What Factors Impact the Effectiveness of International Non Governmental Organizations (INGOs) in Ethiopia

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WHAT FACTORS IMPACT THE EFFECTIVENESS OF INTERNATIONAL NON GOVERNMENTAL ORGANIZATIONS (INGOs) IN ETHIOPIA

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ABSTRACT

What are the factors that impact the effectiveness of International Non-Governmental Organizations (INGOs) in Ethiopia?

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Since the 1970s Ethiopia has experienced a massive increase of International Non-Governmental Organizations (INGOs) in its territory. The multiplication of these INGOs seems to be the result of the activities of both international donors and governments in Ethiopia. International donors considered INGOs as efficient, flexible or adoptive to the needs of the community and more trustworthy than government agencies in implementing development projects. International donors also believe that the proliferation of INGOs in Ethiopia will stimulate the growth of political democracy and trade liberalization. The government allowed the influx of these INGOs in order to tap the resources they bring in to its territory and to secure legitimacy from the international community. Various scholars discussed the projects of these INGOS, their proliferation and the challenges they face in Ethiopia and other similar less developed nations. But the question of what factors impact such INGOs to become consistently
effective in Ethiopia has not been studied in a comprehensive and empirical fashion. The purpose of this research is to fill this gap and identify a theoretical model that would help analyze factors impacting INGOs effectiveness in Ethiopia and possibly similar other less developed nations. Using this theoretical model the research concludes that two factors determine INGOs’ effectiveness in Ethiopia. These factors are 1) Positive or strong relation between INGOs and their main stakeholders and 2) Positive or strong relation between INGOs’ stakeholders independently of their relation with INGOs but in the process of their participation in INGO projects.
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final year law student in Addis Ababa University in Ethiopia and has been researching about the legal regimes of nonprofit and non-governmental organizations and their advantage or disadvantage on the effectiveness of these organizations.

My research questions in this study have originally surfaced in the brainstorming session I had with my classmates and professors in Law school and I am grateful for all those discussion that eventually led to this research. I sincerely appreciate the support of my friends both in the United States and in Ethiopia for their kind and continued encouragement throughout the time it took to complete this research.

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DEDICATION

To my Father, Mother, Wife and Children

Thank you for your unconditional love and trust.
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CHAPTER 1
INTRODUCTION

International Non-Governmental Organizations (INGOs) became significant contributors in the relief and development work of nations after the end of the Second World War. In African countries which have mostly come out of colonial rule in the 1950s and 1960s, INGOs have supported the resource strapped new African governments in providing basic services to their people. Over the last three decades African nations and other developing countries have seen a massive increase in INGO activity as governments become less able to meet demand for services because of economic decline and high population growth (Obiyan (2005, Walsh & Lenihan, 2006).

The frequent occurrence of drought and other natural calamities has also shown these countries’ vulnerability and their dependence on foreign aid. But INGOs’ operation in developing countries and their effectiveness can be impacted by the political, economic and cultural circumstances of these countries. The purpose of this research is to find out what factors impact the effectiveness of INGOs in Ethiopia and provide an informed lesson to these INGOs and their stakeholders about managing these factors and become effective.

Studying INGOs experience in Ethiopia seems to be more pertinent because since the 1970s and 1980s there has been a large influx of INGOs in the country because of frequent drought caused humanitarian crisis. The government that came to power in Ethiopia in 1991 encouraged INGOs to come and be partners of new development programs subject to enforcing strict financial and administrative accountability on them.
In the eyes of international donors Ethiopia has made significant progress in making an effective use of INGO resources and changing the socio-economic life of its people. Because of this determination Ethiopia has become the largest aid recipient in Africa. Government restriction of INGOs’ rights based activities few years ago showed the volatility of INGO-Government relation in the country.

These circumstances will provide a broad array of cases to study the factors that determine INGO effectiveness in Ethiopia. The purpose of this research is to formulate a model that can help study INGO effectiveness in Ethiopia and in other developing countries that have similar contextual characteristics.

**Defining and Understanding INGOs**

INGOs have been classified as Northern and Southern; National and International; small and large; voluntary and professional; membership and non-membership; developmental and advocacy; grass root and elite; developmental and advocacy organizations; etc. Yet this researcher found out that there are three general definitions that seem to capture the vast majority of INGOs. Anheier & Salamon (2010) define INGOs from the viewpoint of a conflict model by saying that INGOs are “--- the organized vehicle of citizen protest against dominant elites in both political and economical life” (p. 91). Clarke (1998) defines INGOs as “--- private, nonprofit, professional organizations with a distinctive legal character concerned with public welfare goals” (p.36). A third definition is “… any nonprofit- voluntary citizen’s group that is organized on a local, national or international level” (Quota, Par. 8). Generally
speaking this research accepts, yet refines Clarke’s 1998 definition in such a way that many INGOs are private or civic in character, while still having significant government influence and/or levels of ownership. Even with this mixed pattern of control, an NGO is a professional organization with a distinctive legal character concerned with public welfare goals.

INGOs are also differentiated by the type of service they provide. A common differentiation and the one of most importance here is Szporluk’s (2009) identification of three primary types of services – developmental, emergency relief assistance and policy advocacy (see also Johnson & Prakash 2007). Some of the largest INGOs such as Care International, World Visions International, Plan International and OXFAM, initially offered more than one type of service in Ethiopia, but later became developmental INGOs that focused almost entirely on development projects. This research will focus specifically on the effectiveness of INGOs that conduct long term development projects in Ethiopia.

**Research Questions**

The research questions in this study are the following-

What does INGO effectiveness mean from the perspective of officials of donors, government departments and beneficiary communities in relation to the goals and missions of INGOs?

What are the causes of INGO effectiveness from the perspectives of donors, government offices and beneficiary community members in relation to the goals and missions of INGOs?
Is there any convergence in perception of causes of INGO effectiveness by these three constituencies and INGOs?

INGOs typically collaborate with the government and communities to achieve their developmental goals. In the case of Ethiopia, projects may include: providing agricultural extension services to farmers; basic infrastructure building; providing education about soil/water conservation; family planning and HIV prevention (Care International, 2010; World Vision International, 2009); drilling water wells; providing rehabilitation programs for homeless children in urban areas; educating farmers about better farming techniques and increasing access of children to primary education (World Vision International, 2010; OXFAM International, 2011; Plan International, 2009). The rationale for focusing on INGOs rather than all domestic NGOs is developed in detail in the Research Methodology chapter (Chapter 3).

Governments in developing countries like Ethiopia tend to have weak governments with severely limited resource bases and a general inability to consistently offer the depth and breadth of public goods and services their citizens demanded (Makoba, 2002). The weakness and inability to deliver all too typically extends into such basic goods and services as clean and safe water supplies, basic medical services, sanitation services, primary public education, and so on (Makoba, 2002, Obiyan, 2005). Into this breach in the developing world stepped a growing number of INGOs, many as partners of UN agencies, funds and projects.

By all accounts NGO numbers have exploded more than tenfold in the past 30 years (Edwards, 2000) and now hundreds of thousands of groups provide basic services
that governments in developing countries fail to provide (Bratton 1989; Manji and O’Coill 2002; Hearn 2007). For example, NGOs registered in the Philippines showed an increase of 148% from 1984-93, while in Kenya INGOs increased by 184% from 1978-87 (Clarke 1998). By 1998 Brazil was presumed to have the largest number of NGOs in a developing country with approximately 110,000 INGOs, while India was considered second with 100,000 NGOs (Clarke, 1998).

**Role of INGOs in less developed countries**

INGOs have multiplied in number and project size in less developed countries like African countries. But what is less clear is whether the explosion in INGOs and their growing importance has been matched by a corresponding growth of effective INGOs. The literature offers little help here. Scholars like Walsh and Lenihan (2006) and Smillie (1999) are dismissive of the question itself. Instead, they argue that INGOs lack effectiveness in developing countries because they typically have weak organizational structures coupled with the lack of well-organized civil society and a weak state infrastructure. Walsh & Lenihan (2006) go on to conclude that INGOs should adopt the organizational structure of for profit organizations in order to be effective, yet do so without subjecting their suggestion to field testing. Mebrahtu (2002), in her study of eight INGOs, finds a general lack of systematic monitoring and evaluation practices capable of assessing the effectiveness of field practices and outcomes. Rahmato, Bantirgu, and Endeshaw (2008) and Bratton (1990) demonstrate the increase of NGO activities in their target communities, but use a fairly simple single measure—the number of people receiving services—to illustrate effectiveness. Clarke (2000) discovers
improved effectiveness for INGOs to the extent they are embedded in an NGO network, or coalitions as an umbrella organization, but does not focus on individual NGO (in) effectiveness. Obiyan (2005) and Fowler (1991), suggest there is no evidence that NGO proliferation equates with general improvements in either democratic governance, or in the betterment of the economic and social lives of the local people being served. They also suggest that INGOs have comparative advantages vis-à-vis government organizations in terms of more flexibility and adaptability to changing circumstances, more cost effective methods for delivering services, and the ability to introduce and adopt innovation and best practices. However, they do not subject these effectiveness factors to empirical tests.

**The Role of INGOs in Ethiopia**

The level of effectiveness of INGOs in Ethiopia varied through different political, economic and legal circumstances of the country under the reign of different governments. When the country was governed by king Haileselassie I (1930-1974) only few INGOs were allowed to stay in the country and provide relief and developmental services. The effectiveness of these few INGOs during the king’s period did not seem to have been studied as no records were available showing that fact.

Ethiopia is one of the least developed countries in the world ranking 144th from world countries in economic development and “30th of 46 countries in the Sub-Saharan African region---“(Index of economic freedom, 2011). The World Bank categorized one fourth of the Ethiopian population as extremely poor earning one dollar a day and three fourth of the population as poor earning two dollars a day (Reinhert, 2007). Child
mortality which is considered one of the key indicators of poverty is also high in Ethiopia with one in six children dying before the age of five (Reinhert, 2007).

The government of King Haile Selassie I did not provide a favorable environment for INGOs to come in to the country and provide assistance in alleviating the widespread poverty and related social problems. Before the famine crisis of the early 1970s the few International mostly faith based INGOs that were operating in the country had limited role in providing relief and development services (Campbell, 1996). But this situation has changed dramatically when the scale of the 1973 famine was known and the government was placed under national and international pressure to allow large scale INGOs’ involvement (Campbell, 1996).

The 1973 famine and its resulting public anger led to the overthrow of the monarchy and its replacement with a communist military government led by Colonel Mengistu Hailemariam (1974-1991). The heavy influx of foreign INGOs at the height of the famine crisis and the emergency food assistance they brought with them not only helped stave off the crisis but also provided a foundation for the growing involvement of INGOs in the country’s subsequent relief and rehabilitation programs (Rahmato, Bantirgu, and Endeshaw ,2008).

Despite their humongous relief operations of the 1970s that saved millions of lives, INGOs continued to have limited roles in providing developmental assistance during the reign of the military government (1974-91) for the following two reasons. First International donors were not willing to provide development assistance to Ethiopia because of the government’s communist ideology, and second the military
government was suspicious of the motives of INGOs and their local affiliates when these organizations demanded to operate in the country autonomously (Campbell, 1996).

However the military government allowed few INGOs to operate in the country because of its desire to win legitimacy and resources that come through INGOs (Lautze Raven-Roberts and Erkinesh, 2009). The absence of specific NGO law during the reign of the monarchy and the military governments tends to show the lack of sufficient desire by these governments to regard INGOs as development partners. Since there was no favorable environment until 1991 for INGOs to function properly let alone effectively this research will limit itself at looking in to the experience of INGOs’ effectiveness with in the period of the current government.

The current government of Ethiopia which is led by the EPRDF (Ethiopian Peoples’ Republic Democratic Front) took power in May 1991 and has been more supportive of INGOs involvement in the country as development partners. The relatively favorable environment created as a result of the new government’s positive approach towards INGOs seems to have provided an opportunity for an improved effectiveness of INGOs (Campbell, 1996).

**The Change in Legal Environment in Ethiopia and its Effect on Growth of INGOs**

With the change in government in 1991 new rules for organizing and operating INGOs were promulgated. The new rules primarily Civil Society Proclamation 621/2009 (CSP) fostered an accelerated growth rate in the numbers and types of INGOs. Before CSP came in to action there was no specific NGO proclamation and NGO issues were governed by the Ethiopian Civil Code of 1960. While the absence of specific NGO
regulation may have provided less restrictive environment for INGOs in their activities in Ethiopia it is not clear if INGOs have become more effective or less effectives as a result of this situation.

In its effort to answer the research questions this research will shade light on the effect of absence of regulation on INGOs effectiveness. Most of the INGOs and their partner domestic NGOs under the leadership of Christian Relief Development Agency (CRDA) believed that lesser legal restriction promotes their effectiveness (CRDA, 1999). To show to the EPRDF government that INGOs can function well without the intervention of restrictive state regulation these INGOs signed a code of conduct in March 1991. The signing of this code of conduct by INGOs in Ethiopia is widely regarded as an effort by these INGOs to appease the government and discourage it from issuing a new restrictive law (Campbell, 1996).

But the code of conduct did not hold the EPRDF government from enacting the CSP in 2009. CSP was the first NGO legislation in Ethiopian history governing INGOs and domestic NGOs. Even though CSP did not specifically discuss NGO effectiveness per se it showed in its preamble that admitting and maintaining effective NGOs is the core principle of the proclamation. The preamble of this proclamation also indicated that effectiveness of NGOs is related to their contribution in “… the overall development of Ethiopian people’s” (CSP, 621/09). By enacting CSP the government made it clear that it has a high stake in NGO effectiveness and the only way the government can ensure NGO effectiveness is by maintaining a tight regulatory regime and holding NGOs accountable to a high standard of achievement. In particular through CSP the government
rearranged its relationship with NGOs in three respects with the purpose of achieving their effectiveness.

First, three different kinds of NGOs were identified based on membership and source of funding. These are: Ethiopian NGOs “all of whose members are Ethiopian, generate income from Ethiopia and wholly controlled by Ethiopians” (CSP 621/09 2.2); Ethiopian resident NGOs “… that are formed under the laws of Ethiopia and which consist of members who reside in Ethiopia and who receive more than 10% of their funds from foreign sources” (CSP 621/09 2.3); and INGOs “… formed under the laws of foreign countries or which consist of members who are foreign nationals or receive funds from foreign sources” (CSP 621 2.4).

Second, from these three kinds of NGOs the law authorized only Ethiopian NGOs who receive less than 10% of their funds to do the following rights based activities.

1) Advancement of human and democratic rights.

2) Promotion of equity of nations, nationalities and peoples as well as gender and religion.

3) Promotion of the rights of the disabled and that of children.

4) Promotion of conflict resolution or reconciliation.

5) Promotion of the efficiency of justice and law enforcement services.

Ethiopian resident NGOs and INGOs that both depend on international funding cannot engage in any of the service areas mentioned. Before CSP was enacted all NGOs including INGOs were active in these areas as part of their broader scheme to provide developmental services in an effective manner. The law did not specify the reason for
the exclusion of these rights based services from the realm of INGOs and their partner Ethiopian resident NGOs.

Policy documents of the EPRDF party show that the government needs to reserve rights based activities to fully Ethiopian NGOs with local funding source for two reasons. First these activities are democratic rights bestowed by the constitution only to citizens; and the second is to avoid the imposition of foreign donor’s agenda on local government policies through international funding (Hailegebriel, 2010). The question whether or not divorcing INGOs’ rights advocacy services from their development and relief services fits in to the general discourse of INGO effectiveness is a matter to be explored in the research.

Third, the government introduced a more centralized national regulatory structure to control INGOs and hold them accountable in regard to their effectiveness. Policy documents of the ruling party disclosing the reason behind tighter government control indicate that the government had a notion that INGOs were in the country mainly to serve the interest of international donors and perpetuate aid dependency behavior on the public with no significant impact in changing the livelihood of the people (Hailegebriel, 2010).

CSP strengthened the federal government’s control on INGOs by requiring: INGOs to register within three months of establishment (CSP 621/09, Art. 64.2 & 65.4); INGOs to use at least 70% of their budget for program cost (CSP 621/09, Art. 88); denying INGOs the right to raise funds from local sources or pursue income generating
projects or receive money from anonymous donors without the approval of the civil society Agency (The Agency) (CSP 621.09 Arts. 93, 98, 77.3).

Policy documents that include the text of government officials’ discussion before the enactment of CSP showed that INGOs tend to create a rent-seeking behavior in which they spent most of their funding on costs other than direct program cost and this caused them to be too ineffective to have any meaningful progress in their communities (Hailegebril, 2010).

Various INGOs in Ethiopia conduct projects that fall under different sectors of the economy and in different communities. The goals of these INGOs are determined by the current needs of the stakeholders in different communities which can change overtime. This research focuses on three service categories in which most INGOs in Ethiopia have projects. These categories are the Food Security Program; Education Program and Health Program. A brief overview of each program in Ethiopia is presented as follows.

**Food security program**

The current Ethiopian government made poverty reduction its main priority since it took power in 1991. For example Famine tied to drought--the lack of seasonal rain—caused humanitarian crises in Ethiopia from 1973-74; 1984 to 1986; more recently in 2009 with emergency food aid required for 6.2 million people (Independent, 2009) and in 2011 with emergency food aid required for 4.5 million people (World Food Program, 2011). Each time thousands upon thousands of Ethiopians saw their
livelihoods destroyed, while many also died. Provision of basic services and long term development projects fell far short of the needs of the population. The Ethiopian government adopted the United Nations Millennium Development Goals (MDG) in September 2000. The MDG laid out eight goals with specific performance targets and deadlines. The first goal is the “eradication of extreme poverty and Hunger” (MDGs, 2000). The two specific targets of this goal aim to reduce by half the number of people whose daily income is less than a dollar as well as the number of people suffering from hunger by 2015 (MDGs, 2000).

The government in consultation with the donor community and INGOs (referred to as development partners) rolled out three five year development plans that aim at breaking the cycle of poverty, doing away with dependence on foreign food aid and coordinating a multi-sector intervention to improve the living conditions of people. These three development plans are: Sustainable Development and Poverty Reduction Program (SDPRP) that run from 2000/01 to 2005/06; A Plan for Accelerated and Sustained Development to End Poverty (PASDEP) that run from 2005/06 to 2009/10 and Growth and Transformation Plan (GTP) which already began in 2010/11 and is scheduled to be completed in 2015.

The Food Security program targets community members in the rural or urban areas who have chronic or temporary food shortages due to lack of: sufficient production, stable food pricing which restricts access to supply, or insufficient income to purchase adequate food (MOFED, 2002). The lack of food security in the country has also caused a widespread malnutrition problem in children. MOFED (2002) estimated
that the population that faced hunger and became dependent on relief services reached four million out of a total population of 65.3 million in 2001.

The main causes for the persistent state of food insecurity in the country were: drought, degradation of soil fertility, high population growth, high level of land fragmentation and internal conflict in communities (MOFED, 2002). The Food Security Program focuses on bridging the food gap and decreasing vulnerability to hunger that has been existent in communities for decades (Cerritelli $Abagodu, 2008). In order to achieve food security the program institutes a multi-sector intervention including irrigation; rotation of crops; improvement of farming and marketing techniques; improvement of health service provision; diversification of income sources; and establishment of functioning microcredit system (MOFED, 2002).

PASDEP which came in to effect after the end of the SDPRP in 2005 indicated 15 million people (8.29 million chronically and 6.71 million people transitonally) could suffer from food shortages in a bad crop year (MOFED, 2006). The ultimate goal is to help the chronically food insecure achieve food security and help the transitionally food insecure people achieve improved status of food security (MOFED, 2006). PASDEP used four strategies to improve food security: household asset building, voluntary resettlement programs, and the productive safety net program (PSNP) and promoting nonagricultural income (MOFED, 2006). SDPRP has demonstrated significant gains in reducing food shortages because the size of population under poverty fell from 47% in
1995/96 to 42% in 1999/2000 (MOFED, 2002). This gain has also been strengthened by the subsequent PASDEP program.

