

THE ROLE OF ESRDF IN EMPOWERING COMMUNITIES

The Case of Addis Ababa Regional Office

Prepared for Presentation at the 2nd EAF International Conference on Contemporary Development
Issues in Ethiopia
11-13 July, 2003, Addis Ababa, Ethiopia

By

Alemayehu Semunigus

Ethiopian Social Rehabilitation and Development Fund

April 2003

Addis Ababa, Ethiopia

Table of Contents

	Page
Abbreviations and Acronyms	ii
Forward	iii
Abstract	iv
I. INTRODUCTION	
1.1 Rationale for Social Funds	1
1.2 The ESRDF	2
1.3 Performance of the ESRDF, the Case of Addis Ababa RO	5
II. SURVEY OF LITERATURE ON COMMUNITY EMPOWERMENT	
2.1 Definitions	9
2.2 Typology	10
2.3 Principles	11
2.4 Community Empowerment: a means to Reduce Poverty	12
2.5 Challenges of Community Empowerment	13
III. ROLE OF THE ESRDF-AARO IN EMPOWERING COMMUNITIES	
3.1 Social Capital Development	14
3.2 Provision of Financial and Technical Resources	15
3.3 Giving Authority to use Financial and Technical Resources	17
3.4 Improvement in Community Capability	18
3.5 Enhancement of Women’s Participation	22
IV. LESSONS LEARNED	23
V. CONCLUSIONS AND RECOMMENDATIONS	25
VI. REFERENCES	26
VII. ANNEXES	27

Abbreviations and Acronyms

AARO	=	Addis Ababa Regional Office
CBO	=	Community Based Organization
CBT	=	Capacity Building and Training
CO	=	Central Office
CPC	=	Community Project Committee
EDU	=	Education
ERP	=	Emergency Rehabilitation Program
ESRDF	=	Ethiopian Social Rehabilitation and Development Fund
ETB	=	Ethiopian Birr
HSN	=	Health and Sanitation
IDA	=	International Development Association
IG	=	Income Generating
MCH	=	Maternal and Child Health
MIS	=	Management Information System
MUSD	=	Million US\$
NGO	=	Non Governmental Organization
NORAD	=	Norwegian Agency for Development Cooperation
OPD	=	Out-patient Department
PO	=	Project Officer
RO	=	Regional Office
RSC	=	Regional Steering Committee
TB	=	Tuberculosis
UNDP	=	United Nations Development Program
UNICEF	=	United Nations Children's Fund

Forward

This paper presents a brief overview of the role played by the Ethiopian Social Rehabilitation and Development Fund (ESRDF) in empowering local communities. For the sake of convenience only one region out of eleven, i.e. the ESRDF-Addis Ababa Regional Office (AARO) is considered as a case study.

The paper begins by giving a birds-eye-view about the rationale for social funds and subsequently describes the general features of ESRDF and overall performance of the Fund's Regional Office (RO) for Addis Ababa.

The core of the paper describes the Fund's contribution towards empowering local communities and is presented in light of the limited literature reviewed on basic issues of community empowerment.

The last two sections of the paper describe the lessons learned by the RO in the area of local community empowerment and summarize the core issues discussed in the paper as concluding remarks.

In the course of preparation of the paper only secondary data sources are employed and to this effect relevant literatures, sub-project files, Management Information System (MIS) data, progress reports, mid-term reports and staff appraisal reports were referred. Apart from that the author's personal experience and observations are included as he has been working in the Fund office under-reference since the time of its establishment.

This paper has limitations in its depth and coverage of the subject matter of the paper. The analysis made in the paper also needs refinement. Despite the limitations the author believes that the paper can contribute a lot in filling the research gap in the area of local community empowerment.

This paper involves great dedication on the part of my wife, Mrs. Meskerem Tekle Mariam, who, apart from her huge household and office responsibilities, was often under great pressure to edit and type all the manuscripts. I would like to extend my special and heartfelt thanks to her for such invaluable combined assistance without which the paper could not have been worked and completed on time.

Several people have also assisted and encouraged me in the course of preparation of this paper. I hope that all are aware of my gratitude. But I must express my gratitude in particular to

Mr. Roger Hare, for the time he took to read the final draft and give invaluable comments that helped in improving the paper.

Abstract

The ESRDF, one of the biggest projects funded by the World Bank in Ethiopia, was established on 13 February 1996. It was designed to provide financial and technical support to poor, mainly rural and women communities and community groups, to construct or rehabilitate and maintain basic economic and social infrastructure and services, as well as environmental conservation actions that they prioritized and in which they are willing to invest. In its technical support ESRDF was envisaged to give greater emphasis on strengthening community capacity in project identification, implementation and maintenance.

ESRDF is a semi autonomous office and was organized on a decentralized basis. It has a central office and eleven regional offices, including Addis Ababa. The organizational structure employed at all levels is very slim and the staffing consists of a few qualified technical specialists.

ESRDF has been operational for the last six years (1996-2002), and the theme of this paper is to go over its success towards achieving one of its top objectives, i.e. community empowerment, by taking ESRDF-Addis Ababa Regional Office as a case study.

The ESRDF – Addis Ababa RO has assisted a total of 191 community-initiated projects technically and financially. They have focused on primary education, primary health care, environmental sanitation and development, capacity building and training and income generation.

The paper is thus primarily focusing on the extent to which the office's intervention brings about the enabling environment for communities to decide what their priorities are, to enable them to form their internal committees and elect representatives accountable to them, to participate actively in planning, implementation, management and maintenance of their projects, and to have considerable women's participation in the decision-making process of communities' actions in general and activities directly affecting their lives in particular.

In order to give life to the discussion in the paper, facts about sub-projects that are relevant to the discussed topics will be demonstrated and presented.

At the end of the paper, concluding remarks and recommendations concerning policy implications of community empowerment to the realization of poverty reduction strategy programs in Addis Ababa will be drawn.

I. INTRODUCTION

1.1 Rationale for Social Funds

The failure of centralized agencies and top-down planning to reach the poor with sustainable development solutions has led to a search for more effective approaches. This reassessment has resulted in project designs that attempt to devolve decision-making and resources to lower levels and government and to communities and user groups. Now a growing body of evidence confirms that community involvement in the initiation, planning implementation, operation, and maintenance of development projects does indeed lead to more sustainable results. (World Bank Discussion Paper No. 375, 1997, p. v)

The participatory process gives communities the opportunity to analyze and discuss their local situation in systematic fashion. This raises awareness about local problems and their causes, and about the availability of internal and external resources. Through the participation process, communities become responsible for the implementation of their action plans. Rather than being mere recipients of services and grants, communities take the lead in the development process. By doing so they strengthen indigenous institutions and local organizations. Through the participation process, communities become aware of the need to plan and execute their actions within hard budget constraints. They become aware that cost recovery is needed to ensure sustainability. This also opens the way to the acknowledgement that much can take place immediately through better use of existing local resources and latent capacities. (World Bank, Source book for Community Driven Development in Sub-Saharan African Region, p.13)

