance, information and market;
- Supporting women to design and test gender-responsive economic alternatives that balance their paid work;
- Raising public awareness to promote the value of women’s role as unpaid caregivers.



**Mission Objective 4:** *People living in poverty are organised and empowered to influence the responsiveness of public institutions and secure quality basic services*

Various sources concur that the country has achieved remarkable progress in providing basic services. Notwithstanding, there are still huge unmet demands for quality basic services. Many people have limited access to clean and safe water in rural areas. Water fetching still consumes a great deal of women and girls’ time and deters girls from attending school while causing poor performance and dropping out on those who attend school.

Though a stable trend is developing in the prevalence of HIV/AIDS, large numbers of people are still exposed to the pandemic and many live with HIV/AIDS. Incidence of child/youth headed households is on the rise due to parental deaths by HIV/AIDS.

## #4

**People living in poverty are organised and empowered to influence the responsiveness of public institutions and secure quality basic services**

Mission Objective



## Change Promise #6

*By 2017 over 74,000 people will be organised in 350 groups/CBOs and networks and secured access to basic public services.*

ActionAid Ethiopia believes that people living in poverty and women need to be conscious of their immediate situation, surrounding context and realise their potentials toward bringing sustainable change. Hence, it will build on past experiences of initiating and organising people living in poverty around provision of basic services such as water schemes, sanitation and HIV/AIDS programmes through innovative tools like REFLECT and CBAP.



## Key actions

- Mobilising women, youth and disadvantaged groups so that they are able to access public services and monitor gaps/status through Reflection-Action processes;
- Building the capacity of organisations of women, youth and excluded groups to network, lobby, advocate and take action for the delivery of quality public services.





## 8. Organisational development objectives (ODO) and key results

We recognise the strong and explicit connection between organisational development and achievement of organisational mission. How we organise ourselves and take actions play a crucial role in determining how well we will fulfil our purpose of existence. Our organisational objectives are geared toward enhancing efficiency and effectiveness through building and maintaining a culture, functional structure and setting, appropriate policies and systems and capabilities to achieve our strategic objectives.

### Key Results

#### 1.1. Organisational set up (structure) updated, instituted and rolled out

We will set up a well functioning organisational structure that guarantees effective realisation of mission objectives. The structure will primarily seek to promote synergy and linkage between and among activities, departments and functions; avoid the development of “silos” and minimise unnecessary levels of hierarchy, overlaps and duplication of efforts. It will maintain a flexible size of core staff to enhance organisational effectiveness and efficiency. Shared responsibilities and accountabilities such as documentation, child sponsorship operation and fundraising will be part of each job description.

#### 1.2. Policies, procedures and guidelines updated

**HR/OD policy, guidelines and tools developed/updated:** We will revise the HROD policy components and other HR related policies and guidelines to respond to internal and external changes and challenges and align our policies to AAI Global HROD standards.

**Financial policy and guidelines updated:** We will put in place a feasible Financial Policy and Procedure Manual that complies with AAI Financial Management Framework and emerging internal and external requirements.

Organizational Dev. Objectives

# #1

Enhance organisational efficiency through instituting robust organisational structure and systems



**Operation support system updated:** The Operation Support Manual will be updated regularly and operation guidelines will be developed to ensure effective organisational support system, cost effectiveness and efficiency.

**Partnership strategy revised:** We will revise and update our partnership guidelines to realign them with key aspects of our mission objectives and strategies. Our commitment to work directly with communities and CBOs requires establishing principles and procedures on the basis of the ALPS framework. Hence, we will develop a CBO engagement guideline.

**Gender policy revised:** We will develop a robust gender policy/strategy to refine our gender perspectives throughout our engagements and facilitate identification, recruitment, and retention of competent women through affirmative action, strategic level engagement and supra leadership commitment.