The government invited INGOs and private organizations to be partners in the food security/ poverty reduction programs and following this invitation several INGOs established themselves in the country and managed diverse kinds of projects within the program. Most of the foreign donor organizations formed a group called Donor Assistance Group (DAG) to organize their effort and influence the government’s policy on development projects as well as use of donor funds (The Development Assistance Group, 2003).

So the questions this research will answer in the first category is how INGOs in Ethiopia have been and continue to be effective in meeting the overarching goal of the government to significantly reduce food shortage and hunger by the year 2015 and beyond. In this regard the research will measure INGOs’ program effectiveness in terms of reducing food poverty and increasing food security and traces the factors that helped them achieve such outcome from the perceptions of INGOs, donors and government offices.

For the purpose of the Food Security and Poverty Reduction Program INGOs’ effectiveness can be defined as stakeholders’ (donors, government and target communities) perceived level of NGO impact in reducing food poverty and increasing food security with proper accountability of their efficient utilization of resources.

**Education program**
In 1994 the Ethiopian government put in place an education policy focused on increasing access to education, improving equity, quality and relevance of education (MOFED, 2002). The millennium goals focuses on eliminating the rampant gender differences in primary and secondary schools and providing access of primary education to all boys and girls by 2015 (MDG, 2000).

With the implementation of the Education Sector Development Program (ESDP I) in 2000 educational access for preschool children around the country has shown improvement and enrollment increased by 9.6% compared to the previous year (MOFED, 2002). ESDP I (2000) and SDPRP (2002) indicate the government encourages INGOs and communities to take the lead in investing and expanding preschool programs for children. Although kindergarten capacity increased in the year 2000 compared to the previous year, only a minimal number of children between the ages of 4-6 (2%) got access to Kindergarten education (MOFED, 2002).

Access to primary education (grade 1-8) however showed a rapid growth in 2001 from 34.7% to 57.4% (MOFED, 2002). But access to education or building schools in the country side alone does not result in the comprehensive achievement of educational goals in Ethiopia. Such achievement can be reached when education has: equity (reduction of disparity in gender or age); relevance (making education relevant to the specific lifestyle of different groups of students); quality (improving success rate of students and having qualified teachers); and access (increasing availability of primary
education, secondary education, alternative basic education and special needs education (MOFED, 2006).

Alternative Basic Education (ABE) is an innovation that has first been introduced by INGOs for children who are aged 7-14 years and who have no access to primary education schools (Personal communication with an INGO official, 2011). Nomadic people who wander from place to place also benefit from such program. Students who are enrolled in ABE can attend their classes in a makeshift class rooms within their neighborhood and complete their 1st to 4th grade education in three years and then will be on track to join 5th grade students in nearby formal elementary schools (Personal communication with an INGO official, 2011). The ESDP II and ESDP III, which are integral parts of the PASDEP sought to strengthen the achievements made in the educational goals of increasing access, quality, relevance, and equity.

PASDEP estimated that out of the 53.7 billion Ethiopian Birr (40.09 million US dollars) that is required to implement the projects planned in ESDP III the government can only cover 67% and the rest is expected to come from other development partners like private organizations, INGOs and the communities. Several INGOs have directly or in partnership with domestic NGOs implemented projects with a purpose of achieving one or many of the educational goals of the government. Many of them have also introduced innovations in improving access, equity, quality and relevance of education to the people.
So for the purpose of education program, foreign NGO effectiveness can be defined as stakeholder’s (donors, government and target communities) perceived level of INGO impact in improving access, equity, quality and relevance of education to the people with proper accountability of their efficient utilization of resources.

Healthcare program

Ethiopia has one of the least developed healthcare infrastructure and delivery system in the world (MOFED, 2002). About 85% of the population lives in the rural areas and access to healthcare in such areas is very limited because of factors like lack of healthcare infrastructure; lack of trained professionals; and lack of public awareness in seeking healthcare benefits (Personal communication with an INGO official in the health care sector, 2001). Within the framework of the poverty reduction strategy the government initiated a twenty year health sector development program (HSDP) guiding a comprehensive overhaul of the healthcare delivery system (MOFED, 2002).

The first phase of this program (HSDP I) embarked on increasing access to primary healthcare facilities by expanding existing healthcare centers and building new ones; training increased number of healthcare professionals; and increasing public awareness of disease prevention mechanisms (MOFED, 2002). The MDG goals 3, 4, and 5 aim at reducing by two third the number of children who die before age 5; reduce by three quarters the size of maternal death; stop the spread of HIV; stop the spread of malaria and other diseases by 2015 (UN documents, 2000).
But achieving these goals in the Ethiopian case cannot be done by increasing access to healthcare facilities and training healthcare professionals alone. A major barrier in this effort can come from lack of healthcare literacy and negative cultural or traditional influences (Personal communication with an INGO official, 2011). HSDP I was criticized for focusing its strategy and investment on treating existing diseases than preventing their occurrence (MOFED, 2002). It also was not successful in coordinating its efforts with INGOs and as a result showed a budget gap of over 1.6 billion Ethiopian birr or 23.1 million USD (MOFED, 2002). HSDP II which was implemented in 2003-06 aimed at correcting these main deficiencies and created enabling environment for INGOs, private organizations and communities to take part in implementing the program; and provided more emphasis on preventions of causes of diseases (MOFED, 2006).

In consultation with donors, INGOs and communities the government designed an innovative healthcare delivery system in which at least two healthcare extension agents will be trained for each woreda (small district managed by a local government in Ethiopia) and be responsible for their area’s provision of healthcare (Argaw, 2007). These extension agents not only make referrals for medical treatment but also go with in the community and educate people about subjects like immunization, family planning, and avoidance of harmful traditional practices like circumcision of girls (Argaw, 2007).

The intervention of HSDP II showed positive impact and by the end of the plan in 2004/05 infant mortality dropped to 85 per 1000 live birth compared to 97 per 1000 live
births in 2000/01; mortality of mothers dropped 400-450 per 100,000 live births compared to 500-700 per 100,000 live births; and provision of health services jumped from 52% to 65% in the same period (MOFED, 2002). HSDP II also showed significant gain in reducing spread of diseases like malaria, TB, HIV and was able to entirely eradicate Polio and Guinea Worm (MOFED, 2002). Most importantly, it created a culture of community led disease prevention mechanisms in which health extension agents would be stationed in each Woreda and coordinate the provision of health services and educate the public about disease prevention and control (Argaw, 2007).

HSDP III took over from HSDP II in 2005 and expanded the effort of preventing or controlling contagious diseases; extended healthcare access to each Woreda through healthcare agents; and expanded construction of health posts (MOFED, 2006). The organization of the health extension services focused on “… hygiene and environmental sanitation, disease prevention and control, family health services and health education and communication on an outreach basis” (MOFED, 2006, p. 114-115). Deploying health extension agents that was done on a pilot basis in the time of HSDP II became a national phenomenon with the deployment of 30,000 health extension agents (two per each Woreda) and the construction of at least one health post in each Woreda (PASEDEP, 2006).

While the total cost for HSDP III excluding HIV prevention is estimated to be 34.9 billion birr or 4.03 billion USD, the government covers only 44 % of it and the rest is expected to be covered by INGOs, the private sector and the communities (PASDEP,
In regard to HIV prevention and control during the HSDP III the government covered only 23% of the total cost of 6 billion Ethiopian birr or 692.8 million USD and majority of the cost (77%) came from INGOs, communities and others (PASDEP, 2006). In both the HSDP I and II periods significant gains have been achieved in stopping the spread of HIV, in creating awareness of the people, and causing cultural change in regard to having an open discussion about the disease and its prevention mechanisms (Rahmato, Bantirgu and Endeshaw, 2008).

With the support and financial assistance from donors like USAID and the Global Fund for HIV AIDS, Tuberculosis and Malaria INGOs in partnership with their local counterparts spearheaded the multi-sector intervention against HIV epidemic in Ethiopia (Personal communication with official of Path Finder International, July, 2011).

In regard to healthcare, effectiveness of INGOs can be defined as stakeholders’ (donors, the domestic unit and INGOs) perceived level of INGOs’ impact in improving access to healthcare, its delivery system to the people and prevention or control of disease with proper accountability of their efficient utilization of resources.

**Theoretical Framework of Understanding and Explaining INGO Effectiveness**

The concept of organizational effectiveness has been defined and understood differently by various researchers (Zamuto, 1984). Some of the theories these researchers considered as relevant for this research are the following.

1) The rational or purposive model understands or measures organizational effectiveness by the extent to which organizations achieve their own goals (Price 1972,
Pennings & Goodman, 1976). An organization however may have different goals which may at times be conflicting and in this case the stronger group in that organization influences other groups to follow its specific goals (Price 1972, Pennings & Goodman, 1976). This theory may apply in a circumstance where one stakeholder wields more influence than the others and get its goals pursued.

2) The system resource theory rejects the goal theory by saying that goals are goals of individuals and not of the organization and as such individuals cannot achieve consensus on them. Instead it emphasizes on acquisition of resources as the main activity of an organization and says effectiveness of an organization can be measured by their strength of acquiring scarce resources in a competitive environment (Yuchtman & Seashore, 1967). But this theory suggests that INGOs can be effective so long as they win the resource battle and secure funding with no regard for other factors and this seems to be limited in its view.

3) The multiple constituency theory of organizational effectiveness rejects the rational goal or the system resource models or any other models that came before it because they are limited by the unrealistic desire to develop a unilateral criterion of effectiveness. Instead this theory as developed by Connolly, Conlon, Deutsch (1980), Keeley, (1978),and Zamuto, (1984) state that strategic constituencies of an organization can have different assessment about what effectiveness constitutes in that organization and determine whether or not the organization is effective from their stand point. But multiple constituencies approach raises some questions like: what are the various
competing goals of the constituencies, how does the organization select which goal to follow and to what extent does it try to accommodate other competing goals.

In his comparison of four different variant models of the multiple constituency theory Zamuto (1984) acknowledged that “the construct of organizational effectiveness is both value based and time specific” (p.p.606). In the same research Zamuto (1984) identified the four variant models of multiple constituency approach as “Relativism, power perspective, social justice perspective and evolutionary perspective” (p.p. 607-608). According to Relativism which was advocated by Connolly et.al (1980), effectiveness is represented not in single united criterion but in a collective group of criteria of the constituency of that organization (Zamuto, 1984). In this case determination whether or not an organization’s performance has been effective is made by someone other than the constituents (Zamuto, 1984). The power perspective as advocated by Emerson, (1962); Hinings, Schneck and Pennings, (1971); Salanck and Pfeffer (1974) indicates some constituencies are more powerful than others in terms of resources and other measurements and so the effectiveness of an organization is measured by the extent to which it satisfies its more powerful constituent members. The Impartiality and Participant Interest Model as advocated by Keeley (1978) argues that the effectiveness of an organization can only be judged by the extent to which it satisfied the interest of the least advantaged person. The evolutionary perspective which is endorsed by Zamuto (1982) says consideration of satisfying the interest of strategic constituencies alone does not measure the effectiveness of an organization without additionally taking in to account other factors like limitations in the
performance of the organization and temporal change in constituencies or their expectations. Accordingly the evolutionary perspective would consider as effective those organizations that can adapt well to changing circumstances and accommodate the ever evolving needs of their constituencies (Zamuto, 1984)

The Multiple Constituency model and its four variants as discussed in this paragraph seem to have more relevance and pertinence in analyzing INGO effectiveness in Ethiopia because setting a goal for INGO effectiveness or determining the presence of INGO effectiveness can be relative, contextual and evolutionary. This process can also be considered to be in a continuum where one stake holder can have power perspective at one time where as another stake holder can have its way at another time or in another context. This process also include a constant pull and push of one stake holder by another (s) and negotiation to find a common ground in a case where concessions and benefits can be exchanged.

4) The existence of multiple constituencies and the need to accommodate the various and sometimes competing demands in organizations’ goals led to another effectiveness model called the Paradox model as crafted by Quinn and Cameron, (1982); Quinn and Rohrbough, (1981), Faehiman and Quinn, (1985). The Paradox model allows the functioning of multiple organizations simultaneously in different environments by balancing various competing interests and demands of constituencies (Cameron and Whetten, 1996). It also advocates for the existence and functioning of previous effectiveness models including rational goal model, the system resource model and the
multiple Constituency model together in a simultaneous and coherent fashion (Cameron and Whetten, 1996).

5) In regard to measuring the effectiveness of nonprofit organizations different organizational effectiveness models have been suggested by various researches (Kushner & Poole, 1996; Kushner, 2002; Cameron & Whetten, 1983; Sowa, Seldon and Sandfort, 2004). In their Multidimensional Integrated Model, Sowa, Seldon and Sandfort (2009) reiterate that multidimensional model is more appropriate to measure nonprofit organizations’ effectiveness than searching for a single measure of effectiveness. The Multidimensional Integrated Model laid out four principles:

1) Two forms of effectiveness (Management and program)

2) Management and program effectiveness each need to be evaluated in terms of “capacity (process and structure) and (b) outcomes.” (pp. 715).

3) The need to employ both objective and subjective (perception) methods to measure effectiveness and

4) Flexibility of the model to allow diversity in both program and management functions in the organization (Sowa, Seldon and Sandfort, 2009).

The Multidimensional Integrated Model offered a well-structured measurement system to capture the effectiveness of nonprofit organizations. But this model and its other predecessor models seem to be assuming the existence of developed civil society system where various constituencies of nonprofit organizations can freely seek and pass
information freely. It also assumes that the political system of the country encourages nonprofit sector; and there is a well-developed system of monitoring and evaluation as well as collection of information.

But INGOs whose main function is in developing and least developed countries are more likely to operate in an environment where there is no well-developed civil society structure, non-democratic political system and absence of free information flow between the various constituencies of these INGOs (Campbell, 1996, Reinhert, 2007, Harrison, 2002). The multi constituency approach can serve as a foundation framework for studying the effectiveness of INGOs. But I argue that it may not entirely capture the effectiveness of INGOs which operate in the complex political, economic and cultural condition of less developed countries.

By studying the organizational and project effectiveness of INGOs in Ethiopia, this research offers a model which builds on the multi-constituency theory and demonstrates how the effectiveness of INGOs can be measured and understood in less developed countries like Ethiopia. The model emerged from the following hypothesis: The effectiveness of INGOs depends on:

1) INGO’s management of the frequently conflicting goals of their main constituencies
2) The positive collaboration of the main constituencies independently of the INGOs but in the process of facilitating the works of INGOs\(^1\). The model considers INGO

\(^1\) The term INGOs in this model refer only to those INGOs that have a principal objective of directly implementing or indirectly facilitating various projects. Those INGOs that have a principal objective of being strictly a donor are considered as donors in this model.
effectiveness in terms of both organizational and project effectiveness in Ethiopia and tease out the common factors that are regarded by the main stakeholders of INGOS as key to the effectiveness of INGOs in Ethiopia.

The effectiveness model as indicated below is reflected in a form of Venn-diagram that has three intersecting circles. Each of the three main stakeholders represented by the three intersecting circles are the: domestic unit (government including beneficiary communities); donors and INGOS. The letters W shows weakness or negativity whereas the letter S shows strength or positivity of the relationship these stakeholders have either with INGOs or with one another independently of their relationship with INGOs but in the process of working with INGOs. The portion that is intersected by all the three stakeholders is a strong relationship area for all of them.
**FIGURE 1.1 - MODEL OF INGO EFFECTIVENESS IN ETHIOPIA**

**TYPE I**
- INGOs may or may not be effective depending on the kind of relation donors and domestic units may have.

**TYPE II**
- Less chance of effectiveness for INGOs.
- Likely to be effective in certain cases, like ADA, TDA, ODA.
- When government allows NGOs/INGOs to raise funds internally and operate.

**TYPE III**
- May have difficulty of becoming effective.
- In this case, donors and government will renegotiate to find a mutually accepted INGO & partner NGO.
- Depending on the degree of influence, INGOs may force the domestic unit to allow the particular INGO to operate.

**TYPE IV**
- Unlikely for that INGO to be effective without the support of the other stakeholders.
- But since donors and domestic units have a good relationship, they can select different NGOs that are acceptable for both of them.

**TYPE V**
- Less chance of effectiveness for many INGOs.
- Likely to be effective in some exceptions like ADA, TDA, ODA or others which get support from the domestic units.

**TYPE VI**
- Unlikely to be effective as government or the community will not allow the INGO to operate.
- As donor and government do not have a good relationship, there is less chance of the donor convincing the government to permit specific INGOs to operate.

**TYPE VII**
- This is the ideal situation where all stakeholders agree on certain projects and support. Example:
  - ABE - in Education
  - PSNP - in Food Security
  - HEW - in Health Care Sector
- **STRONG** – **STRONG** – **WEAK**
- **STRONG** – **WEAK** – **STRONG**
- **WEAK** – **STRONG** – **WEAK**
- **STRONG** – **WEAK** – **WEAK**
- **STRONG** – **STRONG** – **STRONG**
The model has seven different features as indicated in the diagram above. Type I is where INGOs have strong positive relationship with donors and domestic units but the relationship between donors and the domestic units is weak or negative. In type II INGOs have weak or negative relationship with donors but have a strong positive relationship with the domestic unit. The relationship between the donors and domestic units is strong or positive. In type III INGO relationship with donors is strongly positive but their relationship with the domestic unit is weak or negative. The relationship between donors and the domestic unit is strongly positive. In type IV INGOs relationship with donors and the domestic unit is weak or negative but the relationship between donors and the domestic unit is strongly positive. In type V INGOs’ relationship with donors is weak or negative but their relationship with the domestic unit is strongly positive. The relationship between donors and the domestic unit is weak or negative. In type VI INGO relationship with their donors is strongly positive whereas their relationship with the domestic unit is weak or negative. The relationship between donors and the domestic unit is weak or negative. In type VII which is the ideal goal for the relationship of these stakeholders the relationships between INGOs and their donors or the domestic unit is strongly positive and at the same time the relationship between the donors and the domestic unit is strongly positive.

This model will be used to analyze INGO activities in all the three sectors of Ethiopia that will be discussed in this research (Food Security, Education and Healthcare) and to answer the research questions indicated in a previous section of this chapter.
Conclusion

Since the 1970s developing countries experienced a massive increase in the number of domestic and INGOs in their territories. International donors, who believed that INGOs are more efficient, flexible and responsive to people’s needs, were partly responsible for the proliferation of INGOs in developing countries (Harsh, Mbatia and Shrum, 2010, Obiyan 2005). International donors also hoped that the proliferation of INGOs will eventually lead to democratic political system and economic liberalization in those countries (Bratton, 1990, Reimann, 2006, Makoba, 2002).

Developing countries also supported the expansion of INGOs’ service within their territories to obtain international aid resources and legitimacy (Campbell, 1996, Harrison, 2002,). Many INGO scholars discussed what INGOs do in developing countries, how they multiplied in number, and the challenges they face in their everyday work without exploring the factors that make them consistently effective in developing countries like Ethiopia.

The purpose of this research is to fill this gap and study how INGOs in Ethiopia can be consistently effective in their organizational capacity and project performance.

Ethiopia is one of the poorest nations in the world with a typically weak government structure and less developed civil society network (Campbell, 1996, Reinhert, 2007). Frequent occurrence of famine aided by incessant drought; lack of government capacity to deal with the famine and related problems; and severe
underdevelopment in the provision of basic public services attracted many INGOs to establish their operation in the country.