Social funds have proved to be an important instrument for creating projects that reach the poor using community-based strategies. Social funds have provided much valuable experience on the mechanisms for reorienting development agencies toward participation and demand-based projects. They have also instituted groundbreaking initiatives to increase community involvement and control in project implementation. The results of social fund work are also beginning to show the importance of building the capacity of local organizations – a form of social capital and the huge potential of development projects to do this. (World Bank Discussion Paper No. 375, 1997, p. v)

If development projects can strengthen local-level social capital, they may indeed leave in place the capacity for communities to continue to help themselves. When that occurs, projects will be seen as an input into the lives of the poor, rather than the poor being seen as an input into development projects. (Ibid, p. v)

The essence of the social fund mechanism is to finance, monitor and evaluate sub-projects but not to implement them. The key to success is clarity and transparency in the subproject cycle process so that the rules of these partnerships are clear to all actors. (Ibid, pp. 12-13)

1.2 The ESRDF

a) Establishment

The ESRDF was established in February 1996 by Proclamation No. 19/1996 of the government of the Federal Democratic Republic of Ethiopia. As with other social fund programs it was designed to achieve the country's objective of poverty reduction through the empowerment and popular participation of local communities. To this effect ESRDF was to have the following development objectives:

- i) Improving the living conditions of poor communities through the provision of financial and technical support for economic and social infrastructure and services, which the community has prioritized and is willing to invest in;
- ii) Enhancing the income-generating capacity of poor communities through the creation of economic assets and provision of essential economic services;
- iii) Promoting and using community-based approach in the identification, preparation, implementation and management of sub-projects;
- iv) Assisting and strengthening grassroots organizations and communities to increase their technical and managerial capacities in all aspects of sub-project activities through the provision of training;
- v) Supporting community actions aimed at environmental conservation and rehabilitation;
- vi) Focusing on poor communities, especially on poor women.

b) Program Cost and Financing

The ESRDF was a program envisaged to operate for five years (1996-2001)¹ in all regions² of the country. Its total cost was estimated to be 242 MUSD out of which 62percent

¹ With the agreement reached between the government of Ethiopia and the World Bank, the program was extended for a period of one year, up to December 2002, to fully utilize the pledged amount.

was earmarked for rural water/irrigation and 24percent for health, education and urban sanitation components. The remaining cost was shared between a few other components, and accordingly, welfare monitoring constituted 1percent and study fund 1percent. Technical assistance/training and operating costs constitute 5percent and 7percent respectively of the total estimated cost of the program. (Ibid. p. 62)

As far as the sources of financing the program were concerned, the Ethiopian government as well as multilateral sources (i.e. International Development Association (IDA), IDA Emergency Rehabilitation Program (ERP), United Nations Development Program (UNDP) and Norwegian Agency for Development Cooperation (NORAD)) and bilateral sources (namely: the Dutch, Italian, Belgian and Norwegian governments) were envisaged and a total³ of USD 189,154,000 was pledged by the stated financiers for the program.

c) **Major Stakeholders of the ESRDF Program and their Roles**

i) **Communities**

One of the objectives of the ESRDF was to be demand oriented and hence, the communities had to identify, develop and submit project proposals for its funding approval. The Fund further required the communities to form a Community Project Committee (CPC) for each sub-project, to contribute at least 10percent of sub-project costs in the form of cash, materials, labor or other services, and to manage and maintain facilities through user fees and other community contributions.

Communities represented by their respective CPCs are a party to all contractual agreements with the Fund. The CPCs have legal status, and as implementing agencies are also responsible for local sub-project related procurement, and in the case of self-help projects, the CPC contracts labor directly from the community.

ii) **The ESRDF**

ESRDF's role includes: promoting the fund among communities and local governments; receive and screen project proposals, if the proposals are initiated by and address the needs and priorities of the community; and approving sub-project proposals if the sub-projects are suitable for the communities' management and maintenance; communities contributions' of at least 10percent are in place; the sub-projects are responding to the needs of women and other special

² Unlike to the rest ROs, the RO for Dire Dowa started its operation in August 1997.

³ Of the total, the share of the Ethiopian government was 19 percent, IDA and IDA ERP 57percent, UNDP and NORAD 5percent, the Dutch government 9percent, Italians 5percent and Belgians 3percent. The share of the Norwegian government was 1percent of the total pledged amount.

groups; and the sub-projects are cost-effective, sustainable and environmentally sound. Once a decision is taken to finance sub-projects, the ESRDF monitors and supervises implementation, and ensures a proper hand-over of completed facilities to community project committees.

ii) Facilitators

Non Governmental Organizations (NGOs), regional sector bureau specialists, private contractors and especially trained facilitators collaborate with the ESRDF in supporting communities. The facilitators extend their assistance to the community at every step, starting from project identification and/or proposal development.

iii) Local Governments

Regional governments and sector bureaus are responsible for ensuring that the sub-projects satisfy sector policies and standards; for committing budget resources for recurrent costs that are of government's responsibility; and for providing ESRDF technical support in sub-project design, appraisal and implementation.

d) **Organizational Structure**

ESRDF operated on a decentralized basis through ROs. (See also the organogram in Annex I and II). The ESRDF Board is the highest policies level of the ESRDF structure. The ESRDF Central Office (CO) has been planning and managing financial transfers, and monitor and evaluate project implementation. Regional Steering Committees (RSCs) were approving sub-projects and ensure that the regional offices, which received, appraised and recommended communities project applications for ESRDF support, operated in accordance with the operational manual⁴ and handbooks, which provide sub-projects technical standards, and explain the Fund's processes.

i) The ESRDF Board

The fund is an autonomous agency with a board chaired by the Prime Minister. The Board consists of the head of the regional affairs bureau, and the Ministers of Finance and Economic Development, Water, and Agriculture.

⁴ It is the manual that satisfied donors requirements and has adopted by the ESRDF National board. It (i) contained the policy framework and organizational structure of the ESRDF; (ii)described roles,responsibilities, and authority; (iii)defined criteria and procedures for identification, appraisal and financing of sub-projects; (iv)specified implementation, procurement and disbursement arrangements ; (v)laid out monitoring, accounting, and auditing requirements;and (vi)described the procedures for annual programming and reporting.

Sample contract documents and standard forms for use in processing sub-projects were also found Annexed to the manual.

ii) The ESRDF-CO

The central fund office supervises and monitors activities of ROs and manages the capacity building and training, and research programs.

iii) The RSCs

The RSCs approve the subproject proposals. These committees are made up of the heads of the: social and economic sectors, planning and economic development bureau, finance bureau, commercial bank and development bank of Ethiopia, and representatives of civic organizations.

iv) The ROs

There are 11 regional and 3 sub-regional offices established for the Fund. Their role is to promote the fund's activities, appraise and recommend proposals to the RSCs, supervise implementation and post-project maintenance, disburse funds, and submit reports to the CO.

e) **Intervention areas and upper ceilings of the ESRDF funded sub-projects**

The major intervention areas of the ESRDF included: small-scale irrigation, rural water supply and sanitation, health, education and training and capacity building. Such intervention areas were pre determined on the basis of their suitability to the country's overall goals of poverty reduction strategies.

Different upper ceilings were also agreed for the fund's financing of a single sub-project falling under each intervention area. Accordingly, for a sub-project falling under small-scale irrigation category, an upper ceiling of USD 500,000 was fixed. For rural water supply it was USD 240,000, for primary health care USD250, 000, and for a primary education sub-project a maximum ceiling of USD 100,000 was fixed.