**IT system developed and institutionalised:** We will explore opportunities to enhance efficient and cost effective internal communication systems, access to information and accountability in a way that promotes the principle of green organisation. IT related policies and systems will be regularly reviewed and updated.



AAE recognises that its human resource is an indispensable asset and commits to creating an environment conducive to professional excellence and organisational success.

## Key Results

**2.1. . Effective staff recruitment and retention system instituted:** We will develop and institute an effective and efficient staff recruitment and retention strategy. The strategy will include a reasonable level of decentralisation in recruitment and succession planning among others.

Salary and benefit packages will be adjusted in keeping with the organisation's financial capacity to attract, retain and optimise staff efficiency. Emphasis will be given to establishing a system to attract recruit and retain female employees without compromising standards of qualification and competency.



**2.2. Training and education guidelines put in place:** AAE will continue investing on staff capacity development with a purpose to enhance performance and help staff develop their career through knowledge and skills development. Training and education guidelines will be revised and training plans developed. On-job learning, coaching and mentoring systems will be instituted. Mechanisms will be set to monitor the value addition of investment on training, draw lessons and identify alternatives. Training and learning programs can range from thorough induction, immersion, secondment, study tours in country and abroad to short and long-term education programmes.

**2.3. Staff performance management strengthened:** We will update staff performance plan and appraisal systems and feedback mechanisms to facilitate learning and strengthen accountability. We will devise creative ways to recognise staff achievements to enhance diligence and innovativeness.

**2.4. Organisational culture strengthened:** As an organisation committed to promoting social change, shift in power and empowerment of people living in poverty, AAE requires its staff to exhibit the attitudes and behaviours laid out in ALPS and commit to building and nurturing a progressive organisational culture. We will develop a mechanism to monitor underlying assumptions, attitudes, beliefs, values and norms shared among staff and expressed in language, decision-making, images and stories and daily practices. We will facilitate opportunities for learning and interaction to encourage staff emulate exceptional performers and exemplary leaders.



The quality of systems we institute in programming, monitoring and evaluation, documentation and sharing of achievements for learning determine the effectiveness and efficiency of our programme delivery and the depth and breadth of impacts we aspire to make. We pledge to make remarkable improvement in the following areas:

Organizational Dev. Objectives

**#2**

Build competent, empowered and value-driven staff



## Key Results

### #3

Strengthen and demonstrate the impact of our work and ensure quality, integration and coherence

**3.1. Programme delivery improved through designing and implementing an effective programme framework (planning, reporting and M&E):** We will adapt and implement the AAI programming design and institute the ALPS framework. We will contextualise and roll out AAI's overarching development philosophy, Human Rights Based Approach, in accordance with national legal frameworks. The new monitoring and evaluation system will be instituted. Baseline indicators will be established across all programmes to enable gauge and evaluate changes made. Management Information System (MIS) will be developed and applied to facilitate effective data management and efficiency of programme delivery.

**3.2. Knowledge generation enhanced through setting effective system of documentation and shared learning:** We will institute a mechanism to implement 'learn to document and document to learn'. We will create a system to share our achievements and best practices internally, with the wider AAI family and other institutions on a regular basis.

**3.3. Linkage and synergy guaranteed:** There is a need for maintaining coherence and creating linkages between the works we do at various levels while all of these need to be aligned to the broader AAI objectives and priorities. We will establish a mechanism that will help us harmonise and deliver on these needs.

**3.4. Communication approaches and systems strengthened:** Our communication practices and modalities will be enhanced to facilitate achievement of our mission objectives through strengthening our profile, image and visibility in a wider public space. Organisational messages will be conveyed and achievements and best practices shared regularly through various means of communication, targeting strategic audiences to influence other actors in the eradication of poverty. Communications strategy will be developed to guide and deliver these processes.