In the period between 1991 and 2005 the current EPRDF government in Ethiopia provided a relatively positive environment for the establishment of INGOs in the country subject to the general condition that they adopt the government’s development goal in their missions and objectives (Campbell, 1996, Harrison, 2002). Particularly in the sectors of food security, healthcare and education which are the focus areas of this study INGOs established several projects around the country with significant resources and impacts on the living condition of the people (SDPRP, 2002, PASEDEP, 2006). The strain in the relationship between all INGOs and the government that followed the 2005 national political election led to the promulgation of Proclamation 621/2009 which tightened government control on foreign and Ethiopian resident INGOs (that receive most of their funding from international donors) and strengthened their accountability to the government. Chapter I of this research presents the literature review which shows how NGO researchers viewed the question of INGO effectiveness in developing countries by considering the perceptions of various constituencies. The literature review serves as a prelude to the main focus of the research which is providing an answer to the research questions.

Chapter III lays out the methodology part of the research and provides detailed analysis about the selection of INGOs in Ethiopia as subjects of this research and why case study method is the best approach to conduct the research. Chapter IV will analyze data collected in different forms from representatives of the main constituencies and
provide its findings of INGO effectiveness in the Food Security, Education and Healthcare sectors. Chapter V works on finding a common pattern of the perceptions of INGO effectiveness in a way that provides a comprehensive answer to all the research questions in this research. Chapter VI will provide a conclusion of the research and recommendation.
CHAPTER 2

LITERATURE REVIEW

Emergence of INGOs in Developing Countries

The field of NGO studies is a recent phenomenon and its body of literature is still developing (Landim, 2008, Martens, 1999). The literature reviewed for this research covers the experiences of INGOs from different perspectives and identifies certain common factors that are likely to render NGO activities effective. The works of many NGO scholars included in this literature review explore the causes and effects of NGO proliferation in developing countries; why INGOs have become favored means of distributing relief and developmental aid in developing countries; and how INGOs that operate in developing countries changed their strategy of delivering service from direct implementation of projects to forming partnership with domestic NGOs.

But the main discussion in this literature review is devoted to showing in detail the series of factors that have been commonly identified as impacting the effectiveness of INGOs in developing countries. Throughout the discussion of these factors of effectiveness, the literature emphasizes that the effectiveness of INGOs in developing countries is more than the proliferation of organizations in number and the abundance of resources delivered by those organizations.

The spread of INGOs in to developing countries was spurred not only by the charitable needs but also by the need for INGOs to ensure their continued survival.
(Manji and O’Coill, 2002). INGOS like OXFAM emerged in the Second World War ravaged Europe as a means of providing social welfare assistance and helping with the reconstruction effort. But when their purpose was accomplished in Europe these INGOS decided to expand their services to developing countries rather than shutting down (Manji and O’Coill, 2002).

The work of INGOS in developing countries has also been portrayed as creating a continuity of welfare services initiated by foreign missionaries when African countries were under colonial control (Hearn, 2007). At the beginning, these INGOS focused on providing mostly relief and humanitarian services in the remote and marginalized parts of developing countries. In particular, the lack of capacity of newly independent African countries to serve people located in the remote parts of their territories became a staging ground for the proliferation of INGOS (Obiyan, 2005).

The deficiency in government capacity to provide basic human and social services in developing countries was accentuated with these countries’ receiving loans from the International Monetary Fund (IMF). The IMF was established in 1944 to provide short term emergency loans to countries facing severe economic crisis, subject to stringent conditions called Structural Adjustment Program (SAP) (Jauch, 2009). As SAP’s conditions like: trade liberalization; and cutting government subsidies on public services increased the people’s hardship and prevented governments from providing social welfare services, INGOS stepped in to fill the gap
(Fowler, 1991). Various NGO scholars identified characteristics of INGOs which makes them a preferred channel of supplying welfare and development aid to people in developing countries.

Why are INGOs necessary to deliver these services as opposed to business organizations and governmental offices? Brinkerhoff, Smith & Teegen (2007), explained that there are two important theories that explain why INGOs are necessary. These theories are market failure and government failure theories.

**Market failure**

It can be seen when “the market cannot function properly or no market exists; the market exists but produces an economically inefficient allocation of resources or the market produces undesirable results as measured by certain social objectives” (Worth, 2009 pp.60). A well-functioning market assumes that both buyers and sellers have sufficient information about the commodity on which they are transacting (Worth, 2009).

Worth (2009) also indicates that the market may not function effectively for poor people or for those who are under discrimination for various reasons. Poor or discriminated people are not likely to have the resource to acquire information which will place them at a disadvantage in the market. For example during the time of apartheid in South Africa Black Africans neither had the resource nor the knowledge to use market information in their market transactions with white people.
Regarding market failure, Brinkerhoff, Smith & Teegen (2007), also noted that it can be related to “public Goods” and further argued that “A more equal distribution of income itself can be considered a public good when it is an agreed social objective” (p.60). Where the agreed social objective in society is reducing poverty, universal healthcare coverage or college education for all and the market does not support that objective we see market failure.

**Government failure**

Governments can intervene and correct market failures to the extent they can by enacting regulations and by providing public goods that could not be provided by private businesses. But governments have also political and structural failures that prevent them from filling the gap left by business enterprises. Worth (2009) explained the following as political reasons of government failures: Governments tend to be more responsive to the needs of the majority than to the needs of the minority as government officials need to secure majority vote for their stay in power. Government may not be willing to provide a service that becomes controversial in society. Government officials may keep postponing actions on controversial issues when they think that it may have a political cost to their stay in power. Government officials may tend to act on those projects that show result within their political term period as they would want to show result for their reelection effort.

In regard to structure failures of the government, Worth (2009), explained that because governments are large and have bureaucratic structure, they lack complete
information. The fact that people are disinclined to interact with governments because of their negative perception of government bureaucracy adds up to the lack of information governments may have. Brinkerhoff, Smith & Teegen (2007), saw government from the viewpoint of transferring a good or benefit that can be used to people outside the national border. Typical example for this could be new vaccines for infectious diseases like the Swine Flu or new forms of treatment for cancer diagnosis.

Governments may not be willing to spend their public resources for the benefit of other countries as that may have adverse political consequences for them. INGOs as a third sector fill the gap created by market and government failures. These organizations have comparative advantages that enables them fill the gap left by the business enterprises and government offices. (Brinkerhoff, Smith & Teegen, 2007; Bratton, 1989; Fowler, 1991; & Obiyan, 2005) identified seven different kinds of comparative advantages:

1) Innovation-

INGOs work closely with the poor and are in a position to know the specific problem of each community. INGOs will use this socialized knowledge to innovate on new improved plan or practice of reducing poverty. For instance in a new farm village where production is low, INGOs could educate the farmers how to be efficient, what methods of farming to use and how to maintain the productivity of their farm land. Private businesses may not find any incentive in such kind of innovation while
government does not have a successful track record in introducing and maintaining such kind of innovation.

2) Program flexibility –

INGOS are not constrained by government policies or profit motive and can make adjustment to their programs in accordance with the needs of their target community. This fact is especially true to INGOs that are not dependent on the government or external donors for their budget. INGOs which have new innovations of reducing poverty can update their programs faster than governments or business enterprises.

3) Specialized technical knowledge-

INGOS have opportunity to amass specialized or technical knowledge about a certain target community with which they are working. For example Plan International USA is a large INGO which has involvement in 49 countries with a program that focuses on children’s wellbeing. This INGO not only has social knowledge about the children’s problems in its program countries but also has established a wealth of technical innovation that improve children’s way of life and that cannot be matched by business enterprises or governments. Such INGOs are also in a position to train and cross transfer their specialized knowledge from one country to another at no special cost.

4) Targeted local public goods-
INGOs are well positioned to provide important public goods to their target communities. Such public goods may include hospitals, health clinics, schools, telecommunication and power stations, clean drinking water processing plants and others. For instance World Vision International (a Christian INGO) has built roads, schools, children’s and adult day care centers, health clinics and other similar public goods in Ethiopia with the purpose of improving the people’s quality of life in the countryside. Their small size and the specific nature of service they are providing allowed INGOS to focus all their resources on their communities’ needs and get results, unlike in the case of governments which are bogged down in trying to satisfy widely conflicting interests of various constituencies (Fowler, 1991).

5) Common property resource management system-

INGOs which have target communities that are dependent on natural resources can help their community in managing their resource appropriately. For instance big INGOS like CARE International train their targeted community members: how they can maintain fertility of their soil; how they can keep rivers and lakes clean; and educate the people about the benefits of forestation, irrigation and protecting their fish population. Neither governments nor private enterprises can accomplish this at the scale INGOS can accomplish it.

6) Trust and credibility-

Well-functioning INGOS are more trusted by their communities than either the government or business organizations. Most governments in developing countries are
perceived by their citizens as corrupt and inefficient. Western government donors and intergovernmental organizations like UN agencies prefer to distribute their aid program through INGOs and domestic NGOs because governments in developing countries have experience of misusing donor’s money for bolstering their political power and perpetuating unpopular policies (Obiyan 1995, Fowler, 1991). The unique characteristics that make INGOs more trusted than government bodies or business organizations include being “… close to the poor, encourage popular participation, flexibility and innovation, sustainability, advantage from small size, cost effectiveness and commitment of staff” (Obiyan, 2005 p. 311).

7) Representation and advocacy-

INGOs are well positioned to know the needs of the poor people because they work very closely with them. They also know what the long term solutions for the problems are and can represent the people’s interest in front of the local government or intergovernmental organizations. INGOs advocate the interests of minorities and those members of the community who are disenfranchised.

In the 1980s and 1990s many developing countries' governments had to cut their social spending and abandon their services to the poor because of high interest rate in their foreign debt payment, declining revenue of export products, and the pressure of SAP on states to stop subsidizing public services and social programs (Fowler, 1991, Obiyan, 2005). This situation forced governments in developing countries to allow INGOs step in and fill the gap by supporting critical public services like healthcare and
welfare services. Many donor countries and organizations also believed that INGOs are instruments of building a vibrant civil society in developing countries (Fowler, 1991, Obiyan, 2005).

The period of the 1980s and 1990s saw massive proliferation of INGOs in developing countries and steep increases in the volume of funds brought by INGOs in to these countries (Clarke 1980, Charlton and May 1995, Parks 2008, Reiman 2006, Manji & O’Coill 2002, Smillie 1997). For instance Clarke (1980) found that the number of domestic NGOs and INGOs registered in the Philippines from 1984-93 increased by 148 percent while in Kenya the same number increased by 184 percent from 1978-1987.

The ability of INGOs to mobilize financial and other kinds of resources in developing countries has also increased significantly during the same period. For example between 1984-1994 the United Kingdom increased its funding to INGOs by 400 percent (68.7 million pounds), while by 2002 the US government was transferring 40 percent of its foreign aid to developing countries through INGOs (Manji and O’Coill, 2002). Some scholars like Charlton and May (1995) went to the extent of commenting that INGOs “… displaced governments as the primary recipients of a number of Official Developments Assistance (ODA)…” (pp. 237). In the case of Ethiopia Rahmato, Bantirgu and Endeshaw (2008) reported that the resources that were brought in to the country through INGOs increased dramatically from 444 million dollars in 2004/05 to 537.4 million dollars in 2006/07.
However, not all NGO scholars agree upon the increased role of INGOs in managing international donors’ money in developing countries. For example Lewis (1998) and Szporluk (2009) argue the funds that were transferred to developing countries through INGOs declined over the years. Szporluk (2009) further argued that multilateral organizations like the World Bank, IMF, and the European Community distribute a much higher volume of resources to developing countries than INGOs. Szporluk (2009) goes on to argue that the majority of the funds that came to developing countries from international donors come directly to states through bilateral or multilateral agreements.

The 1980s and 1990s were also the decades when INGOs shifted from their traditional system of self-implementation of their projects to implementing many of their projects through NGO partners (Lewis, 1998). According to Lewis (1998) the main rationales for this operational change was the desire to increase effectiveness by overcoming cultural and communication barriers through partnership with domestic NGOs and attaining added legitimacy with local people.

Other scholars like (Parks, 2008) concurred with Lewis (1998) but offered a different rationale for it by stating this new approach was required by international donors to make project implementation more cost effective. As more INGOs shifted gears and moved to form partnerships with domestic NGOs the focus of their operations also shifted towards three activities: Building the capacity of domestic NGOs and local government offices, providing funds to selected national NGO
projects and supervising the proper implementation of these projects through periodical evaluations and feedback (Lewis, 1998, Parks, 2008).

INGOs partnership with domestic NGOs led to enhanced involvement of domestic NGOs in project planning, implementing and supervising, and encouraged more international donors to send in resources with the intention of accessing a large number of needy people through strong domestic NGOs. As previously noted the foreign currency that was coming in to Ethiopia through INGOs grew from 440 million dollars in 2004/05 to 537.4 million dollars in 2006/07, making it the second highest source of private income for the country after foreign remittance by its Diaspora (Rahmato, Bantirgu and Endeshaw, 2008).

A third rationale for the shift towards partnerships has been identified as the role these partnerships could play in building civil society and democratic governance in developing countries (Obiyan 2005; Fowler 1994; Bratton 1989). Major donors such as Western governments and multilateral organizations like UN agencies, World Bank and IMF wanted INGOs and domestic NGOs to stimulate the growth of modern civil society, especially in newly independent African countries with weak civil societies (Obiyan 2005; Fowler 1994; Bratton 1989; Hearn 2002).

What is INGO Effectiveness?

According to the multiple constituency theory of organizational effectiveness INGOs’ effectiveness could be viewed differently based on the perception of the main stakeholders
Meaning of INGOs effectiveness from the perspective of the government, donors and communities

As it was discussed in the introduction chapter the main constituencies in the effectiveness model have their own perspective of INGO effectiveness that is directly related to their individual goals. To understand how these different perceptions are seen it is important to understand the goals of each constituency in the INGO effectiveness model. For example the following discussion about the goals of the domestic unit, donors and INGOs in the Ethiopian Food Security Program can show how these important stakeholders could have different perceptions about INGO effectiveness.

Government’s goal of the Food Security Program

The government adopted the Food Security Strategy as part of its Poverty Reduction Strategy Plan (PRSP) which has been required by the International Monetary Fund (IMF) and the World Bank to receive development loans and financial grants (IMF, 2000). The PRSP, the government claims the causes of Food Insecurity were the repeated occurrences of droughts, poor fertility of soil, lack of diversifying income resources, the effect of high population growth and lack of well-developed infrastructure, credit, and updated market information system (MOFED, 2002).

The government understands and defines poverty as a combination of four factors which are poor access to material necessities, lack of proper educational and healthcare services; increased vulnerability to risk with no insurance and lack of empowerment of the people to make their voice heard (Woldehana, 2004)
PRSP also indicates that factors relating to national policy have been causes of Food Insecurity but did not specify which policy it is referring to or why (MOFED, 2002).

The government believes that household asset depletion in the Food Insecure parts of the country occur when crop failure hits because there is no off-farm business activity that provides alternative source of livelihood. When the Food Security program was launched in its first three years interim period the goal of the government has been to “--- to attain food security for five million chronically insecure people while at the same time improving and sustaining the overall food security of an additional ten million people” (MOFED, 2002, P.P. 61)

To achieve this goal the government followed three pronged strategy: improving food supply and access with the assistance of productive safety net; promoting off-farm income earning activities; and organizing a voluntary resettlement program for people that have a chronic risk of food insecurity due to environmental degradation (MOFED, 2002). The government indicated in its PRSPs that all INGOs and their NGO partners are its development partners so long as they share its goals and work with the government to meet these goals (MOFED, 2002).

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3 Voluntary resettlement program has been designed by the government to transfer farmers who are susceptible to chronic food insecurity to fertile and less densely inhabited lands. Farmers who are resettled in this way receive a bigger land and relatively developed infrastructure like irrigation scheme.
Donor’s goal of food security program in Ethiopia

The Paris Convention of Aid Effectiveness\(^4\) requires donors to support the
development goals of countries by coordinating their projects and activities within the
goals of these countries’ governments (Paris Convention, 2005). Accordingly donors in
Ethiopia which include foreign governments, multilateral organizations and foundations
integrated the government’s Food Security goals in to their own goals. But the donors’
goal in the Food Security Program goes further than what the government aims to
achieve in that it requires the government to introduce serious reforms that accords
democratic governance and economic freedom to its citizens as part of its food security
strategy (DAG, 2006). Donors noted that a food security strategy that does not
encourage democratic governance, government accountability and independence of
judiciary will only perpetuate the current poverty status rather than changing it (DAG,
2006).

As an example the researcher saw goals of four major donors in the Food
Security program which are USAID, DFID, World Bank, and the European Union. USAID
has an ambitious goal of helping 50 million people climb out of poverty in Africa through
an investment by a public-private partnership aimed at improving small scale agriculture
(Suarez, 2012). The US government through USAID expressed its goal of pushing

\(^4\) The Paris Declaration on Aid Effectiveness has been signed on March 2\(^{nd}\), 2005 by 138 countries
including Ethiopia. The core principles of this convention are: encouraging aid beneficiaries to formulate
their aid priorities or strategies; donors’ following these priorities and strategies in providing aid; to make
these strategies identified by recipient countries goal oriented and verify progress towards the goal by
monitoring and evaluation; and making both donors and aid beneficiary countries accountable for
achieving these goals (OECD, Par 2).
Ethiopia towards democratic governance system and seeing Ethiopia reform its land tenure system so that small farmers could have titles over their land and be able to borrow money by placing their land as collateral (Suarez, 2012)

The United Kingdom through its international development arm DFID, expressed its goal of seeing “... democratization, decentralization and increasing respect for the human rights of all Ethiopians”. DFID believed that the government should have transparent decentralized and democratic governance with active civil society system and a rule of law enforced by independent judiciary (DFID, 2012). The European Union believes that Food security is a multifaceted challenge that needs to be tackled by a partnership of the government; donors and a strong civil society network that need to thrive in democratic governance (EU Country Technical Paper, 2011). The EU’S Food Security assistance in Ethiopia addresses both building the capacity of the government for overcoming emergency food shortages and supporting the government’s long term strategy of helping certain targeted chronically food insecure areas achieve Food Security (Delegation of EU, 2013). The EU’s goal as a major donor of the government’s Food Security Program is based on the Cotonou Agreement which aims at achieving democratic governance with strong participation of Non State Actors (NSAs)\(^5\), rule of law, transparency and respect for Human Rights (Delegation of EU, 2013).

World Bank as a major donor in the country’s Food Security Program has a goal of helping democratic governance take root in the country through decentralization of

\(^5\) The Cotonou agreement which was made to coordinate the financial and economic aid of EU members to African Caribbean and Pacific countries refers all national or international Non-Governmental entities or organizations in these African, Caribbean and Pacific countries as Non State Actors.
political power, improved accountability and participation of citizens in the political process by nurturing a strong civil society network (World Bank, 2013). The Donor Assistance Group (DAG) which is a framework that was set up to coordinate the actions of all the major donors in Ethiopia also reflects the interests of its members in its goal of promoting democratic governance, independent judiciary that protects private property, reform of the land tenure system and removal of barriers on trade and investment (DAG, 2006).