1.3 Performance of the ESRDF, the Case of Addis Ababa RO

Out of the total pledged amount for the ESRDF (i.e. 189.15 MUSD), Addis Ababa Region was earmarked a financial resource amounting to 15.88 MUSD i.e. 100,061,000 Birr⁵ to be used through out the program life. Like the other regions, the program was first launched in Addis Ababa in 1996. In that connection various workshops and seminars were conducted to inform the community and local governments about the fund's facilities and procedures.

⁵ The exchange rate used was 1 USD = 6.3 ETB as of 11 October 95 and taken from the staff appraisal report of ESRDF.

Following the launch workshops and other promotional works, the office started to receive sub-project proposals and up to 31 December 2002, 313 community initiated proposals were received; 191 projects were appraised and recommended for approval by the regional fund office, and 191 projects were approved by the RSC. The RO assisted the implementation of all approved projects financially and technically and as at 31 December 2002 the implementation of 160 projects were completed, and the implementation of 31 projects were carried over to the next fiscal year. (see Table I below)

Table I: Performance of the ESRDF AARO

Sector	No. of implemented projects	Project Cost by source (in thousand Birr)				No. of Beneficiaries In '000
		ESRDF's Share	Communities' Share	Others' Share	Total	
CBT	37	2,943.52	----	----	2,943.52	43.97
EDU	94	49,421.6	7,894.27	166.18	57,482.05	110.74
HSN	59	34,069.58	4,355.21	458.03	38,882.82	1,248.77
IG	1	235.73	10.00	----	245.73	0.1
Total	191	86,670.43	12,259.48	624.21	99,554.12	1,403.58

A total of Birr 79.53 million (i.e. 80percent of the total financial resources earmarked for the RO) was disbursed as at 30 December 2002, out of which Birr 70.16 million, Birr 2.94 million, and Birr 6.25 million were expended for infrastructure sub-projects, Capacity Building and Training (CBT) sub-projects and Administrative expenditures, respectively.

The implementation of all sub-projects was made with active involvement of the benefiting communities. The fund office, together with sector bureaus and local governments, had technically assisted the benefiting communities at all stages of the project cycle, especially at the implementation stage. In some few cases NGOs had also extended financial and technical assistance to the communities.

During the first four operation years of the Fund the benefiting communities managed to contribute 12.25 million Birr, i.e. 12percent of total sub-projects cost needed for implementation, and this had apart from creating a sense of ownership to the projects' assets, largely enhanced community level saving and investment.

The infrastructure built with the ESRDF's assistance had met sectoral and regional standards and largely contributed to the reduction of poverty in the respective sectors where the projects were implemented.

Projects that were implemented in the Education (EDU) sector have increased the quantity of up-to-standard infrastructure facilities such as classrooms, libraries, laboratories, administration offices, water supplies (tankers and taps), latrines, fences and guard houses, as well as the necessary furnishing and equipping of various primary schools of the region. Such increases made considerable contributions to the reduction of poverty in the education sector in general, and at the project level in particular, as ratios such as students-to-classrooms, desks, water taps, latrine seats on the one hand and enrollment rates on the other, showed a remarkable improvement (see sample project analysis table in Annex III).

In the Health and Sanitation (HSN) sector too the quality and quantity of infrastructure facilities have increased significantly, thereby reducing the poverty level prevailing in the sector. Construction of up-to standard waiting areas and registration offices, Maternal and Child Health (MCH), Out-patient Department (OPD), Tuberculosis (TB) treatment centers and administration offices in the one hand and construction of new health centers and health posts on the other hand, have improved the quality and coverage of health services significantly.

Likewise, sanitation sub-projects have increased the supply of infrastructure facilities related to drainage lines, communal latrines, flood protection walls, small culverts and pedestrian bridges in different parts of the region. Such infrastructure developments contributed to the reduction of poverty by improving public health through the creation of healthier residential environments and better access to social and economic services. Besides, there was a positive externality brought about by such infrastructure development, as the demand and cost of housing (i.e. both selling and renting prices) exhibited an increase. Such increases in prices and demands for houses in the project areas cropped up not only because the houses have become better residential places, but also they became competitive for undertaking petty trading and other road-side businesses. These in turn help the communities to maximize earnings from their houses.

The same externalities were also created for most education sub-projects as the salaries and benefits of their teachers have increased a great deal due to the increase in school enrolment and other opportunities created in connection with their location.

Sub-projects financed under CBT categories, apart from promoting the ESRDF's aims, principles and working mechanisms among the communities, had put vulnerable women and youths in a better position to get income and employment opportunities through short-term skill training schemes.

As far as the number of beneficiaries of ESRDF's financed projects are concerned , a total of 1.4 million people of Addis Ababa directly benefited from those projects completed by July 2002. Women constitute 53percent of the beneficiaries (see Table I above).

The performance of the fund's operation, beyond contributing to the creation of physical assets for poverty reduction, has also largely contributed to the empowerment of local communities. In this regard, the ESRDF's operation *inter alia* contributed to the creation and enhancement of social capital. As the very objectives of this paper are to show the contributions of the Fund towards local community empowerment, the forthcoming parts will be devoted to discuss the matter in depth.

II. SURVEY OF LITERATURE ON COMMUNITY EMPOWERMENT

2.1 Definitions

In some literatures 'Community' refers to people residing in a locality with common ties of ethnicity, religion, culture or tradition. (Nkongi E. Muhabwe, 2002,p.1). Conventionally the term 'community' can also be defined as "a group of people belonging to a given geographical area, or with common interests, or both".

Defining empowerment, however, cannot be as simple as defining the term community. The term empowerment has different meanings in different socio-cultural and political contexts, and does not translate easily into all languages.

To mention only a few of its definitions, empowerment is understood as self-strength, control, self-power, self-reliance, own choice, life of dignity in accordance with one's values, capable of fighting for one's rights, independence, own decision making, being free, awakening and capability.

Empowerment is relevant at the individual and collective level and can be economic, social and political. In its broadest sense empowerment is the expansion of freedom of choice and action. It means increasing one's authority and control over the resources and decisions that affect one's life.

A review of definitions of empowerment reveals both diversity and commonality. Most definitions focus on issues of gaining power and control over decisions and resources that determine the quality of one's life. Most also take into account structural inequalities that affect entire social groups rather than focus only on individual characteristics. The United Nations Children's Fund (UNICEF) Women's Equality and Empowerment Framework emphasizes women's access, awareness of causes of inequality, capacity to direct one's own interests, and taking control and action to overcome obstacles to reducing structural inequality (UNICEF 2001). The UNDP's Gender Empowerment Measure focuses on inequalities in economic and political participation and decision-making power and power over economic resources (UNDP 1995). Other writers explore empowerment at different levels: personal, involving a sense of self-confidence and capacity; relational, implying ability to negotiate and influence relationship and decisions, and collective (Rowlands 1997). The definition used by the International Fund for Agricultural Development includes both access to productive resources and the capacity to participate in decisions that affect the least privileged (Popular Coalition to Eradicate Hunger and Poverty 1995). In an extensive exploration of the term empowerment, Kabeer (1999, 2001) focuses on three dimensions that define the capacity to exercise strategic life choices: access to resources, agency, and outcomes. Amartya Sen (1985, 1999) has written extensively on the

importance of substantive freedoms and the individual freedom to choose and achieve different outcomes. (World Bank, 1 May 2002, pp. 10-11)

In the context of the World Bank's operation, empowerment is defined as the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives. Expansion of poor people's assets and capabilities increase their well-being, security, and their self-confidence, and enable them to negotiate with those who are more powerful. People assets and capabilities can take individual or collective forms. Assets refer to material assets, both physical and financial and capabilities means something inherent in people such as good health, education, etc. and enable them to use their assets to increase their well being.(Ibid.)