**3.5. Long-term intervention areas consolidated:** Decline in child sponsorship fund and fierce competition to secure partnership fund challenge us seriously following the financial and economic crises in donor countries, especially in the Euro Zone. While intensifying efforts to diversify and broaden its funding base from internal and external sources, AAE will focus on consolidating existing development areas (DAs) rather than expanding its coverage. We will also review the extent to which DAs met their initial aspirations and determine where and when to phase out from existing ones.



## Key Results

**4.1. Opportunities explored to transform AAE into an affiliate of the AA Federation:** We commit to explore opportunities to establish a new governance system that will have a General Assembly and a governing board through which AAE will be transformed into an affiliate of the AA Federation. Key actions include mapping out of the context, exploring possible options and their implications, implementing feasible mechanisms and internalising the outcome among staff.

**4.2. Leadership efficiency enhanced:** Guidelines will be developed to systematise leadership roles, responsibilities and working modalities at all levels. Internal and external training and exposure visits will be organised to build the capacity of leaders at all levels.

**4.3. Women leaders attracted, motivated and retained:** Gender imbalance is a major organisational concern. A system will be instituted to attract, retain and motivate women leaders. The system will include establishing women's forum and taking affirmative action.

**4.4. Internal control and risk management system strengthened:** Effective utilisation of resources require strong and effective control systems. Building on lessons drawn from the past, we will strengthen the independence of the Audit Unit and enhance efficiency of the audit committee to maximise value for money. Staff capacity will be built to enable them identify and mitigate risks.



Organizational Dev. Objectives

**#4**

Transform our governance and leadership systems



We exist in a dynamic world where change takes place constantly with inevitable consequences on our existence and the way we work. We are an evolving organisation adopting new ways of working with new national and international strategies that require changes in our systems, practices and behaviours. In order to respond to the required changes and remain viable, we will develop and rollout a change management framework.

## Key Results

Organizational Dev. Objectives

**#5**

Strengthen organisational capacity to manage changes

**5.1. Operation environment scanned:** The management will regularly review and analyse national and international political, social and financial trends and their implications for AAE.

**5.2. Capacity of leaders built to make them better change managers:** We will build the competence of AAE's leadership at all levels to make them effective change managers. Training and reflection sessions will be organised to broaden understanding on changes, build important change management skills and enable leaders to take proactive measures to effectively manage changes based on critical analysis of the context and its implications.

**5.3. National staff and International Secretariat informed about context and involved in processes as appropriate:** We will learn and analyse trends, developments and their implications and share our understanding with staff, partners and the International Secretariat. We will also involve them in developing appropriate responses and solutions.





## Key Results

**6.1. Our annual income diversified and increased from £4.3 million to £ 4.9 million at the end of the strategy period:** In the past five years, around 88% of our income was generated from Regular Giving Income (RGI) while the remaining 12% came from Partnership Income (PI), of which 52% was from Institutional Donors and 48% from High Value Donors. Assessment of past trends and utilisation capacity of AAE and its partners was made to forecast resource needs through PI and RGI. As most of AAE's RGI supporters come from Europe (Italy, Spain, Greece and UK), the current Euro Zone crisis has resulted in an unprecedented rate of supporter drop out and decline of RGI. RGI is projected to keep declining by 12% by the end of the strategy period. To compensate for this huge decline and achieve a 13% overall income growth at the end of 2017, we will strive to triple our institutional funds and grants from high value donors by 2017 and increase our partnership income by 200% in the coming six years. As the new AAI resource allocation framework excludes AAE from the priority list for new link allocation, we will strive to maintain the commitment of existing supporters through effective sponsorship management.