**INGO’s goal of Food Security in Ethiopia**

The goal of INGOs in Ethiopia regarding Food Security shows different characteristics before and after the enactment of the CSP. Before the enactment of the CSP INGOs’ goals and objectives were similar to that of the donors in the sense of addressing the root causes of poverty not only through relief and economic development but also through development of a vibrant civil society system and democratic governance. But this has changed after the enactment of the CSP because the domestic unit (government and community) aggressively demanded all INGOs to limit their services only to relief and economic development. An example for this would be the change which occurred to the objective of a prominent INGO called Action Aid International in Ethiopia. Before CSP came in to the picture one of the objectives of the organization was “to strengthen the capacity and action of poor and excluded people’s organizations and movements, to assert their rights and overcome causes and symptoms of poverty and injustice” (Action Aid, 2011, par. 2.8). Action Aid also showed that one of its activities was to “operate human rights based antipoverty programs”
(Action Aid, 2011, par. 2.9). The current objective of Action Aid says “Action Aid Ethiopia is committed to the eradication of absolute poverty and the realization of social equity and dignity in Ethiopia” (Action Aid Ethiopia, 2013, par.3)

**INGO Effectiveness in Developing Countries**

As previously noted the dependent variable in this research is effectiveness of INGOs in Ethiopia. The literature reviewed for this research is grounded in the study of INGOs in Ethiopian and other similarly situated developing countries. This literature suggests that the following factors are associated with INGOs effectiveness in developing countries.

1. **Level of organizational experience and endurance**

Most INGOs are set up to serve long term goals. But not all of them survive for a long period of time. Charlton and May (1995), noticed that in the NGO boom period of 1980s and 1990s a number of INGOs were set up in response to the abundant and easily accessible foreign donation. Many of these INGOs died away when foreign donation became scarce and competitive. Conradie (1999) suggested that in order to become sustainable and effective, INGOs should “be able to carry on almost indefinitely or for at least five to ten years (depending on the nature of the project)” (N.pn). Lewis (1998) also suggested that in the eyes of all stakeholders INGOs which showed higher level of longevity or endurance tend to be more effective than more short lived INGOs. Lewis (1998) further argued the longevity of INGOs is closely related to other factors like
financial stability of an organization, and support of local government officials and support of target community members.

2. Level of organizational resources

Level of financial resources

Most INGOs in developing countries rely on international donors for their survival. Their dependency on international donors has been exacerbated by the lack of national government support and the absence of local public culture to donate (Obiyan, 2005, Bratton, 1989). In the 1980s and 1990s governments of developed countries and intergovernmental organizations were transferring a significant portion of their official aid to developing countries through INGOs.

Reimann (2006) stated that in the 1990s UN agencies were transferring more than 2 billion dollars to developing countries through INGOs while the World Bank increased INGOs’ share of project funding from 6% in 1973-88 to 50% in the late 1990s. While most local and INGOs functioning in developing countries continued to depend on international donors’ money, others were able to develop a sustained source of income locally (Hearn, 2007, Parks, 2008). For instance, Parks (2008) reported that in the 1980s many INGOs in Thailand have become independent of foreign donations by developing sustainable sources of local funding.

In the case of Ethiopia, domestic NGOs like the Amahara Development Association (ADA), Tigray Development Association (TDA) or Oromo Development
Association (ODA) are not dependent on foreign funding since they get most of their funds from membership contribution, local fund raising efforts and limited business practices like renting an office building or crop farming (Clarke, 2000, Publications of ADA, 2010; TDA; 2009; and ODA, 2010).

As Lewis (1998) discussed, foreign funding for international and domestic NGOs declined in the late 1990s. Such scarcity in foreign donations caused some INGOs to shut their doors while others were forced to go in to fierce competition to get funding. Two opposing views were expressed regarding NGO competition for foreign funding. Those who argued in favor of NGO competition for foreign funding like Conradie (1999) said that “----- INGOs should run their organizations more like business initiatives and move away from a purely welfare approach” (Section 4.3 Para. 4). Others like Johnsone and Prakash (2007) argued that competition and market oriented approach for INGOs will lead them away from pursuing their original objectives.

Competition for scarce resources also forces INGOs to give priority to the objectives or missions of international donors rather than their own priorities. INGOs which prioritize the implementation of international donors’ agenda over the priorities of the local communities are likely to see a decline in their effectiveness in the following three ways:

a) INGOs will see their local support base eroded since their communities’ needs have become secondary to donors (Szporluk, 2009, Hearn, 2007).
b) States in developing countries will find easier grounds to discredit the activities of INGOs by claiming that the true purpose of INGOs in developing countries is serving the purpose of foreign powers rather than meeting the needs of local people (Moore and Stewart, 1998).

c) Fierce competition for foreign funds may not win the support of donors who prefer collaboration to competition (Moore and Stewart, 1998).

In regard to financial status, those INGOs receiving most of their funding from local sources are likely to have more financial stability and thus can be more effective than those INGOs dependent on foreign funding (Parks, 2008). INGOs that depend on international donors for their funding will find it hard to have a long term plan or work on projects since they do not have a stable and continuous source of funding (Smillie, 1997, Makoba, 2002). INGOs dependent on foreign funding have to compete with others at each funding period and try to meet the ever changing requirements of donors (Smillie, 1997). In addition INGOs who receive most of their funding from local sources do not have to spend as much time on finding new sources of funding.

**Level of other resources**

The level of other resources INGOs can bring in to a developing country determines their effectiveness (Boulding, 2008). Resources can include capacity in the following ways: a well-developed management structure (Welsh&Lenihan, 2006), ability to hire adequate number of staff, and the ability to increase productivity of staff by investing resources on staff training and development (Lewis, 1998). INGOs with a
higher level of such resources at their disposal or those that can bring a higher volume of resources to target community are more likely to be effective than INGOs lacking significant resources (Boulding, 2008, Smillie, 1999, Walsh & Lenihan, 2006).

The level of expertise possessed by the employees of INGOs is a determining factor in the effectiveness of INGOs. Level of expertise refers to the level of educational training and/or professional experience employees have in the NGO field (Lewis, 1998, Walsh & Lenihan, 2006). Employees of INGOs also tend to show dedication and courage towards the accomplishment of their organization’s mission (Anheier & Salamon, 2006, Walsh & Lenihan, 2006).

The level of trained manpower INGOs can hire or maintain depends mainly on their level of resources and the nature of the project in which they are engaged. For instance the number of college graduates small INGOs can hire or maintain is limited compared to larger INGOs. Scholars like (Smillie, 1997, Conradie, 1999) believe that other factors being equal, INGOs which have higher level of trained staff will be more effective than those INGOs which have lower level of trained staff.

3. Level of organizational project effectiveness and efficiency

Project effectiveness

INGOs are established with specific missions and objectives. Their mission determines the kind of service they deliver and the way they get permitted to operate in developing countries. In Ethiopia INGOs which apply to be registered by the Ethiopian
Charities’ and Societies’ Agency need to identify their mission in a specific way. For example Water Aid is one INGO that focuses on expanding access to clean drinking water and sanitation whereas Hunger Project is another INGO which has an objective of reducing poverty by teaching farmers better farming methods and how to access education and healthcare services (interview with officials of Water Aid and the Hunger Project, 2011). INGOs have the advantage of specializing their effort or investment on a limited area or population which helps them to be more focused and effective in their programs. Program effectiveness is related to the ability of INGOs to complete their mission in a timely manner. But program effectiveness may mean more than achieving the organization’s missions. INGOs are also required to integrate the development goals of both donors and the governments in to their programs or missions. For instance, the current Ethiopian government required all INGOs that conduct relief and development services to adopt the main principles of PASDEP (a government poverty reduction strategy synchronized with the United Nations Millenium Development Goals (MDGs) that were adopted in 2000 (Rahmato, Bantirgu & Endeshaw, 2008).

In this strategy the government stated that hunger and poverty have been perennial problems of the country and have impeded economic development for a long time. As the urge to get rid of hunger and reduce poverty levels was in line with the MDG goals, the government wanted to steer the efforts of both governmental organizations and INGOs towards these goals. In regard to implementing the PASDEP, Rahmato, Bantirgu & Endeshaw (2008) noted that all the achievements of the Ethiopian government in fighting hunger and poverty would not have been possible without the
significant contribution of INGOs. INGOs which originally expressed concerns that strict government oversight was an encroachment on their autonomy, later accepted it as a meaningful approach (Campbell, 1996).

Boudling (2008) argued that as far as program effectiveness goes INGOs which operate in less densely populated areas or rural areas where the economy has limited resources are more effective in bringing political impact than INGOs which function in urban areas or high population density areas where the communities have more resources. INGOs in urban areas or high density areas tend to be large and bureaucratic which makes them detached or non-participatory. In their pursuit of funds the main task of urban NGOs’ may be to satisfy donors’ requirements rather than the long term needs of the community (Szporluk, 2009, Hearn, 2007). INGOs in rural areas tend to be more participatory and able to mobilize the community for political change (Boudling, 2008) as well as economic growth (Bratton, 1989).

INGOs in rural areas can also specialize on a specific community problem, have a small area of population coverage and are likely to be more effective than those that dealing with a large array of community problems or cover a wide area of the population (Boudling, 2008). By the same token INGOs that specialize on a specific sector like healthcare, education or water resource development in a smaller area and for a shorter duration are able to focus their resources on that specific problem or area and can be more effective than others that do not have such a high level of specialization (Bonzi, 2006, Seckinelgin, 2005).
Campbell (1996) and Obiyan (2005) argue the state’s requirement for INGOs to follow its developmental goals will help coordinate their activities and make them more effective as long as the requirements provide them with sufficient room for flexibility in implementation. This view clashes with the conventional argument that government development goals limit NGO’s autonomy (Clark, 2000, Fowler 1991), and argues developmental goals like the PASDEP in Ethiopia increases the effectiveness of INGOs.

INGOs that collaborate with other INGOs tend to be more effective than those INGOs which compete against each other (Smillie, 1997). Those INGOs which are members of an umbrella organization like Christian Relief Development Association (CRDA) assist each other in information sharing, equipment sharing, staff training and in other similar programs (CRDA, 2010). INGOs that compete against others tend to use questionable fund raising tactics where they convey only positive information and hide negative information to donors (Szporluk, 2009, Conradie, 1999). Competing INGOs also do not coordinate their efforts with others and thus are not in a position to maximize the use of resources (Szporluk, 2009, Conradie, 1999).

**Efficiency of Organizations**

Donors want to see INGOs utilize most of their funds to implement programs (Szporluk, 2009). Many large INGOs indicate on their website that a low percentage of their operation goes to administrative cost and a majority of their funds go to their programs. For instance Plan International USA in its 2010 financial report showed that its management and general cost were only 8.2 % of the budget while programs made
up 77.4 % of the budget (Plan International USA, Annual review, 2010). OXFAM International reported its support expenditures were 9% while its program expenditure were 90% of the total (Oxfam Annual report and accounts, 2010).

However not all scholars agree on the necessity of INGOs to maintain low administrative costs. For example Smillie (1997) argues forcing INGOs to minimize their administrative costs will make them less effective since it can lead them to do one or more of the following:

i) Cut corners and reduce the quality of their service or product
ii) Fraudulently report administrative costs as program cost
iii) Conducting improper method of fund raising
iv) Deception of private donors whose money is used for administrative expenses, although they were advised that their donation will be used for program purposes.
v) Lack of transparency in the expenditures and fund raising programs of INGOs.

Smillie (1997) also argues that it would be unethical for intergovernmental organizations like the UN agencies to accept project funds including administrative cost from donor countries and withhold the administrative cost when they transfer the fund to INGOs. United Nations High Commissioner for Refugees (UNHCR) is a typical institution for this case since it requires INGOs to use all the money they receive for
program implementation and cover the administrative expenses from their own pockets (Smillie, 1997).

According to Smillie (1997) and Makoba (2002) lower administrative costs are not always better in INGO fiscal administration and INGOs should have flexibility to determine their individual administrative cost subject to transparency. INGOs tend to allocate their resources on the basis of certain factors like their communities’ priorities, the expertise or specific experience they have (Lingan, Cavender, Lioyd and Gwynne, 2009). For instance in Ethiopia, from 2004-2008 the bulk of INGOs resources were invested in four of the ten regions of the country as follows: 4.4 billion birr (492.7 million USD) in Oromia region, 1.8 billion birr (201.5 million USD) in Amhara region, 1.1 billion birr (123.1 million USD) in Addis Ababa region, and 1.004 billion birr (112.4 million USD) in Southern Nations, Nationalities and People’s region (Rahmato, Bantirgu & Endeshaw, 2008).

From 2004-2007 INGOs’ investment in Ethiopia was high in the following sectors: Integrated urban/rural development including food security and education (2.97 billion birr or 321.2 million USD); Health (1.08 billion birr or 117.3 million USD) and fighting HIV/AIDS (710.96 million birr or 76.9 million USD). Although the government’s poverty reduction plan (PASDEP) has a role in the distribution of NGO resources, INGOs have also looked for projects where they could demonstrate efficient performance (Rahmato, Bantirgu & Endeshaw, 2008).
In regard to fiscal efficiency prior research suggest INGOs which have a transparent organizational structure tended to be more effective than those who are not transparent. INGOs which are transparent in terms of financial expenditures feel accountable in terms of expenses and tend to avoid waste and abuse of funds (Szporluk, 2009, Conradie, 1999, Lingan, Cavender, Lloyd and Gwynne, 2009). INGOs which promote transparency are also more likely to enforce strict auditing and evaluation of their cost efficiency while those that do not promote transparency are not likely to do the same.

4. Level of Organizational accountability

INGOs which are accountable to a specific authority tend to perform effectively. Lingan, Cavender, Lloyd and Gwynne (2009) paint a broad picture of NGO accountability by stating INGOs are in general accountable to both internal and external stakeholders. In the accountability perspective, INGOs have relationship with three stakeholders: donors; target communities; and governments (Szporluk, 2009).

Scholars like Szporluk (2009), Lewis (1998), Conradie (1999) believe INGOs show more accountability to international donors than the other two stakeholders groups because they are dependent on international donors for their financial survival. Lloyd and del las Casas (N.D.) indicated NGO’s accountability relationship to donors and the government are strong because they provide funding and regulatory mechanisms respectively while their accountability relationship with their community members is weak as the latter do not have any power over INGOs. Lloyd and del las Casas (N.D.)
concluded that “... balancing the needs of these different stakeholders is the crux of being accountable” (pp. 3). As Rahmato, Bantirgu and Endeshaw, (2008) observed INGOs in African countries like Ethiopia receive 90% of their funds from international donors. These INGOs seek to promote their donor’s agenda at the expense of the priorities of their target communities and the government (Szporluk, 2009, Obiyan, 2005 and Moore & Stewart, 1998).

In developing countries like Ethiopia, the government’s relation with INGOs reflects two opposing events. On the one hand the government considers INGOs as threat to its absolute rule and tries to control their activities, while on the other hand the government needs the existence of INGOs because of the resources they bring in to the country (Harrison, 2002). In regard to the relationship between INGOs and the target communities, Szpoluk (2009) argued INGOs should be accountable to their communities if they want to be effective in their operation.

However Lingan, Cavender, Lloyd and Gwynne (2009) argue that INGOs which can maintain an approach of balanced accountability to donors, the government and their target community members are likely to be more effective than those that cannot maintain such a balanced accountability approach. INGOs need to interact not only with their community members but also with their outside environment which includes donors and the government. Both donors and the government wield a lot of influence on the survival of INGOs. In addition, Bratton, (1990) stated political decision making in developing countries is determined not only by formal authorities but also by informal
authorities. INGOs which maintain the proper accountability relationships with both formal and informal authorities in developing countries are more likely to be effective than those who do not maintain this kind of accountability relationship (Bratton, 1990). Lingan, Cavender, Lioyd and Gwynne (2009) caution, overburdening INGOs with multiple accountability obligations make their work cumbersome and render them less effective.

5) Level of organizational relation with external bodies

Relation to National or local governments

Najam (2000) proposed a model that explains INGO- government relation as four kinds. These are: Cooperative when both share similar goals and strategies of achieving their goals; Confrontational when both have opposite goals and strategies; complimentary when they share similar goals but need to use different strategies and Cooptation when they have different goals but use similar strategies to achieve their goals.

Obiyan (2005) on the other hand stated that INGOs can have a symbiotic relationship with local governments in which governments need INGOs for much needed foreign resources while INGOs need the support of governments to maintain a sustained existence in that country. Developing countries like Ethiopia have a shortage of foreign currency as their export commodities are fetching declining prices than in previous years (Reinert, 2007, Rahmato, Bantirgu & Endeshaw, 2008). For example in 2008 the amount of foreign currency Ethiopia received from its leading export commodity coffee dropped by 65.8% from the previous year. The foreign currency
INGOs bring in to the Ethiopia helps the country make up the shortfall it had in foreign currency (Rahmato, Bantirgu & Endeshaw, 2008).

I believe that in the period between early 1990s to the 2005 political election INGOs were enjoying a relatively enabling environment created by the government and they formed all the types of relationship discussed by Najam (2000) with the government except confrontational type. During this time the influence of INGOs on the formulation and execution of the government’s Poverty Reduction Strategy was supported by all major donors (Clark, 2000). The donors provided direct budget support to the government in addition to funding INGOs’ projects so long as the government was open to nurturing the growth of democratic culture and the role of INGOs in cultivating this culture in their communities (World Bank, 2010).

Right after the 2005 political election in Ethiopia the relationship between some INGOs and the domestic unit turned confrontational and filled with animosity and mutual suspicion when the government thought that these INGOs crossed the line of their mandate and supported the opposition forces. In such cases the government tends to stop providing enabling environment for INGOs because they regard them as threats to their political rule or legitimacy (Fowler, 1991, Campbell, 1996). A typical example is Ethiopian government’s refusal to renew the licenses of several INGOs after the enactment of the CSP (personal communication with CSA official, 2011). On the other hand relation between governments and INGOs can be cooperative and mutually
beneficial if governments do not feel threatened by the presence of INGOs in their territories (Campbell, 1996, Najam 2000).

INGOs that integrate their goals and activities with the government’s goals and activities; and support the political will of government are likely to enjoy a more enabling environment. Conversely INGOs that deviate from the government’s will and are critical of the government’s policies have difficulty receiving government support necessary to be effective (Fowler, 1991, Campbell, 1996). In Ethiopia the higher correlation between degree of closeness to national government and effectiveness of INGOs has been depicted with the effectiveness exhibited by some NGO partners like Amahara Development Association (ADA), Oromo Development Association (ODA), and Tigray Development Association (TDA) (Rahmato, Bantirgu & Endeshaw, 2008). These INGOs receive considerable government support and maintain cooperation with federal and local government offices which allows them to use government structure to implement their projects and raise funds locally.

In African countries like Ethiopia, the state power constitutes formal and informal structure. The policy of the state, its ideology and governance is determined not only by the formal state bureaucracy, but also by the informal ethnic group leaders of the ruling party (Bratton, 1990, Hearn, 2002). INGOs that have closer ties with the informal network of governance in developing countries are likely to get the support of the official state structure and be more effective than those INGOs that do not have such support (Bratton, 1990). A typical example in the case of Ethiopia is the national
NGO known as Rist and the closer ties it has with the informal structure of the ruling elite. Some NGO partners like the ADA, TDA and the ODA also have closer ties with the informal structure of the ruling elite in their respective ethnic regional administration (Clarke, 2000). These INGOs are likely to be more effective than other INGOs with no such advantages.

**Relations to other INGOs through a network**

Prior to explosion of development of INGOs in Ethiopia in the 1970s and 1980s networks of INGOs had not been established. Christian Relief and Development Association (CRDA) was the first NGO network organization set up to coordinate the relief and development effort of these INGOs. CRDA was established in 1974 with only 12 members and in 2008 its membership numbers increased to 266 (Rahmato, Bantirgu & Endeshaw, 2008).