2.2 Typology

Generally speaking empowerment of people can be three kinds: social, political and psychological.

Social power is concerned with access to certain 'bases' of household production, such as information, knowledge and skills, participation in social organization and financial resources. When a household economy increases its access to these bases, its ability to set and attain objectives also increases, an increase in social power may therefore also be understood as an increase in a household's access to the bases of its productive wealth. (Friedman J. ,1992, pp. 32-34)

Political power concerns the access of individual household members to the process by which decisions, particularly those that affect their own future are made. Political power is thus not only the power to vote; it is as well the power of voice and collective action. Although individuals may participate in politics on a personal basis, their voice rises not only in local assembly but also, and at times more effectively, when it merges with the many voices of larger political associations – a party, a social movement, or an interest group such as a labor or peasant syndicate.(Ibid.)

Psychological power, finally, is best described as an individual sense of potency. Where present, it is demonstrated in self-confident behavior – psychological empowerment is often a result of successful action in the social or political domains, through it may also result from inter-subjective work. An increased sense of personal potency will have a recursive, positive effect on a household's continuing struggle to increase its effective social and political power.(Ibid.)

2.3 **Principles**

Community empowerment is an approach, which has begun to be widely considered as a better alternative to the top-down plans and donor-driven programs for achieving sustainable economic development and reduction of poverty . Such an approach is further discussed to be an effective way of encouraging cost-effective results, attracting community investments, establishing basis for community ownership, creating multi-sectoral integration, building local management skills and developing a sense of self-reliance within the community.

Depending on social, cultural, political and economic conditions, community empowerment can be launched in different institutional strategies. However, any of those strategies, in order to be successfully implemented, shall promote the following mutually interdependent principles; namely: Access to information; inclusion and participation; accountability and local organizational capacity.

1. **Access to information**

Information is power. Informed citizens are better equipped to take advantage of better opportunities, access services, exercise their rights, and hold state and non-state actors accountable. Critical areas where information is most important include state and private sector performance, financial services and markets, and rules and rights regarding basic services. Information and communication technologies often play a pivotal role in broadening access to information.

2. **Inclusion / participation**

Opportunities for poor people and other excluded groups to participate in decision making are critical to ensure that use of limited public resources builds on local knowledge and priorities, and brings about commitment to change. However, sustaining inclusion and informed participation usually requires changing the rules so as to create space for people to debate issues and participate in local and national priority setting, budget formation, and delivery of basic services.

3. Accountability

State officials, public employees, and private actors must be held answerable for their policies, actions, and use of funds. Government agencies, both administrative and political, and firms must have horizontal or internal accountability mechanisms, and must also be accountable to their citizens and clients for their performance.

4. Local organizational capacity

This refers to the ability of people to work together, organize themselves, and mobilize resources to solve problems of common interest. Organized communities are more likely to have their voices heard and their demands met. “(World Bank, 1 May 2002, pp. vi-vii)

2.4 Community Empowerment: a means to Reduce Poverty

Empowerment of local communities is believed to bring about an increase in resources and authorities that could be used for implementation of self-initiated projects.

Empowerment could create a big opportunity to use the already existing institutional capacity of local communities. Vibrant community structures constitute social capital, a much-neglected asset that can yield economic dividends.

Once empowered, the local communities could get the power to solve problems, assess current ills and work out solutions. In so doing they could develop new skills and capacity through learning by doing, learning by use of power, learning by solving problems and learning by making mistakes. The newly developed community skills and capacities would then be upgraded and refined with collaborative support from donors and grassroots level community development partners.

Poverty is normally understood as lack of income and infrastructure. But according to the 2000 World Development Report, poverty also means lack of voice, lack of empowerment and lack of good governance.

As empowerment of communities enable them to obtain resources and authorities that could be used for projects and programs meant for their benefit, it could be considered the most fundamental form of poverty reduction strategy. Poverty reduction, broadly defined, requires

processes that help improve their capabilities and functioning, that enable people to take charge of local affairs instead of being supplicants before higher authorities.

Experience in Africa shows that communities can be organized quickly and productively to diagnose local problems, come up with solutions, lay down priorities, elaborate action plans, and strengthen community organizations and accountability. However, participatory process will be discredited and atrophy unless communities are empowered with resources and authority.

Experience further shows that rules for participation can be designed to give voice to socially excluded groups like women and minority tribes. (Ibid.)

2.5 Challenges of Community Empowerment

Most community empowerment proved to be unsustainable as they were based on donor-driven funds representing community developments without institutionally sustainable empowerment. It needs to be embedded in a new institutional framework of local governments.

Communities will be truly empowered only if they get untied grants, which enable them to decide their own priorities and hone their decision-making skills.

A program of local empowerment can start by consulting all sections of society on how to proceed in the light of the country's history and traditions, and by drawing on the most successful experiences in the country and in neighboring ones.

Many African countries today have little or no local participation, decentralization or local funds. Reformers in some of these countries are keen to initiate local empowerment by enhancing participation, targeting specific groups and starting a dialogue with stakeholders on decentralization, simultaneously. (Ibid)

People living at or below absolute poverty may be unable to move out of poverty on their own. Of course, as households address these issues they encounter extraordinary obstacles. The very poorest - famine victims, landless rural laborers, women-headed households in the squatter areas of big cities - may simply lack the means to help themselves. They require help from religious organizations, labor unions, and even the state. But even for the less destitute, collective self-empowerment is rarely a spontaneous process of community action: external agents are critically important. (Friedman J., 1992, pp. 69-71)

III. THE ROLE OF ESRDF-AARO IN EMPOWERING COMMUNITIES

3.1 Social Capital Development

As one of its funding criteria, ESRDF required the benefiting community of each project to form a CPC that would mobilize, organize and manage their participation in the course of initiation, formulation, implementation and maintenance of their project.

Furthermore, the fund required that fair representation of the benefiting community in general, and that of women in particular, were reflected and ensured in the nomination process of members of the CPC.

In its promotion work, apart from informing the citizens about the coming into existence of a pro-poor development partner and its working mechanisms, ESRDF-AARO created the necessary awareness about such basic and critical funding requirements among the communities.

Accordingly, in the cases of all infrastructure sub-projects that the ESRDF-AARO assisted, the benefiting communities have been able to set up their own committees, elected committee members and had determined, discussed and endorsed duties and responsibilities of committee members in the form of by-laws.

A series of meetings that were initiated and conducted by respective local administration units were used as an instrument to undertake such activities.