Organizational Dev. Objectives

# #6

Diversify and increase  
funding base and  
enhance fund  
utilisation capacity



### Income Projection & Funding Mix

Funding Mechanisms & Fund Mix (£'000)	Annual Average for the last 5 years (2007-11)	2012	2013	2014	2015	2016	2017	CSP IV Total
		Partnership Income (PI)	512	605	717	860	1,044	1,269
Institutional Income	264	312	370	444	539	655	792	3,112
High Value Income	248	293	347	416	505	614	743	2,918
PI growth Rate		18%	19%	20%	21%	22%	21%	200%
Regular Giving Income (RGI)	3,822	3,388	3,320	3,254	3,221	3,285	3,350	19,818
RGI Growth Rate		-11%	-2%	-2%	-1%	2%	2%	-12%
Funding Mix (PI-Share)	12%	15%	18%	21%	24%	28%	31%	23%
<b>Total Income</b>	<b>4,334</b>	<b>3,993</b>	<b>4,037</b>	<b>4,114</b>	<b>4,265</b>	<b>4,554</b>	<b>4,885</b>	<b>25,848</b>
Total Income Growth Rate		-8%	1.1%	2%	4%	7%	7%	13%
<b>Expenditure:</b>								
Partnership	690	572	717	860	1,044	1,269	1,535	5,997
Regular	3,393	4,151	3,295	3,262	3,269	3,334	3,334	20,645
<b>Total expenditure:</b>	<b>4,083</b>	<b>4,723</b>	<b>4,012</b>	<b>4,122</b>	<b>4,313</b>	<b>4,603</b>	<b>4,869</b>	<b>26,642</b>
Growth Rate (%)		16%	-15%	3%	5%	7%	6%	19%
<b>Reserve (fund balance):</b>								
Partnership								
Regular								
<b>Total Reserves</b>								
No. of Months (Reserve)		2.5	3	3	3	3	3	





To achieve the income projections, we will diversify and build a loyal and supportive donor base that provides sustainable resources to deliver on AAE's missions. We will demonstrate our organisational uniqueness by offering donors a broader, more innovative choice of funding opportunities and by connecting them to the real voices and stories of people living in poverty. We will implement effective incentive mechanisms to motivate staff at all levels to be innovative and committed in soliciting and absorbing financial resources. We will also work closely with ActionAid Africa Region and the International Fundraising Team to improve institutional and high value fundraising opportunities and share experiences.

**6.2. Funding planning strengthened, regular donor scoping undertaken and fundraising strategy updated:** We will further strengthen the Funding Planning System at all levels to ensure that fundraising plans are led by programmatic priorities as per ambitions of CSP IV and harmonise our fundraising strategy with the resource requirement of the strategy, familiarise it among all stakeholders and implement it effectively. We will also update the donor scoping study through in-depth analysis of ActionAid's priority donors and their preferences and map out opportunities for funding our strategic priorities.

**6.3. Capacity of staff and partners strengthened on resource mobilisation and grant management:** We will undertake periodic capability assessments to identify gaps in skills, knowledge and understanding around official and high value fundraising and provide appropriate training on development of quality concept notes and proposals, grant management, documentation and sharing. We will also strengthen the roles and responsibilities of the National Donor-Funded Projects Management Team.

**6.4. Child sponsorship operations aligned to organisational approach and values:** We will enhance the alignment of child sponsorship to ActionAid's overarching development approach and values. We will strengthen ties between our supporters and people living in poverty through stories that show how our support and community actions bring about real changes. We will improve the integration of Child Sponsorship into programme and other functions, enhance staff perception and participation in sponsorship activities, ensure that programming focuses on children, secure donor's satisfaction and renew their commitment.

We will ensure highest standard of supporter communication and timeliness to increase our accountability and transparency both to supporters and the community we work with. We will also strengthen involvement of the community and children in child sponsorship process to build up on community ownership and participation.



## Conclusion

Country Strategic Plan Four recommit us to our firm aspiration to end poverty. The strategy requires renewed ingenuity and adaptation to new ways of working, more courage and collective action among the leaders, staff and partners of AAE. Realising its ideals and aspirations calls for linkages of our work at local, national and international levels and a determination to add value to efforts in eradicating poverty from Ethiopia and beyond.