As of 2007, in addition to CRDA, 11 other networks of different sizes have emerged. The two largest networks after CRDA are a network of INGOs that work with Orphans and vulnerable children, with a membership of 118 INGOs and the networks of INGOs that work on poverty reduction, with a membership of 90 INGOs (Rahmato, Bantirgu & Endeshaw, 2008). In their study regarding Ethiopian INGOs, Rahmato, Bantirgu & Endeshaw, (2008) found out that out of over 3000 INGOs that were operating in Ethiopia in 2007 only 640 were members of various networks.

The literature argues that INGOs which integrate their operations with other INGOs tend to be more effective than those that operate unilaterally (PFE, 2003, CRDA,
2010, PANE, 2010). The networks share new information between members; provide ethical standards or operating procedures for members; evaluate the activities of member INGOs and provide appropriate feedback for them; and provide a strong representation of their members’ interest in front of national or regional governments, donors and other organizations (Clarke, 2000, Rahmato, Bantirgu & Endeshaw, 2008, CRDA, 2010). The literature also shows INGOs which operate within the framework of a network or coalition are able to avoid criticisms from donors directed at not being willing to collaborate with others and use their resources efficiently (Parks, 2008, Makoba, 2002).

6) Level of community trust on INGOs

Partnerships with local organizations

The growth of domestic NGOs in a country solidifies the ownership, partnership and participation of local stakeholders in that country’s political, social and economic development (Lingan, Cavender, Lioyd and Gwynne, 2009). According to the NGO registry in the Ethiopian Ministry of Justice, domestic NGOs have been growing at a much faster pace than INGOs. The same document shows that as of March 2007 out of the 2305 registered INGOs, 1742 (75.57 percent) are domestic NGOs while 234 (10.15 percent) are INGOs (Rahmato, Bantirgu & Endeshaw, 2008). Domestic NGOs are established by local people who share a common language, culture, tradition and aspirations with the members of target communities. But INGOs do not have this advantage when they operate in communities of developing countries like Ethiopia.
To make up for this cultural gap, many INGOs: partner with local organizations like domestic NGOs or cooperatives; operate indirectly through these local organizations by building their capacity and funding their projects (Lewis, 1998). In Ethiopia, the state administration has been subdivided on the basis of ethnic federalism which adds another dimension to the cultural tie factor. Some INGOs operate in more than one ethnic region in the country. INGOs whose staff shares common language, culture and tradition with the community seem to be more trusted and effective in their functions than other INGOs which do not have the same leverage (Lewis, 1998, Obiyan, 2005).

**Strength of community trust on INGOs**

Certain scholars like Fowler (1991) and Obiyan (2005) argued that INGOs have certain unique features that make them more effective than governments which include flexibility, less bureaucracy, being allies of their communities and their ability to spend most of their funds on the priorities of their communities. INGOs can win the trust of the local communities and are considered by the local communities as genuine allies, in their pursuit of economic, political and social goals tend to be more effective (Lewis, 1998, Fowler, 1991). Closely associated with this is the degree of legitimacy as measured by the perceptions of community members (Makoba, 2002). INGOs that earn the trust of their community members assume the role of representing or leading their community in advocating for an appropriate policy change (Fowler, 1991). Those INGOs that have a higher degree of legitimacy in their community tend to be more effective than INGOs which do not have this advantage.
Conclusion

The literature review showed that INGO effectiveness has different meanings for each of the three main stakeholders groups. In developing countries INGOs have multiplied in number and programs complexity since the late 1990s and became venues of a large transfer of international resources to developing countries. But it is not clear if such increase in number and complexity have brought effectiveness to INGOs. The literature review showed that some factors like: organizational experience and endurance; organizational resources; project effectiveness and efficiency; accountability; relation with external bodies; membership of INGO network; and Community trust have been commonly listed by NGO scholars as possible factors of INGO effectiveness in developing countries. This research will focus on finding out if these factors are also applicable to the effectiveness of INGOs in the current political and economic environment of developing countries by taking the specific case of Ethiopia. The following chapter shows the methodology used in this research to find out the common factors of effectiveness across all INGOs and the factors that can be considered as unique to INGOs of specific sectors.
CHAPTER 3

RESEARCH METHODOLOGY

There are many different kinds of INGOs operating in Ethiopia today. The old method of classifying such groups focused attention on six primary categories: domestic NGOs, INGOs, professional associations, civic advocacy groups, religious groups, and adoption agencies (Rahmato, Bantirgu and Endeshaw, 2008). Yet, the current government, which took power in May 1991, reduced the official regulated categories of INGOs to three.

1. Charities or societies that operate in more than one regional state or societies whose members are from more than one regional state.
2. Foreign charities and Ethiopian resident charities and societies even if they operate only in one regional state.
3. Charities or societies operating in the city administration of Addis Ababa or DireDawa (Proclamation 621 Article 3, 2009).

This research will focus on Category 2--foreign charities--and studies the actual practices of such INGOs in three focus programs: Food Security, Healthcare, and Education in order to explore and document the factors leading to effectiveness in this particular developing country setting.

Selection of Cases

Specifically, this research focuses on the practices and choices of well-established cases of INGOs in Ethiopia in order to find out what effectiveness looks like.
The selected cases had significant experience with successful projects. The decision to focus on such well-established (exemplary) cases was made for several reasons.

First, there were data collection concerns. If I picked a case of clear failure, it was not clear that participants would have been willing to talk about their experience(s). Second, it was reasonable to expect that if effectiveness was possible, it would be most likely to exist and to be recognized in cases of long-term operational presence, since longevity is, by itself, recognized by most as a one measure of ongoing effectiveness.

Such cases would thus offer a rich array of descriptive data across the full range of variables with which to paint an initial, yet reasonably accurate picture of an effectiveness framework or frameworks which could then be tested using a broader range of successful, mixed success, and failed attempt cases. Third, this research broadens the range of cases examined relative to the existing literature by focusing on cases where success is likely. The expectation is that the empirical record will cast light on what factors might contribute to the achievement of NGO effectiveness.

Fourth, vast majority of INGOs have a long history of service in Ethiopia in food security, healthcare and education projects and thus provide established track records for such in-country project implementation. For the purpose of this research only those INGOs with a minimum of four years of operational experience in the focus areas of food security, healthcare and education were considered. The multiple years of experience means officials from these INGOs will have the depth of perspective required to provide the answers this research seeks. This research’s selection of experienced
INGOs also means government officials and citizens are more likely to have well
developed perspectives on these INGOs’ activities. At the same time, there is a robust
universe of INGOs from which to choose. Table 1 shows the numbers and growth trends
of INGOs in Ethiopia since 1994.

Table 3:1- Growth of INGOs in Ethiopia from 1994-2007

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>INGOs</td>
<td>46</td>
<td>96</td>
<td>119</td>
<td>122</td>
<td>234</td>
</tr>
</tbody>
</table>

Table 1- Source- Dessalegn, 2002, MOJ, 2007 as cited by Rahmato, Bantirgu and
Endeshaw, (2008)

Fifth, INGOs were chosen because, while there are many more domestic NGOs
operating inside Ethiopia (about 1700 as of 2007), over the past 10 years INGOs have
shifted from the direct, or sole control of project implementation to partnerships with
many of these domestic NGOs. Given this, most domestic NGOs cannot be considered as
standalone, independent groups for the purposes of research observation. Their direct
involvement and dependence on foreign NGO funding, as well as project development
and initiation, makes INGOs the key decision-makers, and thus the best source of
information for what makes INGOs effective in Ethiopia.

Sixth, INGOs are a rich source of information because they have put in place a significant
number of “active” projects across the country, thus providing a resource rich database
for exploring the main research question. In 2008, for example, INGOs conducted 235
programs and projects across the various regions (see Table3: 2).
Seventh and finally, INGOs are more likely to be high impact because they bring significant resources to bear in-country. Taken together, the amount of resources all INGOs bring into the country via foreign currency exchanges reached 9,580 billion Ethiopian birr (920.9 million USD) in 2008-09. This was more than double the amount only five years earlier, and up roughly 450% from ten years earlier (see table 3). To gain some added perspective on the relative importance of NGO foreign currency importation, it is much higher than the foreign currency the country obtained from its number one export product, coffee, in all the years noted in Table 3.

### Table 3: Number of INGO Projects in All Administrative Regions of Ethiopia

<table>
<thead>
<tr>
<th>Region</th>
<th>Oromia</th>
<th>Addis Ababa</th>
<th>SNNPR</th>
<th>Amhara</th>
<th>Tigray</th>
<th>Somalia</th>
<th>BSGR</th>
<th>Afar</th>
<th>Dire Dawa</th>
<th>Gambella</th>
<th>Harrari</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>53</td>
<td>44</td>
<td>28</td>
<td>34</td>
<td>14</td>
<td>22</td>
<td>14</td>
<td>11</td>
<td>5</td>
<td>7</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 2- Source- EU Mapping Report (2008)
Table 3:3 – Foreign Currency Transfers of INGOs in Ethiopia Compared to Foreign Currency Transfers through Other Sources

(In thousands of USD)

<table>
<thead>
<tr>
<th>Period</th>
<th>Private transfer</th>
<th>INGOs</th>
<th>Private Individuals</th>
<th>Official transfers</th>
<th>Export*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>316,975</td>
<td>187,066</td>
<td>133,002</td>
<td>260,348</td>
<td>419,989.9</td>
</tr>
<tr>
<td>1998/99</td>
<td>288,958</td>
<td>208,419</td>
<td>88,219</td>
<td>203,884</td>
<td>281,278.7</td>
</tr>
<tr>
<td>1999/00</td>
<td>378,012</td>
<td>272,057</td>
<td>117,560</td>
<td>208,254</td>
<td>261,858.1</td>
</tr>
<tr>
<td>2000/01</td>
<td>445,822</td>
<td>282,862</td>
<td>177,610</td>
<td>394,005</td>
<td>182,531.1</td>
</tr>
<tr>
<td>2001/02</td>
<td>445,659</td>
<td>260,361</td>
<td>199,386</td>
<td>434,678</td>
<td>163,161.7</td>
</tr>
<tr>
<td>2002/03</td>
<td>564,524</td>
<td>346,736</td>
<td>233,488</td>
<td>599,804</td>
<td>165,290.4</td>
</tr>
<tr>
<td>2003/04</td>
<td>771,270</td>
<td>456,821</td>
<td>333,397</td>
<td>566,476</td>
<td>223,497.1</td>
</tr>
<tr>
<td>2004/05</td>
<td>1,022,774</td>
<td>457,385</td>
<td>582,712</td>
<td>749,701</td>
<td>335,343.7</td>
</tr>
<tr>
<td>2005/06</td>
<td>1,226,345</td>
<td>499,823</td>
<td>736,713</td>
<td>755,918</td>
<td>354,393.9</td>
</tr>
<tr>
<td>2006/07</td>
<td>1,728,570</td>
<td>536,100</td>
<td>1,207,625</td>
<td>1,199,135</td>
<td>425,473.9</td>
</tr>
<tr>
<td>2007/08</td>
<td>2,388,276</td>
<td>638,541</td>
<td>1,779,714</td>
<td>1,312,471</td>
<td>529,780.5</td>
</tr>
<tr>
<td>2008/09</td>
<td>2,706,785</td>
<td>920,994</td>
<td>1,812,299</td>
<td>1,551,394</td>
<td>387,023.7</td>
</tr>
</tbody>
</table>

Table 3- Source- the National Bank of Ethiopia foreign currency transfer data base, as of June 2011. * Source- Ethiopian Revenues and Customs Authority (2010)

And although there is no specific data showing how much of these foreign currency transfers were due directly to INGOs, it is common knowledge that INGOs are the
principal conduits of non-governmental foreign aid resources into Ethiopia. This impression is supported by the following two strong anecdotal cases suggesting that the majority of it was channeled through INGOs.

The first anecdotal evidence is Productive Safety Net Program (PSNP) which is part of the government’s Food Security program aimed at reducing poverty in the country to the level indicated in the MDG goals. The main purpose of PSNP is to provide food security to families who have chronic food shortages and cannot feed themselves for more than 3-6 months out of the year unless they receive assistance (Cerritelli, Bantirgu and Abagagodu, 2008). When this program was launched it targeted 8.2 million people in eight regions of the country and it planned to provide food security by building community and household assets in a form of grain for work program (Cerritelli, Bantirgu and Abagagodu, 2008). USAID, which is the major fund provider to the program with an estimate of more than 110 million USD per year over the past five years, chose to channel its funds through INGOs instead of transferring it directly to the government (USAID, 2011). For the same purpose USAID selected seven major INGOs of which six are INGOs: CARE Ethiopia, Catholic Relief Services (CRS) Ethiopia, Family Health International (FHI); Save the Children Fund UK; Save the Children Fund US; and World Vision Ethiopia.

The second anecdotal evidence is PEPFAR (U. S. President’s Emergency Plan for AIDS Relief) which is also a USAID managed fund and aimed at preventing HIV-AIDS epidemics. The program started operating in 15 selected countries that had a very high rate of the AIDS infection including Ethiopia (PEPFAR, N.D). In Ethiopia the annual
Budget of PEPFAR’s has been increasing from year to year and reached 354.3 million US dollars by the year 2008, (PEPFAR, N.D). As in the case of PSNP most of the primary partners who receive funding from USAID are INGOs, which are then allowed to sub-grant the funds to appropriate domestic NGOs through partnership agreements. These two anecdotal cases seem to validate the appropriateness of selecting INGOs as subjects of this research.

Thus this manuscript offers a rich description of what foreign NGO effectiveness looks like in Ethiopia from the perspective of the participants, and how it can be seen to work in the selected cases. Just as importantly, this research provides critical conceptual underpinnings for future empirical analysis, as found in the operationalization of effectiveness in Ethiopia and the discussions of the conditions likely to promote effectiveness. The approach follows the advice of King, Keohane, and Verba (1994) and accepts that rich, descriptive “case studies ... are ... fundamental to social sciences. It is pointless to seek to explain what we have not described with a reasonable degree of precision “(44, emphasis added). In short while the data provided by the exemplary cases do not provide definitive answers to the main research questions, they are a necessary first step for future research designed to build the kind of explanatory theory that will help us to know with greater certainty what NGO effectiveness in developing countries like Ethiopia looks like.

Further for the purpose of an explanatory study of a descriptive question it is acceptable methodologically speaking to select on the dependent variable and to explore the dynamics of cases that are widely regarded as exemplary instances of a
process or institutional arrangement. The key, according to King, Keohane, and Verba (1994, 129) and Yin (1994), is that the complexity of foreign NGO operational dynamics is such that there is a reasonable expectation of variation in how similar levels of success or effectiveness (the dependent variable), are accomplished. This is because studying the effectiveness of INGOs in Ethiopia brings out contextual experiences of different organizations through different time periods and in different areas in Ethiopia, where the contemporary experience would be the most relevant to study. In addition the activities of INGOs in Ethiopia are as diverse as their mission, environment or the level of their staff expertise. Such features of the research question led to the selection case study research method for this project. As Yin (1994) explained this research also needed to benefit from the unique strength a case study method has at its disposal which is “... a full variety of evidence –documents, artifacts, interviews and observations beyond what might be available in the conventional historical study” (P.8).

Approach to Data Gathering: Documents, Articles, Interviews and Focus Groups

Data was gathered using a multi-source approach involving the review of primary documents, the review of secondary sources, and a series of interviews with key participants, and focus groups. More specifically, this research effort has reviewed: published and unpublished government documents, policies, legislations and survey researches; published and unpublished documents from international donors and INGOs; the websites of government offices, international donors and INGOs, and Secondary sources such as published and unpublished research conducted on INGOs in developing countries, as well as that focused on Ethiopia itself.
In terms of interviews, semi-structured, open ended interviews were conducted with relevant government officials, INGOs employees and leaders, community leaders and other key stakeholders impacted by NGO projects. The researcher travelled to Ethiopia on 6/1/11 and stayed in-country for six weeks. During this time the researcher visited 30 INGOs, 6 major donor organizations, 7 federal government offices, 5 network institutions, 10 local NGO projects that were working in partnership with INGOs, and community members who received NGO goods and services.

Interview data was transcribed immediately after interviews were completed. In some cases the transcribed record was shared with interviewees to make sure that the record was accurate and to give them another opportunity to add or clarify their statements. At the end of the interviews most of the interviewees provided various soft and hard copy documents to aid in the analysis of effectiveness of their INGOs’ programs. These documents included project evaluation reports; audit reports, project plans, literature showing best practices, impact assessment surveys and previous researches conducted by other researchers. The same documents were used as a triangulation mechanism for the data collected by individual interviews and focus group interviews. In addition, the survey statistics documents the researcher obtained from the various ministry offices and the Central Statistics office helped him to compare the level of contribution of INGOs in Ethiopia to government development goals on the one hand and the needs of the population on the other hand.

A total of 7 Ethiopian government officials were selected from the ministry of Finance and Economic Development (MOFED), the Charity and Society Agency, the Food
Security Office in the Ministry of Agriculture, the Ministry of Health, the Ministry of Education, Ministry of Youth and Women Affairs and the Federal as well as the Addis Ababa HIV/ AIDS Prevention and Control Offices (HAPCO). These particular government officials were selected for the interview because they have more frequent working relationship with INGOs than other government offices and their officials are more knowledgeable about INGOs operation in Ethiopia than other government officials.

For instance MOEFED represents the government in any meetings or agreements that deal with the securing or use of foreign funding through any channels including INGOs. Its large network from the federal level to Woreda (district) level allows it to be an active participant of the process of INGOs’ project approval and implementation throughout the country. The Charities and Societies Agency is the main government body that registers and supervises INGOs. The Ministries of Education, Health, Agriculture, Youth and Women’s Affairs and the federal HAPCO offices have been selected because they are sector offices that have been given authority by the new proclamation to supervise foreign NGO projects which fall in their sector and because most of the foreign NGO projects in food security, healthcare and education areas are in their sectors.

The key participants from INGOs operating in Ethiopia were selected from a list of 262 INGOs registered by the Ethiopian Charities and Societies Agency. INGOs were categorized into three groups according to the following sector focus areas: Food Security, Healthcare and Education. A key rationale behind this categorization scheme for INGOs is the kind of project agreements these groups must sign with federal and
regional governments in order to fit within the overall development goals of the Ethiopian national government. As the federal government and regional governments are the institutions which set priorities and allow INGOs to establish their projects within the limits of those priorities, it is important to look at government priorities and the kind of project agreements INGOs sign with regional government offices.

Checking such records for project agreements that were signed after the new proclamation and discussing with relevant government officials indicated that majority of the project agreements INGOs sign currently fall in the three sector focus areas used in this research (Food Security, Healthcare and Education).

A total of 36 Interviews were conducted with NGO representatives. Many of the NGO officials Interviewed were from INGOs that have projects covering two or all three sector focus areas while some were from INGOs that have projects belonging to only one sector focus area. Those interviewed were middle to senior level managers in their organization who possessed an average service period of three to five years in their position. In order to encourage all the interviewees to speak freely the researcher provided assurance that their names or any other identifying information would not be disclosed. Such anonymity is important for the following reasons:

The relationship between INGOs and the current government has become sour after the 2005 national election period as the government blamed some INGOs for inciting public unrest against the government. The government sought to tighten its control on INGOs by enacting proclamation 621/2009 which denied all INGOs the right to engage in any rights based issues. In many cases interviewees required that their
names and the names of their organization be kept confidential in order to avoid being placed in the spotlight of state control.

Most of the interviewees also stated that their organizations’ rule about providing internal information to external sources is not clear and in this circumstance they want to remain anonymous and avoid any chance of being punished by their head office for providing sensitive information which should not be disclosed.

A lot of the interviewees also stated that they live in a competitive world where they have to depend on the good will of donors who choose to fund their project among many other NGO projects. These interviewees were not sure which information could potentially upset donors and make them change course. Interviewees who also were willing to provide sensitive documents like project evaluations and project impact assessment for this research agreed to do so because the researcher offered a pledge of anonymity.