The community committees in some cases were organized under the local administration and in some other cases, particularly for school projects, under the school administration. Despite their structure they have full authority to conclude contractual agreements, to directly communicate and correspond with any organization including the ESRDF-AARO, with the knowledge but without the need for the administration's intervention.

The study made on ten randomly selected infrastructure projects showed that on average every committee had 10 members⁶ out of which 30percent were women. The inclusion and participation of women in the CPC was for real, as most of them were able to take higher positions in the CPC. In our sample projects we had 30 women being included in the respective community committees, out of which 33percent were holding higher positions such as vice chairperson, financial controller and secretary.

⁶ This number considered only executive members of CPCs. In the case of Health and sanitation projects it was common to find *ad hock* sub-committees organized under CPCs that had as many as 20 or 30 members.

As far as the representation of the communities in the CPCs is concerned, peoples from all walks of life had been included. Un-employed people, ex-soldiers, pensioned civil servants, private businessmen and different employed people such as teachers, civil servants, accountants, engineers etc, are the major ones to be mentioned. It was also very common to include the representatives of local administrations, and administrations of schools and health institutions in the CPCs, and this was done either by election or appointment. In the sample projects a 90percent inclusion rate of such administrators was observed and 69percent of such inclusion was made through election. Apparently the purpose of inclusion of such administration bodies in the CPCs seems to take advantage of their position in enabling the committee to use the institutions' rubber stamps on its signed documents and correspondences. But the author assumed that the real purpose of their inclusion was to integrate and harmonize the community's and the administration's interest.

Most CPCs were internally structured in such a way that they included positions such as chairperson, vice chairperson, secretary, financial controller, auditor and supervisor. Besides, the CPCs were able to develop by-laws to be used in guiding their operation. 40 percent of our sample projects' CPCs had had well-articulated by-laws that were known and adopted by the community. The by-laws *inter alia* elaborated the CPC members' responsibility towards the organization and co-ordination of the implementation, management and maintenance of the project idea conceived by the villagers.

The CPCs of ESRDF financed projects in some cases started their operation by setting local development priorities with the participation of the community. But in the majority of cases the CPCs started their work by mobilizing communities' resources, formulating and planning the already prioritized and identified project ideas by the community at large.

The implementation and maintenance of sub-projects were also managed by their respective CPC's and reasonably sufficient technical capacity was created. Viewing at the way CPCs were organized, the way they composed their members and the level of the technical and managerial skills acquired through effective participation, the ESRDF-AARO financed projects that could be said to be contributing to the development and strengthening of the social capital in the region.

3.2 Provision of Financial and Technical Resources

The community committees had implemented their own projects and for that they were provided with the necessary finance. The total financial resources budgeted for implementation was Birr 99.55 million, out of which 87percent originated from ESRDF-AARO, while 12percent was contributed by the community. The remaining 1percent was the contributions of NGOs and

Government bureaus. The locally mobilized resources were largely collected in the form of cash. But in two projects, namely, Woreda 6 Kebele 24 latrine construction⁷ and Woreda 6 Kebele 02 access pavement and drainage construction⁸, the communities paid their shares of the project costs in labor form.

Technical resources were also provided to the community committee by the fund office. This was done in the form of skill transfer in the area of engineering, project management and community development. For that purpose an officer with high caliber was assigned by the fund office to each and every project.

The project officers have been working closely with the community committees since the time of project applications received for funding from the committee. At that initial stage, among other things, community committees were advised and shared ideas on the ways and alternatives by which they could maximize local resource mobilization, harmonize the extent of a community's needs and abilities, re-design projects and ensure the maximum level of technical completeness of projects. Apart from this, sector bureaus, NGOs and municipalities were rendering a technical assistance to the committees in the form of engineering services and approving project proposals.

At the implementation stage the ESRDF's technical inputs had been intensified and, among other things, they included, rendering short and practical trainings on fundamentals of work supervision, project monitoring, contract administration, project finance management and reporting. A series of meetings and field visits were used all through the project life as a means of transferring such technical assistance. Another arrangement made by the fund office to further intensify its technical assistance was through allocation of resident site supervisors who could make possible the skill transfer by working closely with the CPCs. Such inputs allow communities to have direct involvement in detailed supervision works including quality control of construction materials and works, taking measurements of works, and endorsement of payments for executed works.

The ESRDF-AARO had further played a role in creating synergy in the operation of those institutions such as sector bureaus, local governments and NGOs through creating a conducive environment to commit their assistance regularly upon the communities' demand.

⁷ The beneficiaries of this project had done all excavation works and that was considered as their contribution.

⁸ This was a project financed from three sources. ESRDF, the community and an NGO called CARE Ethiopia. The benefiting community paid its share of the project cost partly in cash and partly in labor form on food for work basis, which was designed and implemented by the NGO under reference.

3.3 Giving Authority to use Technical and Financial Resources

The CPCs had utilized the financial resources available at their disposal for financing of construction, furnishing and equipping of various infrastructure activities. With the exception of payments for foreign project procurements and part of CBT projects the disbursement of almost all projects were directly effected by the respective CPCs.

The process of fund utilization was guided by the terms and conditions agreed in the Financing Agreement signed between the CPCs and ESRDF. Following the signing of the Financing Agreement the CPCs opened a bank account for their respective projects and all financial resources required for implementation of each project were deposited there. The ESRDF's contribution was deposited on trench basis depending on the smooth progress of the project activities and following proper enforcement of all agreed obligations by the committee. The community's share was however fully deposited right after a bank account had been opened. A maximum number of three people were nominated among the CPC members as signatories of the respective bank accounts.

The signatories had full authority on all financial resources deposited in the bank account on condition that they were effecting payments for expenditures that were technically approved by ESRDF and subsequently endorsed collectively by the majority, if not all, of the CPC members.

In cases where agreed changes had been made on parts of the Financing Agreement due to cost overruns, changes in work volume, variations and other reasons, the committee was authorized to effect any payments for the changes, and if there was a need it could have also collected additional financial resources from the community and the ESRDF following the signing of a supplementary financial agreement.

In cases where contractors' obligations fulfillment was frustrated, and if that was collectively understood by the committee members, they took the necessary and appropriate measures in line with the relevant contract agreement, and of course in consultation with the Fund office.

The CPCs had an authority to suspend or reject any payments due to the contractor or supplier and even to cancel the contract agreement.⁹

⁹ So far a total of eight contract agreements were cancelled by the CPCs as a result of the default of the contractors.

As far as the technical resources are concerned, the committee got some authority as they could propose a change or a replacement of site supervisors and other technical people in cases when the members were not satisfied with their services.¹⁰

Moreover the CPCs got an authority to comment on, and in some cases to alter, technical designs and specifications provided the relevant sector bureau and government bodies had approved the changes and the proposal was forwarded on the basis of their collective decisions and demands.¹¹

3.4 Enhancement of Community Participation and Local Resource Mobilisation

One of the major objectives of ESRDF was to assist, financially and technically, community initiated and managed projects. This objective attached great emphasis at all levels to the office's operation in general, and in undertaking the office's promotion work in particular. In its promotion work the fund office made a remarkable effort to enable the local community to understand the role their real and organized participation could have played in bettering their life. This approach has given the fund office a better opportunity to play a catalytic role in helping local communities to express their views and priorities, as well as implement, manage and maintain their projects with their own human, material and financial resources, thereby increasing their stake in the development process.

a) Participation in prioritization of local needs and problems

In all infrastructure projects assisted by the ESRDF-AARO, the local communities were directly involved in setting their priorities and initiating their project proposals. This was done at a general assembly called by local governments and school administrations where exchange of ideas on local issues was freely made among all the members and consensus was reached through democratically expressed votes.