## ANNEX I: RISK MATRIX

Objectives (A)	Identified Risk (B)	Probability (H,M,L) (C)	Impact (H,M,L) (D)	Current Action (E)	Risk Owner (F)	Action Plan (G)
Improved livelihood and resilience of people living in poverty through sustainable agriculture and enhanced capability to manage risks	Incidences of disaster	M	H	<ul style="list-style-type: none"> <li>Routine follow up of the agricultural production situations across DAs</li> <li>Closely follow humanitarian updates</li> <li>Build the preparedness capacity of vulnerable people</li> <li>Mobilise resources and provide support during emergencies</li> </ul>	CD & SMT	<ul style="list-style-type: none"> <li>Take part in periodic harvest assessments as part of the humanitarian community</li> <li>Institutionalise situation update systems</li> <li>Organise and sensitise vulnerable communities and stakeholders on disaster risk reduction mechanisms and build preparedness capacity</li> <li>Develop preparedness plan to provide emergency support when it occurs</li> </ul>
	Huge demand for emergency intervention					
People living in poverty organised and empowered to influence and secure quality public education	Limited capacity and inadequacy of facilities to provide quality education, especially to children in remote areas and pastoralist communities	H	H	<ul style="list-style-type: none"> <li>Strengthen actions on provision of capacity building in selected schools</li> </ul>	CD & PDQA Head	<ul style="list-style-type: none"> <li>Build the capacity of community groups to work on and demand for provisions of better school facilities</li> <li>Capacitate schools to enable them provide better facilities and services to children</li> <li>Involve other actors to respond to demands</li> </ul>
	Misinterpretation of our PQS modality	M	M	<ul style="list-style-type: none"> <li>Share the purpose and its value addition using joint forums</li> </ul>	CD and PDQA Head	<ul style="list-style-type: none"> <li>Build clarity on the purpose and the process</li> <li>Prepare an elaborative guide and share it with actors</li> </ul>
Women and girls empowered to attain better social status and economic capabilities and combat practices that hinder their wellbeing and development	Challenges of the legal environment (Charities & Societies Legislation) on our women development works	H	H	<ul style="list-style-type: none"> <li>Raise awareness of the public, women in particular and government stakeholders on negative impacts of HTPs and VAW on poverty eradication</li> </ul>	CD & PDQA Head	<ul style="list-style-type: none"> <li>Use of various media outlets to build clarity on the value addition of our works in poverty eradication</li> <li>Continuous engagement to build trust with concerned government institutions and other actors</li> <li>Work in collaboration with networks &amp; support joint forums</li> <li>Review the operating environment regularly and take appropriate actions</li> </ul>

Objectives (A)	Identified Risk (B)	Probability (H,M,L) (C)	Impact (H,M,L) (D)	Current Action (E)	Risk Owner (F)	Action Plan (G)
Enhance organisational efficiency through instituting robust organisational structure and systems	High staff turnover including at leadership level	H	H	<ul style="list-style-type: none"> <li>• Revisiting remuneration</li> <li>• Rapid replacement</li> </ul>	CD & HROD Head	<ul style="list-style-type: none"> <li>• Revision of remuneration systems</li> <li>• Emphasise staff development &amp; retention mechanisms</li> <li>• Develop &amp; employ succession plan</li> </ul>
	Difficulty to find competent women and maintain the required gender balance	H	H	Special attention given to recruit competent women	CD and HROD Head	<ul style="list-style-type: none"> <li>• Creating a system to attract, recruit and retain female employees without compromising qualification and competency standards</li> </ul>
Build competent, empowered and value-driven staff	Staff legacy to maintain thematic silos and poor understanding on organizational approaches and new ways of working	M	M		PDQA Head	<ul style="list-style-type: none"> <li>• Organise successive trainings to familiarize organisational systems and approaches</li> <li>• Undertake periodic review of performances</li> </ul>
	Difficulty to find appropriate persons to key governance positions	M	M		CD	<ul style="list-style-type: none"> <li>• Undertake critical assessment, head hunt competent persons and convince them to assume governance positions in consultation with partners</li> </ul>
Strengthen and demonstrate the impact of our work and ensure quality, integration and coherence	Difficulty to find competent women to leadership positions	H	H	<ul style="list-style-type: none"> <li>• Advertising job positions in a way women are encouraged to compete for</li> </ul>	CD & HROD Head	<ul style="list-style-type: none"> <li>• Develop succession plan</li> <li>• Search for competent women during recruitment</li> <li>• Put in place systems to attract more women and employ additional development opportunities to women staff &amp; women leaders</li> </ul>
Transform our governance and leadership systems						