All interviews were semi-structured with open ended questions that lasted between 30 to 60 minutes. Following the initial interview, many interviewees were contacted by phone or email to clarify details or ask additional questions. Some of the interviewees were willing to meet the researcher in person more than once to answer further questions. The interviews took place from 6/6/11 to 6/28/11. Appendix 1 contains the list of interview questions.

Finally, focus groups were also used. The first focus group interview was conducted in an NGO setting which is active in the HIV/AIDS category and provides medical and psychological services for children and adults that were affected by the
HIV/AIDS virus in the Yeka and Bole districts of Addis Ababa city. The meeting of this focus group was held on the afternoon of 6/10/11 from 3p.m. to 4:30p.m. The seven participants included two children who were service recipients, the parents of these children, one NGO staff member, one project manager in the same NGO, one community HIV/AIDS task force leader, and a co-facilitator. The gender and age composition of this group showed that there were four female and three male participants whose age varied from 16-53.

The second focus group meeting was arranged in the sub-city of Addis Ketema in an NGO setting that is active in the Child Welfare/Development category and provides services including food and nutrition, hygiene, health, education, legal protection, shelter and psychological support to orphan and vulnerable children. Thirteen people participated in this focus group, including three volunteers, four eligibility and recruitment committee members and their chairman, two service recipients, and three staff members of the service providing NGO. This meeting was held on 6/28/11 from 4p.m. to 6p.m. Each member of the focus group provided her/his opinion at least once throughout the session. In regard to gender and age composition there were seven male and 6 female participants in the group whose age varies from 18-46.

In both focus group meetings semi-structured, open ended interview questions were used. The researcher tried to maintain even participation and encouraged each participant to share her/his opinion more than once. The information shared by all the participants was recorded in writing by the co-facilitator. At the end of both meetings the researcher asked the co-facilitator to read out the notes taken during the discussion.
and allowed each participant to clarify or add more details to what she/ he discussed before. Some of the participants were also contacted by phone or email for further clarification. In addition, when the meeting ended the researcher wrote up his observations of the focus group meeting because the researcher’s observation is an important method of gathering information because “… meaningful knowledge cannot be generated without observation because not all knowledge is... articulable, recountable or constructable in an interview” (Mason, 2007 p.85). Beyond the focus groups, the researcher travelled to NGO project sites like communities benefiting from the PSNP, healthcare centers like HIV/AIDS clinics and adult literacy programs where he was able to see the traditional and social fabric of the community and how they perceive the intervention of INGOs in their locality. There was however limitation in the availability of data and in verifying the accurateness of information obtained because of the reluctance of some officials to speak candidly or provide requested documents due to the political situation.

**Conclusion**

This chapter discussed principally the lack of previous research conducted in the area of INGO effectiveness in Ethiopia. The country is a less developed country which has a rudimentary infrastructure and information system without a well-coordinated data collection system. The scarcity of the data led me to select an exploratory qualitative research methodology which is based on collecting and analyzing interview data along with some primary resource documents. This chapter also made the case and
discussed why I decided to focus only on INGOs instead of studying all INGOs in the country.

Since the existence of INGO effectiveness or ineffectiveness can be perceived differently by the three stakeholders the interview and data collection was conducted from the three stakeholders and some other agencies like NGO networks and coalitions. Although each stakeholder has different understanding or measurement of INGO effectiveness as indicated in the introduction chapter this research found there are common understandings or differences by taking the context of INGO, donors and the domestic unit in Food Security, Healthcare and Education sectors and has a plan of showing what each of the three stakeholders can do to make INGOs effective in their specific sector. The following chapter presents the analysis of the data gathered and show where the similarities and differences lie in factors of effectiveness across the various INGOs that operate in the Food Security, Healthcare and Education sectors.
CHAPTER 4

DISCUSSION OF INTERVIEW AND DOCUMENT ANALYSIS

Brief Overview of the Food Security Sector in Ethiopia

This chapter has two sections. In its first section it provides a brief background information about the food Security, healthcare and education sectors of Ethiopia and how INGOs’ operations are integrated in the government’s and donors’ goals of these sectors. The second section of this chapter discusses the result of the data analysis in all the three sectors and identifies a common perception of the stakeholders across all the sectors in two ways: 1) Common factors of INGO effectiveness throughout all the three sectors 2) Factors of INGO effectiveness based on different sectors

Food security has been an important development goal of the current Ethiopian government. Some of the areas in the country have been subject to successive famine caused by among other things: lack of sufficient rain, “… land degradation, recent drought, poor and inadequate management of risk, population pressure and subsistence agricultural practices” (World Bank, N.D.). After the 2002-2003 food crises the Ethiopian government identified severe underdevelopment as the root cause of Food Insecurity in the country (Gebru, Gentilini, Wickrema & Yirga, N.D.)

Most people in drought affected areas were forced to sell their productive and household assets to survive the crisis and ended up falling in to the depths of poverty. The current Ethiopian government unveiled a poverty reduction strategy with the food security program at its heart. The food security program came in to effect in 2000 for
the duration of five years (Ministry of Finance and Economic Development, 2002). The country is currently engaged in the third five year plan known as the Growth and Transformation Plan (GTP).

The purpose of food security program is to alleviate chronic and transitory food insecurity in the country (Ministry of Finance and Economic Development, 2002). When the program first became active it carried three components: the Productive Safety Net program (PSNP), the Voluntary Resettlement Program\(^6\), and the Promotion of Non-Farm related employment Program (Gibson and Nyhus, 2009). The voluntary resettlement Program moved 213,000 households from chronically food insecure areas to areas with less population density (Personal communication with Food Security administration official, 2011). According to the government’s assessment 98% of the new settlers have now overcome food insecurity and become self-reliant (Personal communication with Food Security administration official, 2011).

The Food Security Program is supported by both government and donor funding. The government’s commitment has been two billion Ethiopian Birr (240,673, 886.88 USD in an exchange rate of 2005) and it was devoted to build community resources (Personal communication with Food Security administration official, 2011). The governments’ funding was initially administered by local government finance offices but

\(^6\) The voluntary resettlement program provides incentives for farmers who are willing to leave their land and move to a less densely populated and relatively more fertile land. Farmers got 2 hectares of land compared to 0.2 hectares and they were given access to irrigation scheme, Micro credit funding and market exchange information. This program projected to help about 440,000 people become food secure in three years period (Food Security Coordination Bureau, 2009)
was later placed in a revolving fund managed by credit associations (Personal communication with Food Security administration official, 2011).

The government believes the Food Security Program does not leave many loopholes for abuse since the domestic unit and donors hold frequent joint evaluation and inspections (Personal communication with Food Security administration official, 2011). The purpose of PSNP as an instrument of the Food Security program is to avoid the loss of household assets and build community assets (Ministry of Finance and Economic Development, 2002). Household assets are saved when people avoid selling their personal belongings and livestock because of the resource transfer from PSNP. When PSNP started its operation it covered a little over 4.8 million people who qualified for the program because they cannot feed themselves after 3 months without selling their assets (Personal communication with USAID official, 2011). Later the program was expanded to cover those community members who cannot feed themselves for more than 6 to 9 months without selling their assets (Personal communication with USAID official, 2011).

At full capacity the PSNP program is expected to cover 15 million chronically and non-chronically insecure people. Its current coverage stands at 7.9 million and those who are not covered now are given risk financing if their product is lost because of drought (Personal communication with officials of Food Security Administration and USAID, 2011). The individuals who have been selected for the work and pay program are required to work five days in a week for six months of the year at a period in which
they do not have to work on their individual farm (Personal communication with USAID official, 2011).

In relation to transfer of resources PSNP employs two methods. The first is payment for physical work done by household members in community public work projects like soil and water conservation, terracing, water point development, irrigation canals, forestation and road construction (Ministry of Finance and Economic Development, 2002). The payment can take the form of cash or grains depending on the preference of individual donors and community members. USAID which provides a third of the PSNP funding (150 million USD per year) out of the total 450 million USD per year uses grains to pay for services in community projects (Personal communication with USAID official, 2011). The second method is the direct transfer of resources to households which do not have members able to work on community projects like the elderly or those who are permanently disabled (Ministry of Finance and Economic Development, 2002).

Beneficiary residents are selected by the community and their graduation from the program is also evaluated by the community (Personal communication with Food Security administration official, 2011). 80% of the PSNP beneficiaries are expected to graduate from the PSNP while 20 % of them are never expected to graduate because of old age or disability and will eventually be supported by a government social transfer scheme (Personal communications with government food security and USAID officials, 2011). But graduation cannot be realized without helping communities get access to
other food security program which reduces the dependence on PSNP cash and grain transfers.

Under OFSP, PSNP has been added to encourage beneficiary farmers to start nonfarm related income earning projects through microcredit financing, agricultural extension services and providing market exchange information (Burns & Bogale, 2012). In support of the OFSP, PSNP PLUS program 7 has been designed by a major donor to connect certain targeted beneficiaries of the original PSNP to a faster micro credit finance and market information system and help them graduate from the Food Security Program by increasing their household assets (Burns & Bogale, 2012).

Beneficiary community members can graduate from PSNP when they can establish a food reserve that can support them for at least a year and help them resist emergency food shortages without selling their household assets (Burns & Bogale, 2012). But delay in the approval of regional government offices to implement the PSNP Plus program and the severe drought of 2009 greatly diminished the impact of the program on the graduation rate of PSNP beneficiaries (PSNP PLUS Final Evaluation, 2011). The first phase of PSNP (2005-2010) was not as successful as expected in graduating beneficiaries because it did not include the micro-financing scheme to build household assets through creating nonfarm related incomes (Personal communication with Food Security administration official, 2011). According to government records since the

7 PSNP PLUS program is a program created by USAID with a three year long and 12 million dollars commitment and channeled the funds through a consortium of five INGOS; (CARE Ethiopia, Save the Children U.K., Catholic Relief Service and partners, The Netherland’s Development Program; The Feinstein International Center and one national NGO partner; The Relief Society of Tigray (Burns & Bogale, 2012, USAID, 2003)
launching of the safety net program 194,000 households or a total of 970,000 people graduated from the PSNP and in 2011 an additional 14,800 households or 74,000 people have graduated from the program (Personal communication with Food Security administration official, 2011.

The food Security program did not address food security issues in two populations: the nomadic people of the Afar and Somali regions and the population in urban areas. In its second phase, the program launched a pilot program to serve the targeted communities in the Afar/ Somali regions (Gibson & Nyhus, 2009). Regarding the urban poor, some INGOs have projects to help communities with chronic food insecurity to achieve sufficient level of food security. Some examples are the projects INGOs conduct in slum areas of Addis Ababa and Diredawa cities with funding from Finland’s Embassy. These INGOs identify a trade which is feasible to become sufficient income for slum dwellers, train them with the specific trade selected and provide seed money and mentoring for them (Personal communication with Finland Embassy official, 2011).

**Brief Overview of the Healthcare Sector in Ethiopia**

Ethiopia is one of the least developed countries in the world with about 47% of the population living below poverty line (Health Sector Development Program II, 2002). The country’s healthcare system has also been one of the least developed even in the standard of underdeveloped sub-Saharan countries (Health Sector Development Program II, 2002). Various factors contributed to the low quality of healthcare in the country including: high levels of poverty; high illiteracy rate at 36% (46% males and 25%
females); lack of adequate access to sanitation and drinkable water; poor access to healthcare services and facilities; prevalence of preventable infectious diseases; malnutrition and high population growth (2.7% per annum) (Health Sector Development Program II, 2002).

In 1995/96 only 39.1% of children got measles immunization and 40.1% of children born in that year received Bacillus Calmette- Guerin (BCG) vaccine for preventing Tuberculosis (Ministry of Finance and Economic Development, 2005). During the same period only 19.1% of the population had access to safe water while in 1997 only 40 % of the population had access to general healthcare coverage. In order to change this dire circumstance the government laid out four long term Health Sector Development Programs (HSDPs I, II, III, and IV) which will be implemented over a twenty years period from 1997/98 to 2016/17 (Ministry of Health, 1997)

HSDPs are integrated with poverty reduction programs (SDPRP, PACDEP, and GTP) and the United Nations’ Millennium Development Goals (MDGs) (Ministry of Finance and Economic Development, 2002). In relation to health, the MDGs require member states to: Reduce child mortality by two thirds from 93 children dying in every 1000 live birth to 31 children dying in every 1000 live birth by 2015; reduce by three quarters the maternal mortality rate; achieve universal access for reproductive health by 2015; stop the spread of HIV/AIDS, malaria and other major diseases and start decreasing their incidence rate; and provide universal access of HIV/AIDS treatment to all people who need it (MDG, 2002)
HSDP I, which was implemented from 1996-2001 focused on identifying and tracking the main health issues in the country while HSDP II (2001-2004) started the reforming and building process based on the knowledge gained from HSDP I (Ministry of Health, 2010). The review of health status in the country indicated that most of the “... health problems ... are largely preventable communicable diseases and nutritional disorders. More than 90% of child deaths are due to pneumonia, diarrhea, malaria, neonatal problems, malnutrition and HIV/AIDS, and often as a combination of these conditions” (Ministry of Health, 2010, p.p. 3). Regarding maternal death the government study showed that: 13% of women die of labor complication; 12 % die of ruptured uterus; 11% die of acute preeclampsia/eclampsia and 9% die of malaria.

This has been aggravated by reasons like: the lack of sufficient healthcare professionals, lack of medical equipment; absence of sufficient healthcare facilities and referral system; and influence of culture and traditional beliefs (Ministry of Health, 2010). In the health policy (National Health Policy) that was enacted before HSDP I, the government reorganized the healthcare delivery system in the following way (National Health Policy, 1993). 1) The administration of the healthcare system was decentralized and management or decision making power was transferred from the federal government offices to regional, zonal and woreda government offices to help local governments focus on their communities’ priorities (Ministry of Health, 2010). 2) The health delivery system has been organized in primary healthcare system composed of: a satellite health post covering up to 5000 people; health center covering up to 25,000 people; primary hospital covering up to 100,000 people; a general hospital system
serving up to 1.5 million people and a specialized hospital system serving up to 5 million people (Ministry of Health, 2010). Each woreda healthcare bureau manages its primary healthcare system and connects it with the two higher level hospitals through a referral system (Ministry of Health, 2010). 3) The main goal of the primary healthcare system is increasing access of people to healthcare services (Ministry of Finance and Economic Development, 2002). The primary healthcare system spurred the construction of new healthcare facilities and training of several healthcare professionals. The following table shows the increase in the number of healthcare facilities and professionals.

<table>
<thead>
<tr>
<th></th>
<th>1996/97</th>
<th>2003/04 (HSDP I)</th>
<th>2011 (HSDP IV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health posts</td>
<td>76</td>
<td>3135</td>
<td>12507</td>
</tr>
<tr>
<td>Health centers</td>
<td>243</td>
<td>519</td>
<td>1188</td>
</tr>
<tr>
<td>Hospitals</td>
<td>87</td>
<td>126</td>
<td>156</td>
</tr>
<tr>
<td>Doctors</td>
<td>-</td>
<td>-</td>
<td>1035</td>
</tr>
<tr>
<td>Nurses</td>
<td>-</td>
<td>-</td>
<td>26345</td>
</tr>
</tbody>
</table>


1) Expanding access of specialized healthcare in most parts of the country including: maternal and neonatal care; immunization; reproductive health; prevention or treatment of infectious diseases like TB and malaria; and stopping
and scaling back the spread of HIV/AIDS virus (Ministry of Finance and Economic Development, 2005). After the introduction of the primary healthcare system in woredas, access of the population to healthcare expanded in the following way.

Table 4:2- Percentage of Population with Access to Healthcare in Different Regions of Ethiopia

<table>
<thead>
<tr>
<th>Year</th>
<th>2005/06</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in</td>
<td>76.9</td>
<td>86.7</td>
<td>89.6</td>
<td>90</td>
</tr>
<tr>
<td>percentage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source- Ministry of Health, 2001

HSDP also promoted the partnership of INGOs and private healthcare organizations to increase access of healthcare services across the country. The following table shows the number of healthcare facilities built and operated by non-governmental bodies including INGOs in 2011.

Table 4:3- Comparisons of Healthcare Facilities Built by Non-Governmental Organizations and Governmental Organizations.

<table>
<thead>
<tr>
<th>Facilities</th>
<th>Government</th>
<th>Non-Governmental</th>
<th>Percentage of non-governmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital</td>
<td>93</td>
<td>63</td>
<td>40%</td>
</tr>
<tr>
<td>Heath Clinics</td>
<td>1666</td>
<td>1065</td>
<td>38.99%</td>
</tr>
<tr>
<td>Health Centers</td>
<td>1171</td>
<td>17</td>
<td>1.4%</td>
</tr>
<tr>
<td>Health Posts</td>
<td>12507</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source- Central Statistics Agency, 2011
Several INGOs have projects in healthcare sector that focus on the government’s goals (synchronized with MDGs) including the following activities: reducing maternal and child mortality rate; prevention and treatment of infectious and communicable diseases like malaria and TB; increasing access to universal healthcare including timely immunization of children; controlling the impact of HIV/AIDS epidemic by reducing new incidence; treating those who live with HIV/AIDS virus; and providing reproductive healthcare and education for women (Ministry of Heath, 2010).

Brief Overview of the Education Sector in Ethiopia

Education is one of the most important elements of a country’s development (Education and Training Policy, 1994). High illiteracy rate in Ethiopia (36%) is a reflection of high level of poverty in the country (Action Aid Annual Report, 2010). In 1994 the current government laid out a long term Education and Training Policy which became a source of subsequent Education Sector Development Programs (ESDPs) which are synchronized with the millennium Development Goals (MDGs). The latter require states to provide universal access of primary education to all citizens by 2015 (MDG, 2002).

ESDP has four parts, ESDP I (1996/97-2001/02); ESDP II (2002/03-2005/06); ESDP III (2005/06 to 2010/11); and ESDP IV (2010/11-2014/2015). Ethiopia’s high population growth (2.7% per annum) with most of the population (85%) living in the rural underdeveloped areas, brought a constraint on access to primary education (ESDP, 2012). The Education and Training Policy planned to improve the education system by “... changing curriculum preparation of learning materials giving due attention for career
development of teachers and changing the organizational structure” (PASDEP, 2006, P.P)

Access-

Majority of the country’s population (85%) is located in the rural areas where infrastructure and school system has been at its lowest growth stage. Many households in the rural areas were not able to send their kids to school because there were no schools close to them. When the current government took power in May 1991, the enrollment of children in primary education was less than 22% of the primary school age children and even among those enrolled many received poor quality education or dropped out (Education and Training Policy, 1994). The education system showed disparity in age group, location and gender (Education and Training Policy, 1994). The poor level of access to education in the country can be seen from the rate of enrollment in different years.

In 1999/2000 out of the total of 5,396,040 children aged 4-6 only 99,710 (1.85%) were enrolled in 834 kindergarten classes (Ministry of education, 2000). In 2000/01 only 2% of the kids in the 4-6 age group received preschool education whereas the enrollment of students in elementary and middle grades (1-8) increased by 60.37% from 4,468,294 in 1996/97 to 7,401,473 in 2000/01 (Ministry of Education, 2000).
The following table shows the gross enrollment rate of Kindergarten and primary level education from 2000/01 to 2009/10\textsuperscript{8}.