In a few instances of ESRDF assisted projects, NGOs, local municipalities, sector bureaus and some Community Based Organizations (CBOs) like 'Idirs' had initiated project proposals in collaboration with the community project committees. Under these circumstances ESRDF-AARO followed up closely on the prioritization process so that the community's role was not substituted.

¹⁰ Good examples for this are the CPCs of Woreda 20 Keble 51 Access pavement and drainage construction project, and Ewket Minch School expansion project. One site supervisor was fired and another one was moved to another site following the evaluation and recommendation of the former CPC and one site supervisor was dismissed as per the recommendation of the latter.

¹¹ The CPC of Yemane Berhan has proposed a new construction design for its second phase project and it was implemented after an approval was obtained from Education Bureau.

In fact, both ways of a communities' decision on prioritization were highly influenced and governed by the limited domain of infrastructure development options included in the ESRDF's intervention area, the financing threshold ceilings set for each intervention area, and the capacity of the community to raise its share of the project cost set as a minimum.

Despite such elements affecting the decision of prioritization, the community of all ESRDF funded projects initiated project ideas that were demand based (i.e. inclusive of beneficiaries needs and aspirations) and responsive to the proposals conceived by beneficiaries, who were at least attending the meetings of the general assembly. This was confirmed by the minutes recorded at the general assembly meetings of every project.

b) Participation in forming the CPCs

The benefiting communities of ESRDF assisted projects were actively participating in the formation of their CPCs for implementation, monitoring and supervision of local infrastructure development projects initiated by themselves. The community's participation was further extended to the endorsement of by-laws and operation periods of every CPC.

The formation process of the CPCs takes two forms: the first is a new formation and the second is by upgrading the already existing committees (such as school committees, kebele and woreda development committees). In both forms of CPC formation, equal and fair representation of beneficiaries as membership on one hand, and the inclusion of women to a minimum level of 30percent of the total members in every committee on the other hand, has been ensured.

The formation of CPCs and the election process of their members has been made through the general assembly. In the election process of some committee members, however, inclusion of different administrative bodies (such as local (Woreda/Kebele and school administrators) by appointment were exhibited. The incidents of such nomination of CPC members by appointment were few and tolerable, and hence the process of formation of CPCs and election of their members could generally be said to be remarkably participatory. Besides, the formation of such project committees enabled the communities to exercise their right to organize themselves and the fund's requirement for such a committee formation process has bolstered and secured successful resource mobilization, fair representation in expressing preferences and voices and accountability elements, which could in turn meet the necessary condition for their participation to make the decisions and administer the resources that affect their lives for real.

c) **Participation in sharing project costs**

Community participation was also manifested in terms of its own resource mobilization for implementation and maintenance of projects. The CPCs played a vital role in undertaking such activities. This type of participation was considered to be a cornerstone for the other types of community participation, as it was used to ensure the expression of real commitment of the community to the project.

In all cases the majority of community members were involved in raising financial contributions to meet their share of the project costs. As a matter of quick expression of their commitment to the project's implementation, some CPCs were using innovative ways of collecting the community contribution. One of the ways was to pay the community's share by borrowing from different public funds (e.g. 'Idirs', Kebele/Woreda funds), which would be paid back later on while the project was under implementation. The other method was similar but the borrowing was made from private sector and philanthropists residing in the locality.

The community contribution of the project cost were largely used to cover the implementation cost of projects. But in some cases it was used for maintenance of the project.

The fund office has strongly required every community member to participate in sharing the project cost. Hence, such innovative mechanisms that were employed by project committees were understood to be meant only to tentatively shorten the time taken to mobilize contributions and realize the fast absorption of the fund's assistance.

Although the whole issue of local resource mobilization was to create a sense of ownership among beneficiaries towards the physical assets provided by the project, its volume cannot be underestimated. A total of ETB 12.3 million was generated in five years as a community contribution and this happened due to the fund's operation and enhanced local investment by shifting resources from consumption to saving.

d) **Participation in project planning**

Though their participation was made through their respective project committees, communities could be said to have actively participated in planning the projects they conceived during the general assembly meeting. To this effect the committees selected the project site and ensured its readiness for implementation. Also, they were highly involved in the preparations of site-plans, designs, specifications and bill of quantities for works and supplies of components involved in the project. In doing so, strong integration and collaboration on technical issues with local administrations, municipalities, sector bureaus, NGOs and the private sector were maintained by committees. That made their participation effective and real. The fund request

proposals received for all projects assisted by ESRDF-AARO confirmed that there was strong involvement of project committees in the planning process of their projects.

e) Participation in project appraisal

The ESRDF-AARO has been undertaking initiative and extensive appraisal works before recommending the community's fund request proposals for funding. In the process of the appraisal work, particularly on the field level, the community through its project committees made a wide participation. Their participation, among other things, were vital and considerably high on the determination of detailed components, costs financing (cost sharing) and duration of the projects.

f) Participation in project implementation and maintenance

All projects assisted by the fund office were implemented by the respective community project committees. The fund office, together with sectoral bureaus, local governments and NGOs has supplemented and filled the technical gap with the committees and enabled their participation to be wide and effective.

During the implementation stage of projects the project committees were actively participating in the processing of local bids, in the day-to-day and on-site supervision of works and provision of supplies, in taking measurements and inventories of works, and in approving payments. Furthermore, the CPCs were remarkably participating in keeping project records and documents, and in preparing and issuing project reports. The committees have also been participating in the mobilization of resources for maintenance and planning of the project maintenance and cleaning activities.

g) Improvement in Community Capability

Such empowerment was realized, among other things through the physical assistance of the fund, through learning by doing, and by giving CPC direct access to funds and the authority to process bids, hire and supervise contractors/suppliers. The importance of forming organizations to materialize common interests and solve common problems is fundamental.

The CPCs capability in establishing the organization was improved as the importance of inclusion of women and the vulnerable group in CPCs was highly underscored in many communities. The capability of CPCs to mobilize local resources was also improved as the community's awareness to the importance and value of local resources has been increased and communities have developed trust in their respective CPCs.

The capability of CPCs to implement projects was upgraded and they are now more conversant than ever to deal with issues concerning contract administrations, engineering activities and community development matters. In some ESRDF funded projects the CPCs were even able to implement projects on their own. This is to say they have started to implement projects by using their own financial and technical resources.¹²

3.5 Enhancing Women's Participation

In its operation the ESRDF has played a major role in encouraging and augmenting women's participation in their local development activities. In effect its sub-project funding and appraisal criteria were made to ensure that members of every community project committee constituted at least 30percent of women. In addition to this, in order to be positively appraised by the fund office, sub-projects must prove responsive to the needs of women.