Objectives (A)	Identified Risk (B)	Probability (H,M,L) (C)	Impact (H,M,L) (D)	Current Action (E)	Risk Owner (F)	Action Plan (G)
<b>Strengthen organisational capacity to manage changes</b>	Challenges to ensure alignment with the global strategy while striving to manage changes as informed by the country's legal context	M	M	<ul style="list-style-type: none"> <li>Contextualisation of the key strategies of the global AA federation in line with the local context</li> <li>Creating understanding on local context with relevant regional and IS bodies within AA</li> </ul>	CD & PDQA Head	<ul style="list-style-type: none"> <li>Build staff capacity on contextual application of organizational approaches</li> <li>Take corrective measures during operational planning and implementation in response to possible changes and challenges within the operating environment</li> <li>Build AAE's visibility and organisational image through advocacy by example</li> </ul>
	Internal resistance and challenge both in understanding and rolling out the change management process	M	M	Developing a clear change management framework and creating common understanding among staff and the leadership through open and participatory consultative processes	CD & SMT	<ul style="list-style-type: none"> <li>Developing a clear change management framework</li> <li>Creating a common understanding among staff and the leadership through open and participatory consultative processes</li> </ul>
	Decline in income due to financial crises in Euro Zone	H	H	Maximise efforts to maintain sponsorship links and develop and market concept notes and proposals to raise more partnership income	CD & SMT	<ul style="list-style-type: none"> <li>Devise mechanisms to retain existing supporters and deliver requirements maintaining quality</li> <li>Revisit our fund raising strategy to accommodate updates of the context</li> <li>Intensify work on fundraising</li> <li>Institute incentive mechanisms for staff who deliver innovative proposals</li> <li>Limit programme expansion &amp; focus on consolidation of existing programmes</li> </ul>
<b>Diversify and increase funding base and enhance fund utilisation capacity</b>	Difficulty to maintain 70:30 programme admin ratio due to under spending of programme budgets	M	H	<ul style="list-style-type: none"> <li>Early start of programme implementation process</li> <li>Regular review of the income status using management accounts &amp; taking actions</li> <li>Provide regular support to DAs</li> </ul>	CD & FD Head & SMT	<ul style="list-style-type: none"> <li>Institute regular performance review systems with partners at all levels</li> <li>Systematise constant review of management accounts at all levels and take timely actions</li> <li>Build capacity of AAE and partner staff to enhance efficiency in grant management</li> </ul>
	Limitations on contract management of donor funded projects	M	H	<ul style="list-style-type: none"> <li>Periodic review of progress of donor funded projects and timely corrective measures to problems</li> <li>Assigning responsible staff for the purpose</li> </ul>	CD & Head of FRD	<ul style="list-style-type: none"> <li>Review progress of donor funded projects regularly</li> <li>Take corrective measures on problems encountered</li> <li>Strengthen donor project management systems</li> </ul>
	Low fund utilisation capacity among partners (CBOs) and stakeholders	M	H	<ul style="list-style-type: none"> <li>Build partners' capacity in project and fund management</li> <li>Close follow up and monitoring</li> </ul>	FD Head & SMT	<ul style="list-style-type: none"> <li>Build partners capacity in project implementation and fund management</li> <li>Close and regular follow up and monitoring</li> <li>Create joint review forums</li> </ul>
<b>Cross-Cutting</b>	Inflation	H	H	<ul style="list-style-type: none"> <li>Maximise efforts to implement programmes &amp; non program activities timely</li> <li>Monitor inflation trends closely</li> </ul>	CD & SMT	<ul style="list-style-type: none"> <li>Regular review to inflation trends &amp; take timely actions</li> <li>Enhance the access of poor people to information</li> <li>Maximise efforts to implement planned activities timely</li> </ul>