Table 4:4- Rate of Gross Enrollment of Kindergarten and Primary Level Education in Ethiopia

<table>
<thead>
<tr>
<th>Year</th>
<th>Preschool Gross Enrollment Ratio</th>
<th>Primary school Gross Enrollment Ratio (GER)</th>
<th>Primary school Net Enrollment Ratio (NER)</th>
<th>Difference between Primary GER and NER</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>2%</td>
<td>57.4%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2001/02</td>
<td>2.11%</td>
<td>61.6%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2002/03</td>
<td>2%</td>
<td>64.4%</td>
<td>54%</td>
<td>10.4%</td>
</tr>
<tr>
<td>2003/04</td>
<td>2.2%</td>
<td>68.4%</td>
<td>57.4%</td>
<td>11.0%</td>
</tr>
<tr>
<td>2004/05</td>
<td>2.3%</td>
<td>79.8%</td>
<td>68.5%</td>
<td>11.3%</td>
</tr>
<tr>
<td>2005/06</td>
<td>2.7%</td>
<td>85.8%</td>
<td>77.5%</td>
<td>8.3%</td>
</tr>
<tr>
<td>2006/07</td>
<td>3.1%</td>
<td>91.7%</td>
<td>79.1%</td>
<td>12.6%</td>
</tr>
<tr>
<td>2007/08</td>
<td>3.9%</td>
<td>95.6%</td>
<td>83.4%</td>
<td>12.2%</td>
</tr>
<tr>
<td>2008/09</td>
<td>4.2%</td>
<td>94.2%</td>
<td>83%</td>
<td>11.2%</td>
</tr>
<tr>
<td>2009/10</td>
<td>4.8%</td>
<td>93.2%</td>
<td>82.1%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

Source- Ministry of Education 2001-2010

\textsuperscript{8} Gross enrollment rate shows the rate of enrollment in primary schools (1-8) grades regardless of age limits compared to the size of the population in the primary school age (7-14). This clarification has been added to account for many children who were enrolled at a higher age than kindergarten ages (4-6) and primary school age (7-14) because they had no access to kindergarten and primary education previously. The net enrollment rate shows the rate of enrollment of only primary education age children in primary education (Ministry of Education, 2000).
The table shows that Kindergarten education enrollment which is mostly expected to be provided by private and non-governmental organizations has been very low and the increase in the coverage over a ten years period has been very slow. The researcher can draw two observations from this data regarding primary education. First, GER and NER in primary education enrollment coverage showed significant growth until 2007/08 and slightly declined in the next two years (2008/10).

Why enrollment showed a decline is unclear as research has not yet been conducted in that respect (Ministry of Education, 2010). The difference between GER and NER for the period 2002/03 to 2009/10 however showed slight growth with a sharp decline in 2005/06 and slight decline in the last two years (2008/10). The government believes that NER has grown faster than GER because the age structure has shown more adjustment towards the appropriate primary school age (Ministry of Education, PAP, 2005).  

Building more schools or providing access to primary education (the supply side) alone may not result in an increase in enrollment (Ministry of Education, 2000-2010). In addition to building the educational infrastructure, the demand to have education (the demand side) should also be created in the population (Ministry of Education, 2000-2010).

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9 Even though research was not available to indicate the cause of the increase in variance between GER and NER it may however be possible to argue that the variance indicates one of two opposing things. One is increase in the enrollment of above primary school age children in to the primary school education system when they have access to education (Ministry of Education, 2000) and the second is the decline in the enrollment of primary school age children in the primary education system. In the absence of clear evidence to select one of these reasons it may also be reasonable to think that the decline was caused by a combination of both factors.
Second, in an effort to provide education to all primary school aged children by 2015, the government focused most of its resources on expanding access to the first cycle of primary education (1-4) grades rather than other cycles of the education hierarchy (Education Sector Development Program, 2010). The following table shows this discrepancy in government resources.

**Table 4:5- Growth of Access to Primary and Secondary Education in Ethiopia**

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary 1-4</th>
<th>Primary 5-8</th>
<th>Total</th>
<th>Secondary 9-10</th>
<th>Secondary 11-12</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002/03</td>
<td>84.2%</td>
<td>42.4%</td>
<td>64.4%</td>
<td>19.3%</td>
<td>2.6%</td>
<td>11.4%</td>
</tr>
<tr>
<td></td>
<td>GER</td>
<td>NER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003/04</td>
<td>86.9%</td>
<td>47.1%</td>
<td>68.4%</td>
<td>9.8%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>GER</td>
<td>NER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004/05</td>
<td>102.7%</td>
<td>52.5%</td>
<td>79.8%</td>
<td>27.3%</td>
<td>3.0%</td>
<td>15.6%</td>
</tr>
<tr>
<td></td>
<td>GER</td>
<td>NER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005/06</td>
<td>117.6%</td>
<td>58.8%</td>
<td>91.3%</td>
<td>33.2%</td>
<td>3.9%</td>
<td>19.1%</td>
</tr>
<tr>
<td></td>
<td>GER</td>
<td>NER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006/07</td>
<td>117.1%</td>
<td>61.1%</td>
<td>91.7%</td>
<td>37.3%</td>
<td>5.5%</td>
<td>22.0%</td>
</tr>
<tr>
<td></td>
<td>GER</td>
<td>NER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007/08</td>
<td>127.8%</td>
<td>60.2%</td>
<td>95.6%</td>
<td>37.1%</td>
<td>5.8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GER</td>
<td>NER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008/09</td>
<td>122.9%</td>
<td>63.2%</td>
<td>94.4%</td>
<td>38.1%</td>
<td>6.0%</td>
<td>22.6%</td>
</tr>
<tr>
<td></td>
<td>GER</td>
<td>NER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009/10</td>
<td>118.8%</td>
<td>65.5%</td>
<td>93.4%</td>
<td>39.1%</td>
<td>7.0%</td>
<td>22.6%</td>
</tr>
<tr>
<td></td>
<td>GER</td>
<td>NER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table shows that GER for the first cycle of primary education showed a high increase compared to GER of the second cycle of both primary education and secondary education. It is interesting to observe that the GER for the first cycle of primary education started slowing down in 2008/10 after picking up in 2007/08 whereas the same for the second cycle of primary education kept growing. Although it is not clear why the slowdown of GER in the first cycle occurred, the government believed that it is the result of enrollment of more primary age children compared to over age children (Ministry of Education, 2000). In the second cycle of primary education GER has been closer to NER than at the time of the first cycle. Enrollment declines in the secondary education.

Equity

The government’s education sector development plan considers creating equity in education as “affirmative actions to ensure equity of female participation, pastoral and agro pastoral and those with special needs in all education and training programs ...” (ESDP III, 2006). In addition the ESDPs also want to bring equity in the education system by reducing the disparities between urban and rural enrollment; girls and boys enrollment; the enrollment between pastoral and agro pastoral people and other people. The disparity in enrollment of girls and boys has cultural, religious and traditional roots (Mekoneen & Feye, 2010). Women have traditionally been considered as not equals to men for a long time and they were confined to doing household chores
including child bearing and raising kids (Mekoneen & Feye, 2010). The following table shows the Gross Enrollment ratios (GER) of girls and boys in ten years period.

**Table 4.6- Comparison of Student Enrollment in Gender and Urban vs. Rural Settlement.**

<table>
<thead>
<tr>
<th>Period</th>
<th>URBAN ENROLLMENT</th>
<th>RURAL ENROLLMENT</th>
<th>PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FEMALE (%)</td>
<td>MALE (%)</td>
<td>FEMALE (%)</td>
</tr>
<tr>
<td>Primary</td>
<td>45</td>
<td>55</td>
<td>36</td>
</tr>
<tr>
<td>Secondary</td>
<td>41</td>
<td>59</td>
<td>35</td>
</tr>
<tr>
<td>Primary</td>
<td>45.4</td>
<td>54.6</td>
<td>37.9</td>
</tr>
<tr>
<td>Secondary</td>
<td>41.6</td>
<td>58.4</td>
<td>36.9</td>
</tr>
<tr>
<td>Primary</td>
<td>45.4</td>
<td>54.6</td>
<td>38.8</td>
</tr>
<tr>
<td>Secondary</td>
<td>39.4</td>
<td>60.6</td>
<td>35.5</td>
</tr>
<tr>
<td>Primary</td>
<td>45.3</td>
<td>54.7</td>
<td>39.2</td>
</tr>
<tr>
<td>Secondary</td>
<td>36.9</td>
<td>63.1</td>
<td>29.9</td>
</tr>
<tr>
<td>Primary</td>
<td>46.1</td>
<td>53.9</td>
<td>41.0</td>
</tr>
<tr>
<td>Secondary (9-10)</td>
<td>35.6</td>
<td>64.4</td>
<td>29.9</td>
</tr>
<tr>
<td>Secondary (11-12)</td>
<td>26.9</td>
<td>73.1</td>
<td>31.0</td>
</tr>
<tr>
<td>Primary</td>
<td>50.3</td>
<td>49.7</td>
<td>46.4</td>
</tr>
<tr>
<td>Secondary (9-10)</td>
<td>42.4</td>
<td>57.6</td>
<td>37.3</td>
</tr>
<tr>
<td>Secondary (11-12)</td>
<td>33.4</td>
<td>66.6</td>
<td>24.5</td>
</tr>
</tbody>
</table>

The data shows that there is a consistent gender disparity in all the six years surveyed. It also shows that the disparity between female and male enrollment is higher in the rural areas where 85% of the total population lives than in the urban areas. In some of the years covered by the data, female enrollment drops or stays the same in secondary level both in the rural and urban areas while male enrollment showed a consistent increase.

Despite consistent education and encouragement of families to enroll girls in schools the enrollment of girls is still trailing that of the boys. Early marriage through family arrangement for girls as young as 5 years old; less value attached by the society for children’s education; and the need to tap female children’s labor for household chores were some of the reasons why female enrollment has been very low (Mekoneen & Feye, 2010). Disparities have also been seen in enrollment between rural and urban areas with gap in GER reaching 88.6% in 2000/01 and 85.3% in 2004/05 (Ministry of Education, 2005).

Disparity of enrollment has also been seen from region to region and when compared to Addis Ababa City which achieved 125% GER in 2004/05, the two regions that showed the lowest rate of GER are the Afar and the Somali regions with GER 20.9% and 23.3% respectively. Most of the people in the Afar and Somali regions predominantly lead nomadic life styles and girls are traditionally discouraged from

---

10 ESDP III laid out a strategy to reduce the gender gap by building a number of schools in the rural areas and making these schools friendlier to enrollment of girls (Ministry of Education, 2005). In addition to building more schools the strategy used by the government to encourage participation of girls and reduce the gender gap include: hiring female teachers to be role models; providing separate lavatories for girls; and arranging tutorial support and supportive counseling for girls (Ministry of Education, 2005).
attending schools (Ministry of Education, 2005). The resilience of enrollment deficiency in Afar and Somali regions can be seen in 2008/09 survey which showed that in Afar region GER for primary education was only 31.2% compared to its target of 80% whereas in Somali region it was only 35% compared to its target of 80% (Ministry of Education, 2005).

**Quality and relevance of education**

In ESDPs the quality and relevance of education has been measured in terms of having trained or qualified teachers; revising and reorganizing curriculums; reducing the size of classes to improve teachers/ students ratio; increasing the number of text books compared to number of students; and introducing web nets programs to make education delivery system more efficient (Ministry of Education, 2005).

Regarding training teachers the national education standard requires teachers of the first cycle of primary education (1-4) to have a certificate from the teachers’ training institute; teachers of the second cycle of primary education (5-8) to have a college diploma; and teachers of secondary education to have a college degree (Ministry of Education, 2005). Government record shows that in 2003/04 about 97% of the teachers in the first cycle of primary schools have certificate whereas the percentage in the second cycle drops to 54.8% (Ministry of Education, 2005). Another government study recorded the size of certified teachers in the first and second cycles of primary

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11 In Ethiopian higher education system college diploma is awarded when a student completes a two year college program while a college degree is awarded when student completes a four year college program.
education as 96.5% and 32.1% respectively (Ministry of Education Educational Management Information Systems, 2005).

In secondary education the percentage of qualified teachers in 2003/04 on a national scale was 44.5%. In 2008/09 however the percentage of qualified teachers for the first cycle of primary education dropped to 90% where as for the second cycle of primary education and for secondary education it increased to 71.6% and 75.2% respectively (Educational Management Information systems, 2005). To increase the number of certified teachers at each level and reduce the gap, education opportunities were prepared for teachers through distance learning; after hour’s classes and summer in service programs (Ministry of Education, 2005).

In the second measurement of quality which is student/teacher ratio the figure for primary level (1-8) in fact got worse by increasing from 42 in 1996/97 to 66 in 2004/05 (Ministry of Education, 2005). In a more updated government statistics of 2008/09 the high student/section ratio exhibited little improvement compared to the base line data taken in 2004/05 as follows: primary education of the first cycle 65 compared to a baseline of 71; primary education of the second cycle 59 compared to a baseline of 68.4; secondary education 68 compared to a base line of 78; (Education Management Information systems, 2005).

Regarding student/ book ratio that is considered as the third measurement of quality of education in the country the ratio for primary level education in 2008/09 was 1:5 compared to the base line data of 2:1 in 2004/05 whereas for secondary level
education the ratio stayed 1:1 in 2008/09 just as it was in the base line data of 2004/05.

Efficiency of education which is another measurement of quality is seen by the dropout rate and grade repetition rate. The following table shows the dropout rate and grade repetition rate percentage for primary level education (1-8) in the five years between 2003/04-2007/08.

Table 4:7 - Dropout and Repeating Rates in Primary Education in Ethiopia

<table>
<thead>
<tr>
<th>Year</th>
<th>Dropout Rate in Percentage</th>
<th>Repeating Rate in Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003/04</td>
<td>14.4</td>
<td>3.7</td>
</tr>
<tr>
<td>2004/05</td>
<td>11.8</td>
<td>3.8</td>
</tr>
<tr>
<td>2005/06</td>
<td>12.4</td>
<td>6.1</td>
</tr>
<tr>
<td>2006/07</td>
<td>12.4</td>
<td>6.1</td>
</tr>
<tr>
<td>2007/08</td>
<td>14.6</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Source - (Education Management Information System, 2005)

The data show that while girls are less often enrolled boys have a higher drop out and repetition rate than girls as indicated in table 4:8 below.
Table 4:8- Comparison of Dropout and Repeating Rates in Gender in Ethiopia.

<table>
<thead>
<tr>
<th>Year</th>
<th>Repeating Rate</th>
<th>Dropout Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Boys (%)</td>
<td>Girls (%)</td>
</tr>
<tr>
<td>2003/04</td>
<td>3.6</td>
<td>4.0</td>
</tr>
<tr>
<td>2004/05</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>2005/06</td>
<td>6.4</td>
<td>5.7</td>
</tr>
<tr>
<td>2006/07</td>
<td>6.6</td>
<td>5.7</td>
</tr>
<tr>
<td>2007/08</td>
<td>7.0</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Source- Educational Information System (2005)

It is important to note that dropout rate may not account for those students that reenter education at a future time or through other modes of education delivery system (Educational Management Information System, 2005).

Relevance

The Education and Training Policy laid out a plan to reform the education system by making it more relevant and applicable to the levels of the people in the rural and underserved areas (Education and Training Policy, 1994). The following five ways are examples of how the Education Sector Development Programs (I-IV) planned to bring relevance to the education system.
Making the language of communication for the curriculum more flexible and adoptable to the mother tongues of different communities, for example in 2003/04 more than 22 languages have been used to publish text books which has made education more relevant to rural people and increased their access to education (Ministry of Education, 2005). Reforming the curriculum so that it would reflect and inform the specific ways of life’s of communities. For example, pastoral communities and agricultural communities will not have the same curriculum as each would benefit more from a curriculum that is designed to inform its way of life and challenges.

Reforming curriculums by making them sensitive to gender, culture and traditions. Communities would be more inclined to enroll and stay engaged in education if the curriculum is designed to respect their cultures and traditions. The curriculum and text books have also been designed in a way that promotes gender equality and educates about the damages caused by harmful traditional practices and superstitious beliefs (Ministry of Education, 2000-2010). The newly revamped curriculum has also become a powerful instrument for teaching about major health risks or epidemics like HIV/AIDS, other sexually transmitted diseases, prenatal or neonatal care, immunization and hygiene (Education Sector Development Program, 2010).

Major reform was made on the curriculum of secondary education. Previously all high school students will go through four years of academic trainings (9-12 grades) and those who pass college entrance exams attend college while the others would be subject to minimum salary labor jobs as they do not have any marketable trade (Ministry of Education, 2005). The government reformed this system and prepared two
tracks; Technical and Vocational Educational Track (TVET) and Academic track. All high school students take a national exam when they are at the end of their tenth grade education to find out which student would go into academic track and towards college education and which students pursue TVET programs that would prepare them with different trades of their interests and help them join the labor market or pursue further training in their line of trade when they graduate (Ministry of Education, 2005).

Introducing internet based curriculum which widened the flexibility and content of mainly secondary and higher education. The addition of web based education and government’s encouragement of private and Non-Governmental Organizations to open colleges helped web based higher education to grow faster and become important instruments of sharing knowledge and conducting research. All interviewed officials of INGOs, networks, government, donors and their relevant documents identified one or many of the following factors as reasons for INGOs’ effectiveness in the education sector in Ethiopia.

**Commonly Perceived Factors of INGO Effectiveness in all the three sectors**

**Community participation**

The theoretical model developed in this research indicated that a strong positive relationship between INGOs and their stake holders leads to INGO effectiveness. Many of the respondents believed community participation helps INGOs be effective in the following ways: First, the contributions of community members to INGO projects can reduce the cost of completing projects. When project costs are reduced
it makes donors, domestic units, and INGOs more satisfied with the project and leads to sustainability. The government’s desire to see lower costs of INGOs projects is reflected in CSP which requires INGOs to use only up to 30% of their budget for project cost. The government also provides incentives for INGOs that reduce their cost below the legal 30% rate allowed by CSP article 88 although the incentive is unspecified. Donors are also interested in seeing projects completed at a lower cost through community participation because they believe lower costs signal efficient utilization of funds (Personal communication with several officials of INGOs and donors, 2011). One INGO official in the Food Security sector expressed the important role community participation may have in the following way.

First, we are community based and involve the participation of the population in the rural areas in our projects. The fact that people feel they own the project makes the project effective. It makes it effective because the people will support the project by providing donation in kind, money or labor and oversee the execution of the project day by day.

When INGOs have less community support for their project, the cost of the project increases and the chance for sustainability is lowered, (Interview with Focus Group, 2011). Reduced community participation means a weak relationship between INGOs and domestic units and as indicated in Model type IV and VI, it is a recipe for INGO ineffectiveness. One national NGO official in the education sector who is close to the community described an example of a weak relation between an INGO and its community regarding cost and sustainability in the following way.

They brought four million Ethiopian birr (415,800 USD) and asked us to assess the cost of building primary schools and how efficiently they can use their money to build primary school in the area. We advised them the cost of Building one
primary school is $750,000 Ethiopian birr (72,765 USD\textsuperscript{12}) and we can build three schools with the money they brought. The advantage we have in this regard is that our projects are more community based than them. We could mobilize the local people in to believing that it is their project and facilitate for them to contribute up to a third of the cost of building a school with cash in kind or in their labor.

The government’s land tenure system is a source of tension between the domestic unit, international donors and INGOs and threatens their positive collaboration needed to make INGOs effective (DAG, 2006). But the course of action donors and INGOs take to resolve these differences with domestic units determines whether or not INGOs projects are effective in the Food Security sector. Prior to the proclamation of CSP 621/09 INGOs and international donors engaged in policy discussions with the domestic unit on behalf of their communities and they encouraged community members to demand privatization of land ownership from the government (Personal communication with officials of CCRDA and PANE, 2011).