The ESRDF-AARO has also financed skill training and income generating projects that were directly focused on women's needs and problems. Besides, in all the training programs conducted by ESRDF-AARO for members of community project committees, an affirmative action towards women's participation was made by making 40percent of women representation in the trainings by each CPC as compulsory.

¹² One example for this is the CPC of Yemane Berhan School Expansion project which has implemented construction and furnishing of 7 class rooms by its own, after it had been assisted to implement and complete two projects in two consecutive phases.

IV. LESSONS LEARNED

In the foregoing discussion much has been said as to how ESRDF's operation in Addis Ababa positively contributed to the reduction of poverty in general and community empowerment in particular.

This section will briefly present some of the lessons learned from the experiences and best practices of the Fund's operation so far in the area of community empowerment.

ESRDF's contributions to the empowerment of local communities in Addis Ababa were largely possible due to the strong commitment shown by the regional and local governments towards the implementation of the Fund's objectives and principles. Thus, the commitment and participation of the government regarding the principles of community empowerment played a big role in the empowerment process. Therefore, it has to be realized that community empowerment cannot be thought of without the full support and commitment of the government, which would otherwise have retarded the development process of community empowerment.

Local community empowerment is not a one-time activity; rather it is a continuous process. The process allows community empowerment to be born and grow-up through the concerted, sustainable and time taking efforts made by different actors, including the government. Government's full commitment towards empowerment must be granted in a sustainable and fortified way to bring a meaningful result in the area.

In its promotion work the ESRDF-AARO informed communities and other stakeholders about its existence and working mechanisms. In this regard, the more intensified such promotion work was exercised by the fund office, the more the communities were seen to be highly motivated to work with ESRDF and use all their opportunities in the empowerment process. The lesson learned here was that, in order to make their empowerment possible, communities must be clearly and thoroughly be informed about available opportunities to get rid of poverty through empowerment, as well as the rules of the game to use such opportunities.

The ESRDF encouraged and at the same time demanded a funding criteria of active community participation, ranging from the project inception to implementation and maintenance.

Besides, maximum effort was made by the Fund to make the communities participation real, and responsive to women's and other excluded groups' needs.

Thus, if community empowerment needs to be created and bolstered there must be a wider, effective and real community participation, including learning by doing.

One of the criteria for ESRDF's funding was the need for the formation of CPCs for each sub-project by the benefiting communities. This has by far contributed to the creation and strengthening of CBOs (i.e. social capital) at a project level.

Formation of such social capital, if needed to bring an effective result on the development of community empowerment, CBOs already created at a project level must be strengthened and their intervention in the form learning by doing at all steps of project cycle management: namely project planning, appraisal, implementation supervision and financing and etc must be enhanced.

It is very clear that one of the core elements of community empowerment is the role they played in setting their development priorities. However, the intervention areas and sub-project financing ceiling were pre-determined by donors and financiers. This has adverse effects on the prioritization task made by the communities. Thus, harmonization between these two elements must be created to bring an effective result in the area.

V. CONCLUSIONS AND RECOMMENDATIONS

It is obvious that community empowerment is the most effective means of poverty eradication and an efficient way of bringing sustainable development.

As one of the country's poverty reduction programs, the ESRDF has been operating for the last six years in all eleven regions of the country including Addis Ababa. In its operation so far in Addis Ababa the ESRDF has contributed a lot to the empowerment of local communities, thereby reducing poverty, at least on a sub-project level.

Due to the operation of the Fund several local communities of the city have discussed and decided their prior needs and problems. They have established CPCs, which were accountable to them for the smooth implementation and operation of their identified prior needs. They gave special emphasis for the inclusion of women and vulnerable groups in the processes of needs identification and CPC formation. They owned physical assets that contributed a great deal to the improvement of their social and economic services. Besides, the communities have acquired a lot of managerial and technical skills through learning by doing at the sub-project level.

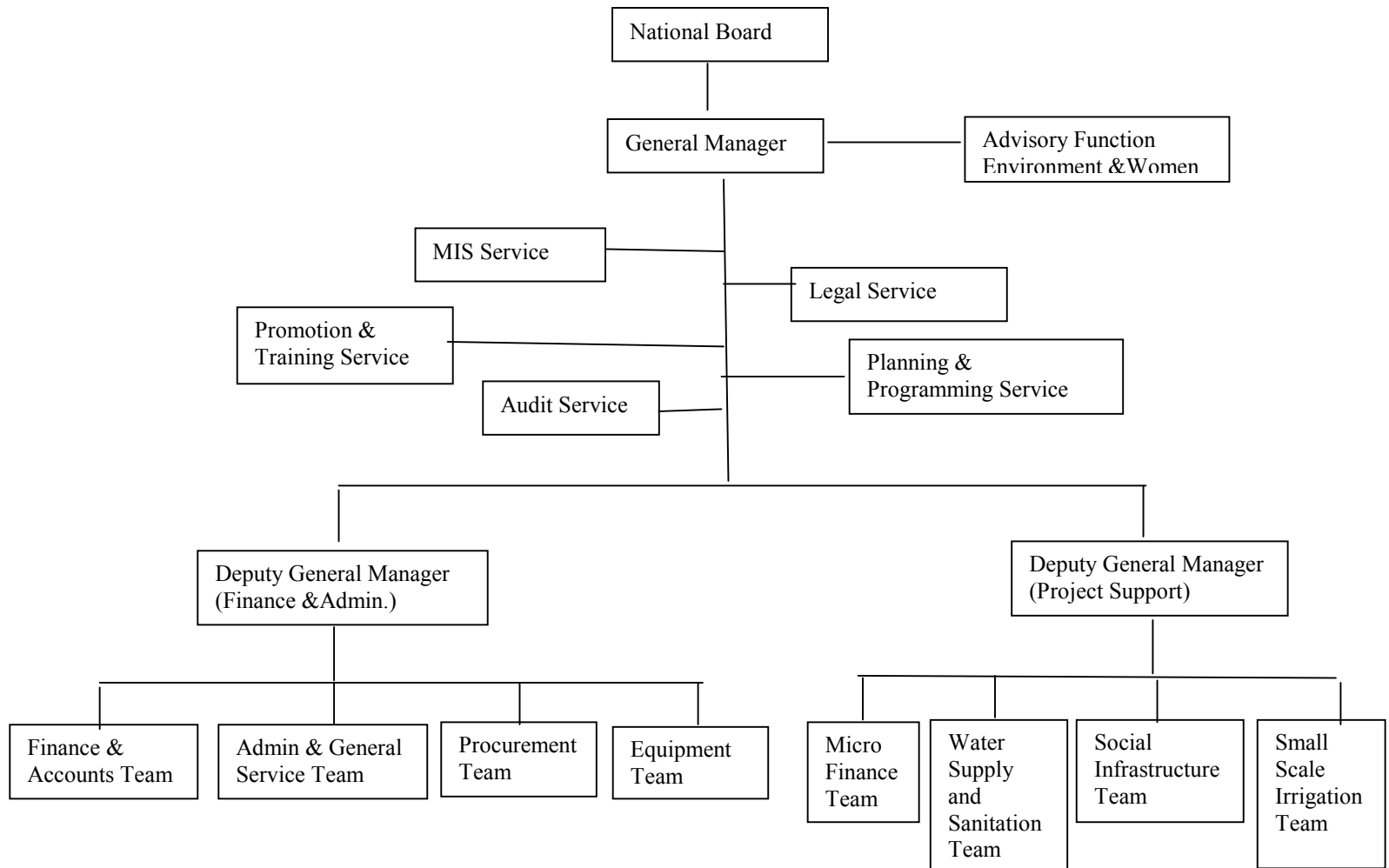
Such achievements of ESRDF-AARO must be scaled-up and are needed to be moved beyond the sub-project level. The already gained experiences and created social capitals have to be bolstered and used in the future for the city's development. Organizations in the region, particularly those who are working closely with communities towards the development of basic infrastructures, creation of employment and combating HIV/AIDS, can share a lot from ESRDF's experiences.