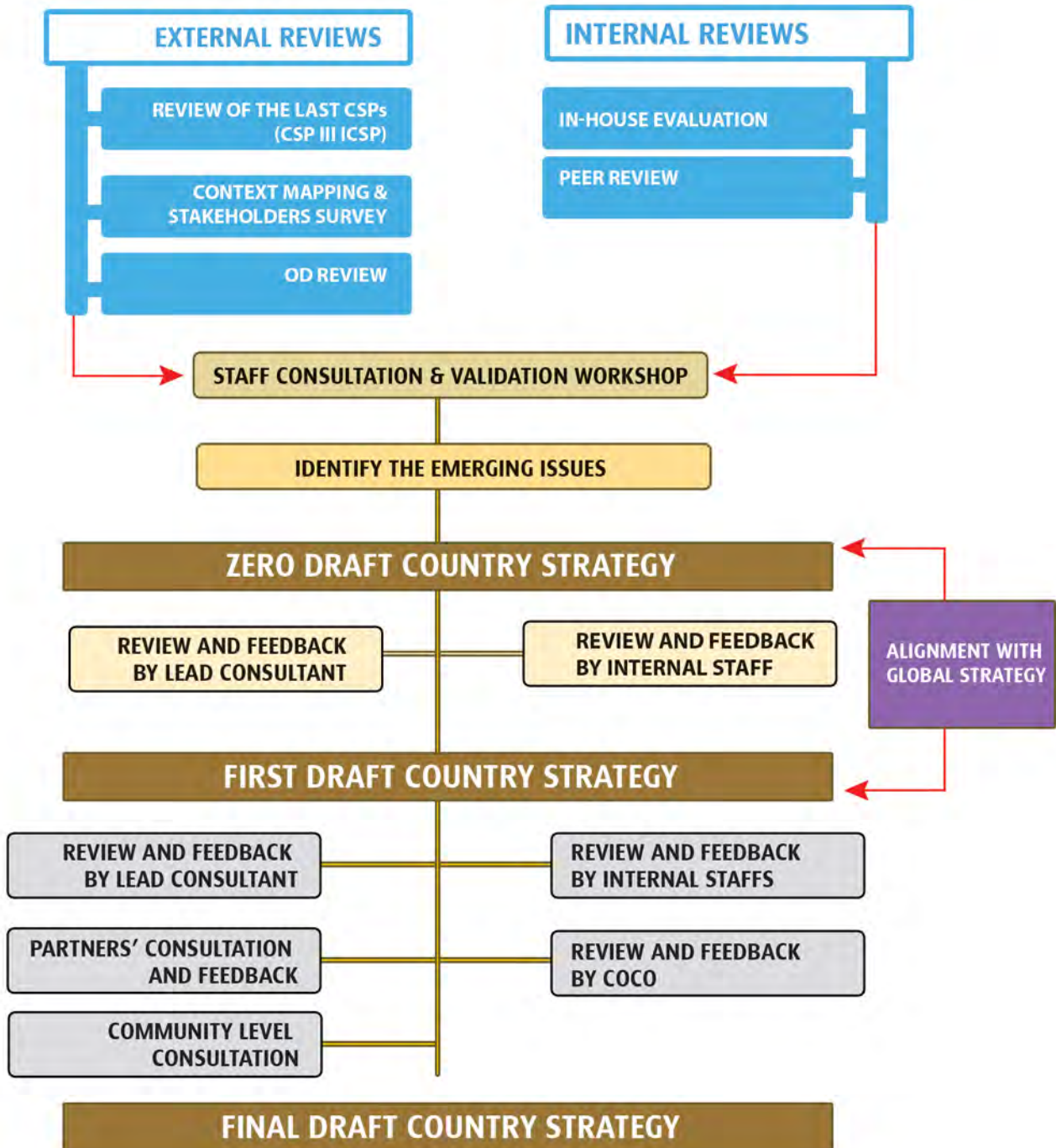
CD - Country Director; FD - Finance Department; FRD – Fundraising Department; HROD - Human Resource & Organisational Development; PDQA - Programme Development & Quality Assurance Department,