VI. REFERENCES

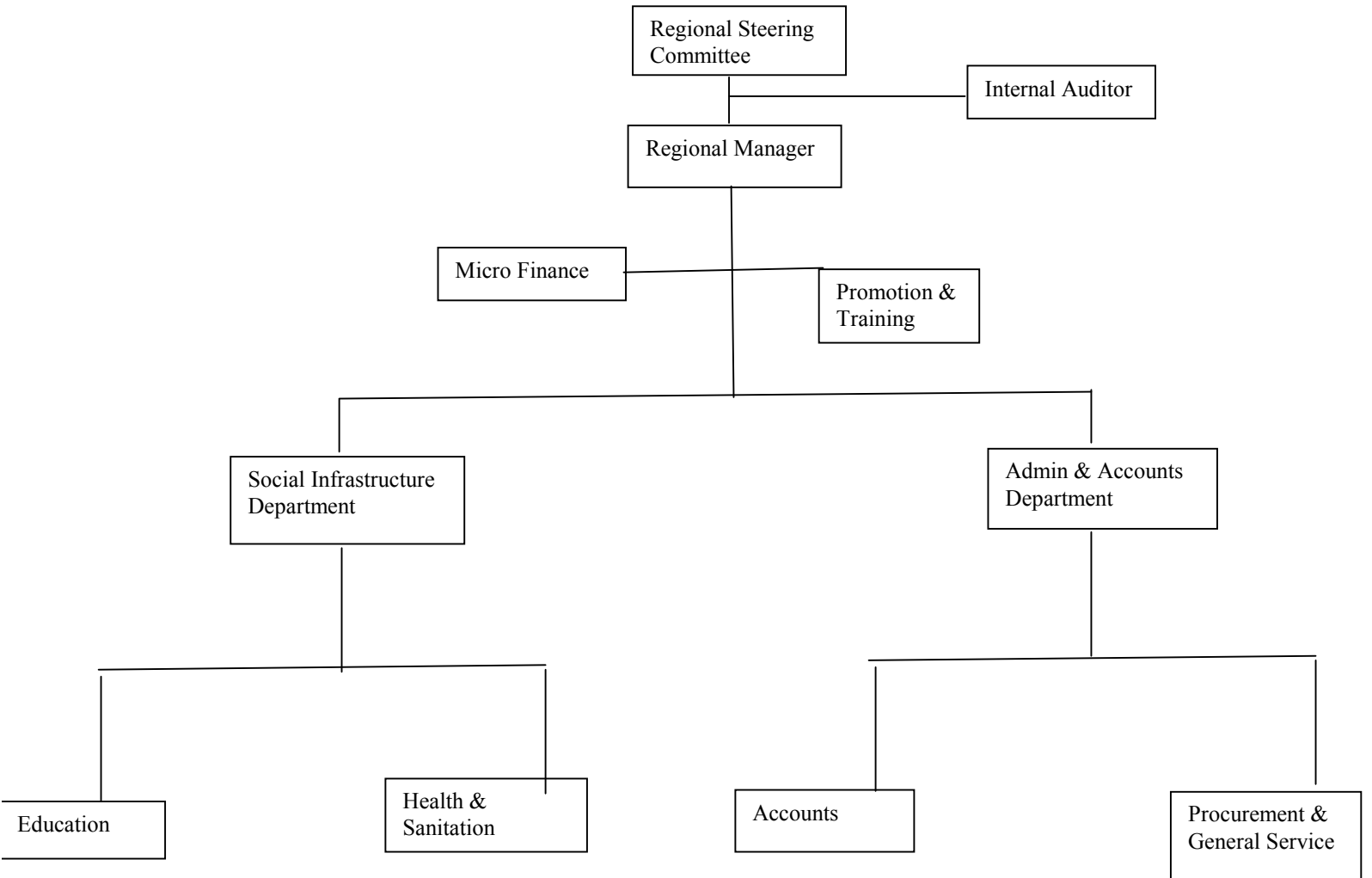
- Alkire, S. and others. Community Driven Development, Draft for Comments, 2001.
- Anderson, Mary B. Development and Social Diversity, An Oxfam Publication, A development in practice reader, Oxfam UK and Ireland 1999.
- Ethiopian Social Rehabilitation and Development Fund, Addis Ababa Regional Office. Mid-term Review (Draft), 1999.
- Friedmann, John. Empowerment, Blackwell Publishers, Three Cambridge Center, Cambridge, Massachusetts 02142, USA. 1992.
- Marc, Alexandre and others. Social Action programs and Social Funds, A review of Design and Implementation in Sub-Saharan Africa World Bank Discussion Paper No.274, The World Bank, Washington, D.C. 20433,USA, 1995
- Narayan, Deepa and Ebbe, Katrinka. Design of Social Funds: Participation, Demand Orientation and Local Organization Capacity. World Bank Discussion Paper No. 375, 1997.
- Nkongi, Elizabeth. Community Empowerment through Decentralization: The Case of Uganda, prepared for a workshop entitled “Decentralization and Community Empowerment: Sharing Lessons and Designing Actions”. Local government association, Uganda, 2002.
- The Government of Federal Democratic Republic of Ethiopia, The Ethiopian Social Rehabilitation and Development Fund, Program Proposal for ESRDF II, Prepared for Discussion ‘Draft’, 2002.
- The World Bank Group, Africa Region. Community Driven Development: A Vision of Poverty Reduction through Empowerment.
- The World Bank Group, Africa Region. Empowerment and Poverty Reduction: A source Book’ DRAFT’, PREM, World Bank, 2002.
- The World Bank Group, Africa Region, Staff Appraisal Report, The Federal Democratic Republic of Ethiopia Social Rehabilitation and Development Project, Report No. 14907-ET, 1996.

VII. ANNEXES

ANNEX I
Organogram of ESRDF-CO



ANNEX II
Organogram of the ESRDF-AARO



ANNEX III
Table Displaying Project Level Performance
(e.g. Yemane Berhan School Expansion Project)

Description	Situation of the School Before ESRDF's Intervention	Situation of the School After ESRDF's Intervention
Number of Classrooms	29	44
Number of Water Taps	12	58
Number of Latrine Seats (Cubicle)	12	36
Number of Students (1-8)	3124	4027
Number of Students (KG)	0	300
Library	Not Available	Available
Laboratory	Not Available	Available
Monthly Average Teachers' Salary	ETB 255.00	ETB 653.00