H=High, M= Medium, L+ Low

# Abbreviations

<b>AA</b> ActionAid	<b>ICS</b> Incorporating Child Sponsorship
<b>AAE</b> ActionAid Ethiopia	<b>ICT</b> Information Communication Technology
<b>AAI</b> ActionAid International	<b>ILO</b> International Labour Organisation
<b>ACCESS</b> Alternative Centres of Cost Effective Education within the School System	<b>IS</b> International Secretariat
<b>ADB</b> African Development Bank	<b>IT</b> Information Technology
<b>ALPS</b> Accountability, Learning and Planning System	<b>IYCF</b> Infant and Young Child Feeding
<b>CBAP</b> Community Based AIDS Programme	<b>MDG</b> Millennium Development Goal
<b>CBO</b> Community Based Organisation	<b>MIS</b> Management Information System
<b>CP</b> Country Programme	<b>MNC</b> Multi National Corporation
<b>CRGE</b> Climate Resilient Green Economy	<b>MoFED</b> Ministry of Finance and Economic Development
<b>CRSA</b> Climate Resilient Sustainable Agruculture	<b>MoH</b> Ministry of Health
<b>CSA</b> Central Statistics Agency	<b>NER</b> Net Enrolment Rate
<b>CSO</b> Civil Society Organisation	<b>NGO</b> Non-Governmental Organisation
<b>CSP</b> Country Strategic Plan/Paper	<b>NPDPM</b> National Policy on Disaster Prevention and Management
<b>DA</b> Development Area	<b>PASDEP</b> Plan for Accelerated and Sustainable Development to End Poverty
<b>DHS</b> Demographic and Health Survey	<b>PLWH</b> People Living with HIV/AIDS
<b>ECE</b> Early Childhood Education	<b>PRRP</b> Participatory Review and Reflection Process
<b>ESDP</b> Education Sector Development Programme	<b>PQS</b> Promoting Quality in Schools
<b>FDRE</b> Federal Democratic Republic of Ethiopia	<b>PTA</b> Parent-Teacher Association
<b>FGM</b> Female Genital Mutilation	<b>REFLECT</b> Regenerated Freirian Literacy and Empowerment through Community Techniques
<b>GBV</b> Gender Based Violence	<b>RGI</b> Regular Giving Income
<b>GDI</b> Gender Development Index	<b>RH</b> Reproductive Health
<b>GDP</b> Gross Domestic Product	<b>SMC</b> School Management Committee
<b>GER</b> Gross Enrolment Rate	<b>UN</b> United Nations
<b>GTP</b> Growth and Transformation Plan	<b>UNDP</b> United Nations Development Programme
<b>HCP</b> Harmful Customary Practices	<b>VAW</b> Violence Against Women
<b>HDI</b> Human Development Index	
<b>HDR</b> Human Development Report	
<b>HR/OD</b> Human Resource /Organisational Development	
<b>HTP</b> Harmful Traditional Practices	

**SCHEMATIC VIEW OF CSP IV DEVELOPMENT – APPROACH AND METHODOLOGY**



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