But CSP 621/09 made it unlawful for INGOs to engage in such activities. Those INGOs which challenged the law and decided to confront the domestic unit lost their registration bids and were forced to close their operations (Personal communication with CSA official, 2011). This situation shows the extreme consequences of lack of positive collaboration between domestic units and INGOs. INGOs that chose to amend their missions and stay in the country were forced to use the indirect route of NGO networks or international donors to continue policy discussions with government offices.

\textsuperscript{12} The exchange rate is calculated at the rate prevalent in the year 2008 which was 1 USD equivalent to 9.62 ETB.
(CCRDA, 2005, 2011; Personal communication with CCRDA and PANE officials, 2011). An official of INGO network noted

We prepare workshops and other forms of training across woredas based on questionnaires and qualitative study. We bridge the gaps between our members and the government. We provide a forum for discussion for members and other stakeholders. We also provide representation.

INGOs in the Healthcare sector also require community participation to share the project costs. Some INGOs like Water Aid require communities to contribute 5-10% while some NGO partners like ADA or TDA, require communities to contribute up to a third of the project cost (Personal communications with officials of Water Aid, ADA, TDA, 2011). Domestic NGOs like ADA, TDA, or ODA which some officials of INGOs and NGO partners refer as political NGOs have stronger ties with domestic units because they were originally established with the support of regional government offices (Mulata, 2010). The capacity and the size of projects these domestic NGOs have completed since they were established are much larger than those completed by most INGOs or other domestic NGOs (Mulata, 2010). For example, in 2009 World Vision International which is one of the largest and oldest INGOs in the country constructed 16 health posts while ADA constructed 84 health posts and clinics during the same period (World Vision, 2009; Amhara Development Association, 2010). This indicates INGOs partnering domestic NGOs which have closer ties to domestic units as described in model types I, II, V and VII have a better chance of effectiveness than those with more distant relationships. INGOs who have a relationship type that is defined by model type I and VII are likely to have an even better chance of effectiveness because they have
stronger ties not only with the domestic units but also with their donors. Interviewed officials of domestic unit, INGOs and donors in the healthcare sector said they see more positive collaboration between these three stakeholders in the healthcare sector than any other sector and one evidence for this is INGOs’ ability to raise some funds internally which is not available to INGOs in the other sectors. One INGO official in the health care sector indicated that

To make the program sustainable we charge a small fee for our services from those who can afford to pay and give it free for those who do not afford to pay for the service. In certain cases when supplies are not available in the country and the cost of importing them is high the government helps us by supplying the equipment for free

The second evidence is the increase in access to healthcare (See table # 4:9 below).

**Table 4:9- Comparison of Primary Healthcare Access with Health Service Utilization and Contraception Use in Ethiopia.**

<table>
<thead>
<tr>
<th></th>
<th>2005/06</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population in millions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>72.05</td>
<td>73.9</td>
<td>75.8</td>
<td>77.8</td>
</tr>
<tr>
<td>Primary health coverage in %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>76.96</td>
<td>86.7</td>
<td>89.6</td>
<td>90</td>
</tr>
<tr>
<td>Health Service Utilization in %</td>
<td>0.33</td>
<td>0.325</td>
<td>0.24</td>
<td>0.3</td>
</tr>
<tr>
<td>Contraception use rate in %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>37.9</td>
<td>34.8</td>
<td>53.9</td>
<td>56.2</td>
</tr>
</tbody>
</table>

Source- Ministry of Health, 2008
As the table shows primary healthcare access and contraception acceptance rate increased from year to year. But the percentage of the public that uses primary health service has been very low. To increase the rate of healthcare needs (demand side) in an equivalent step with the increase in access to healthcare services (supply side), the domestic unit formed a close cooperation with donors and INGOs to launch the Health Extension Program (HEP) which trained 35,000 Health Extension Workers (HEAs) (Ministry of Health, 2009).

The HEWs were trained for one year in disease control and prevention, administration of certain medications and referral of patients to appropriate healthcare facilities. The HEP is similar to the Community Healthcare Workers’ (CHW) program that has been launched in many other developing countries to increase healthcare access in rural communities and reduce child and maternal mortality to the level required by MDG (The Earth Institute, 2010).

But there is a difference in the kind of service these workers provide, their employment status, the minimum education level required and the percentage of their time spent in the community (The Earth Institute, 2010). Table 4:10 shows the difference in these functions in six African sub-Saharan countries.
Table 4:10- Comparison of Ethiopian Health Extension Program with Community Healthcare Workers’ Program in Other African Countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Employed full time by government</th>
<th>Minimum Education</th>
<th>% of time spent in the community Vs. office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>Employed full time by government</td>
<td>High school</td>
<td>90% community/10% health facility</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Voluntary</td>
<td>Primary school</td>
<td>90% community/10% health facility</td>
</tr>
<tr>
<td>Uganda</td>
<td>Voluntary</td>
<td>Primary School</td>
<td>90% community/10% health facility</td>
</tr>
<tr>
<td>Rwanda</td>
<td>Voluntary</td>
<td>Primary School</td>
<td>100% community level</td>
</tr>
<tr>
<td>Malawi</td>
<td>Employed full time by government</td>
<td>One year training after high school</td>
<td>100% community</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Employed full time by government</td>
<td>One year training after high school</td>
<td>75% community / 25% health facility</td>
</tr>
</tbody>
</table>

Source, the Earth Institute, 2010
In all these countries HEW’s services include: Monitoring and controlling preventable diseases like malaria, pneumonia and diarrhea; educating community members about family planning and the HIV epidemic and how to use condoms and birth control measures; monitoring proper immunization, promotion of health needs and providing counseling support (Ministry of Health, 2010).

INGOs build capacity by training HEWs and supplying them with the necessary equipment because they believe HEWs can bring about cultural change in the community by helping individuals acquire healthcare seeking behavior or the demand side (USAID, 2010, 2011). The above table shows Ethiopia’s Health Extension Program (HEP) is based on relatively better trained HEWs who are full time employees of the government and are part of the healthcare system. The political will of the government to invest so much of its own budget to employ 35,000 HEW on a full time basis; the positive collaboration of International donors in providing substantial financial support for the program; and INGOs direct involvement in training HEAs. These factors reflected a strong relationship between all the stakeholders as described in type VII of the model and made the project effective and sustainable. One INGO official in the healthcare sector said

The government trained 35,000 heath extension agents for one year with the financial assistance from international donors. Every Kebele has one health post and two health extension workers. We educated them and they administer pills and contraceptives that prevent pregnancy for three months or three years.
However compared to the six other sub-Saharan African countries Ethiopian HEWs spend less time in their communities (75%) and this is likely to have impact on the effectiveness of their field activities. The reduced community time can be related to the added responsibilities HEWs are given by the Ethiopian government (SDPRP, 2002, PASDEP, 2006). One INGO official noted that

Health extension workers are given all kinds of duties. Are we giving them too many responsibilities? INGOs are blamed because government already gave them its share of duties. We are burdening them and causing them to be ineffective.

The majority of the HEWs are female and at least one of them is an elected official in their local government unit (Kebele) office. One INGO official in the health sector explained

HEWs are mostly female. So it is easier for them to council women, work with women and children. One of the two HEWs is a member of kebelle cabinet. It is easier to advance plans through the kebelle to mobilize the community members for some program.

One exception to this pattern is found in the regions of Afar and Somalia where cultural and traditional barriers do not allow the empowerment of females and their appointment as HEWs (Personal communication with official of Save the children INGO, 2011). Reaching communities and changing their cultural behavior about healthcare however cannot be solved by HEWs alone. Training and deploying volunteers that go door to door in their communities and provide outreach education about health care was a strategy that has been adopted with the positive cooperation of donors, INGOs and domestic units (Personal Communication with Minister of Health conducted by
USAID, 2012). One INGO official in the healthcare sector demonstrated an innovative volunteer program as follows

Mother care givers program is a new approach and is very effective. We can reach those females who cannot come to us very easily and using a picture in a flipchart educates them about family planning and reproductive health in their language when they are illiterate.

But there was disagreement between the government and some INGOs in regard to using volunteers. The government did not have the resources to pay stipends to volunteers like INGOs and this created a double standard that threatened the effectiveness of projects. In this regard one INGO official said

We provide training allowance for volunteers. We had about 10,000 volunteers in the past who received some payment for travel and perdiem. But now we stopped that service because government wanted us to stop as this would have created double standard between the volunteers which are recruited by the government and by our organization. Government does not want to pay money to volunteers and wants them to be selected by the people to work without any payment. That is how their service can be sustainable when we leave.

In the healthcare sector, the benefit of volunteers has also been seen in the fight to stop the spread of HIV/AIDS. Volunteers who have been diagnosed with the HIV virus have been encouraged to go in to communities and educate people about prevention and treatment of the HIV AIDS epidemic (Action Aid, 2010). INGOs who work on prevention and treatment of the disease indicated that in coordination with government health bureaus and donors they opened voluntary counseling and testing centers (VCTs) in accessible places across the country to provide free testing and referral services (Personal Communication with Integrated Family Services, 2011).
Stable sources of funding

INGOs which have predictably stable sources of funding have an opportunity to focus their energy on their projects rather than on searching for funds. INGOs are organizations that have been established under the laws of foreign countries and as such are generally expected to obtain funding from international donors (CSP, 621/09). Neither CSP 621/09 nor any other laws in Ethiopia specifically prevent INGOs from raising funds or receiving donations from international sources. Any form of internal funding or donation is subject to the specific approval of the federal government Charities and Societies Agency (CSA) (Art 98, CSP 621/09). In regard to funding the relationship of the stakeholders in the seven types of the INGO effectiveness models has an impact in the following way.

Model Type I

When the relationship is positive between INGOs and donors and between INGOs and domestic units; but is negative between donors and domestic units, the evidence shows that the effectiveness of INGO projects is unaffected so long as there is not a total breakdown in the relationship between donors and domestic units. A typical example of this is the relationship between donors and the government after the 2005 government crackdown on political opponents followed by the enactment of CSP 621/09. This crack down and new legislation practically stopped all INGOs from conducting any civil society promotion activities. The World Bank’s response to the
government’s crackdown on opposition political parties and civil society organizations, can be characterized by the comments of one donor official.

In Ethiopia World Bank’s involvement at the beginning was by providing direct budget support to the federal government in the amount of 750 million ETB (77.9 million USD) to 1 billion (103.9 million USD) annually. But after the 2005 election the bank changed its policy and provided it’s funding through the Protection of basic services (PBS) program and social accountability program that goes directly to the 600 woredas in the country.

The PBS is an innovative program that pooled funds from donors and the government to protect basic services like access to education, healthcare immunization, agricultural extension services and building access roads (World Bank, 2009). The government’s share of the pool of funds was two third and the donors’ share is one third. Since the government’s violent suppression of political opponents and civil society organizations during the 2005 election period, many major donors lost their trust in the government and stopped direct budget funding.

However the donors’ negative relation with the domestic unit did not stop them from funding the improvement of basic services in each of the 600 woredas in the country. Many of the donors thought that PBS’ three components: decentralization of funding; requiring government spending by a 2:1 ratio; and social accountability have made it a successful program. Regarding this one donor official in the PBS program stated that:

PBS is considered as the most innovative and successful program World Bank conducted in African countries. Under PBS education became accessible to most of the countryside and remote areas of Ethiopia, Health clinics and stations were widespread and access to healthcare for the remote areas was facilitated.
The Social Accountability component of PBS has been managed by an INGO named GIZ and aimed at creating transparency and accountability of local government bureaus or agencies providing direct services to people (World Bank, 2009). GIZ managed 12 domestic NGOs and instituted accountability measurement tools like community score cards (GIZ, 2009). However it is not reasonable to expect in this circumstance that the domestic unit will allow donors’ money to be used for purposes that are not considered priorities in the domestic unit’s development strategy. As per the Paris Declaration on Aid Effectiveness, art. 3(ii) donors should work on “increasing alignment of aid with partner country priorities, systems and procedures and helping to strengthen their countries”. According to the government those INGOs which came to support the food security program would be violating their mandate if they start reporting about human right abuses (Personal communication with CSA official, 2011).

Another way donors tried to bolster their influence on domestic units has been by forming a group called The Donor Assistance Group (DAG) to unify their effort. The DAG has 27 donor members and coordinates a pool of funds designated by their members for different focus sectors. By coordinating and unifying their effort through the DAG, donors found a way to manage their relationship with the domestic unit and influence the policy decisions of the government (DAG Annual Report, 2008).

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13 The community Score Card (CSC) is a way of monitoring of the effectiveness of INGO projects and government services. It has been first created by Care INGO Malawi office and used in many African countries including Ethiopia, Tanzania, Malawi and Egypt. The government of Ethiopia has also adopted CSC as a way of monitoring the performance of its services in communities and making its departments accountable to the public (Care, 2011)

14 In 2008 the DAG has a total of 3.8 million dollars in its pool of funds. It has four pools of funds. The general pool had 268.7 thousand USD, The Education pool had 1.7 million USD, The Gender pool had 474 thousand USD and the Monitoring and Evaluation pool had 1.3 million USD (DAG Annual Report, 2008).
example, despite the government’s move to block any international funds from conducting rights advocacy services to the poor; the DAG managed to support certain level of rights advocacy services under a tacit agreement from the government (Personal Communication with an NGO coalition, 2011). In this regard one NGO coalition official commented about how the EU got concession from the government in regard to supporting limited civil society activities.

Per the Cotonou Agreement, the federal government has agreed with EU delegation to consider some CSO funds as domestic funds and allow any NGO to apply and qualify to receive grants even for rights based activities.

**Model type II**

When the relationship is weak or negative between INGOs and international donors, but is strong between INGOs and domestic unit; and the relationship is strong between domestic unit and donors the evidence shows that there is a minimal chance for INGOs to find an alternative source of funding from domestic sources and be sustainable (interview with officials of various INGOs and donors, 2011). In contrast to INGOs, those domestic ethnic based NGOs that have strong link and relief work experience like ADA, TDA, and RIST have a better chance of self-sustaining. The strong symbiotic link these INGOs have with the domestic unit created a favorable environment for them to get approval from the government and develop sound domestic source of funding. In regard to growing domestic source of funding one national ethnic based NGO said the following:

We have three source of funding. The first one is members’ contribution from inside and outside the country that made up 12.4% of the total. The second
source of income is international donor’s contribution which is 30.56% of the total. The third source of income is special events and fund raising telethons. This category also adds other forms of self-income generation like renting a building, selling scrap items, horticulture and maintaining cow farm to produce and sell cow milk. The total for this category was 57% of the total income.

These ethnic domestic NGOs have diversified their income sources to the point that they are less dependent on international donors for funding and have a stable source of domestic financing. Further evidence to this fact can also be obtained from the perception of another national ethnic based NGO who said the following:

The main sources of funding for most of our history were international donors including Intergovernmental organizations and INGOs. Over the last 18 years we got a total of 500 million ETB (51.9 million USD) from international donors. But this year we raised a total of 1.1 billion ETB (114.34 million USD) from internal sources. This marks a departure in the method of the organizations fund raising strategy. The organization is currently on a transition to making internal source of funding its number one source of funding. Next to internal source will be the income generating activities of the organization and the third source will be international donors.

Although INGOs cannot engage in such large scale of domestic fund raising activities some of them which are mainly in the Healthcare sector were given permission by the government to raise domestic funds in a form of fees and cost subsidization paid by the government. But in relation to the massive programs INGOs usually conduct in the health care sector, such small scale internal funding is not sufficient. To show how far INGOs in the healthcare sector can be dependent on international funding one INGO official said

Our organization has a 12 million dollar budget per year. Our government cannot allocate that kind of money for the work we are doing every year. We will not be able to find such sort of investment from internal sources and thus we will

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15 The exchange rate used was for 2009 which is 1USD is for 9.62 ETB.
continue seek foreign aid in relief and development at least for the next 30 or 40 years.

**Model Type III**

When relationship is strong or positive between INGOs and donors; and between donors and the domestic unit but is weak between INGOs and the domestic unit, the chance of having an effective INGOs is small in the current environment where the government seeks to control over INGOs and weeds out those that are confrontational. INGOs which maintained a strong support of donors but have been considered enemies by the domestic unit lost their operational permit. For example in July 2009, 42 INGOs lost their operational license because the government determined that they violated their mandate when they reported human right abuses in the country (Pereira, 2009). One government official in Ethiopia stated that

Before the CSP was enacted more than 3000 INGOs and domestic NGOs were registered by the Ministry of Justice and operating in the country. But half of them failed to re-register under the new law because the government does not allow them to be engaged in any form of right based activities. But since the relationship between the domestic unit and the donors is strong they can negotiate and select another INGO acceptable to both to carry out various projects in the future.

But since the relationship between the domestic unit and the donors is strong they can negotiate and select another INGO acceptable to both to carry out various projects in the future. For example some INGOs and domestic NGOs were selected to receive strictly supervised civil society funding from the EU delegation. One INGO network official described the INGO selection process as follows
Per the Cotonou agreement the federal government agreed with EU delegation to consider some CSO fund as domestic fund and allow any NSA to apply and qualify to take a grant even for right based activities. The tripartite committee has a steering committee which announces call for applying. The proposal from NSAs will be evaluated by external body and will be presented to the tripartite committee. The procedure is too strict for Ethiopian civil society organizations

**Model Type IV**

When relationship is negative between INGOs and donors; and between INGOs and domestic units but is positive between donors and domestic units the chance of effectiveness for the specific INGO is minimal because it is not getting funds from international donors and has no probable chance of receiving government approval to raise funds from internal sources. A government official who commented on how INGOs or their NGO partners could lose the support of both donors and the domestic unit said

75% of the local NGOs seem to have been established for the purpose of receiving foreign donation and not with a real motivation to help needy people. Some INGOs or local NGOs go out of the government’s development goal, follow their own objective Conduct embezzlement of money and as a result lose government and donor support

As relationship between domestic units and donors is positive, the two may negotiate to find a mutually likable INGO to accomplish projects in the future.

**Model Type V**

When relationship is negative between INGOs and donors or between donors and domestic units; but is positive between INGOs and domestic units, the evidence shows that INGOs lose their funding from international donors and have no hope of getting any sort of international funding in the future because of the negative
relationship between the government and international donors. These INGOs have little or no chance of continuing operations because of their dependence on international funding. Some of the rational given for Scenario III is applicable here. But the difference is that in model type V the relationship of donors is negative with both INGOs and domestic units. Donors are happy with neither the government’s policy nor the capacity of the INGOs to accomplish the project. The only way INGOs can stay active is if they get permission from the domestic unit to receive funding from internal sources. But this researcher did not find any information that showed INGOs survived and became effective solely on funds raised from internal sources. Najam, however (2000) believes that when the government does not support the democratic system of governance a close relation between the domestic unit and INGOs can potentially cause these INGOs to be coopted or controlled by the government.16

**Model Type VI**

When there is a strong or positive relationship between INGOs and donors but weak relationship between INGOs and the domestic unit or between donors and the domestic unit, it is unlikely for the INGO will be effective. In the current period when the government enacted the CSP and seeks to over control the actions of INGOs in the country, it is hard to imagine that INGOs which have confrontational relation with the domestic unit can be active and effective even if they have strong financial support from their international donors. The example given for Model Type III would also be

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16 Cooptation comes when the government and INGOs have different goals but have similar strategies of achieving these goals. Such circumstances may lead both INGOs and the government to follow a similar kind of interest and actions (Najam, 2000).
applicable here. The difference with Model Type III is that in this model the relationship between donors and the domestic unit is weak or negative and there may not be any chance of negotiation between donors and the domestic unit to select a different INGO to carry out the project. An example of this is the eviction of several INGOs that were active in human rights and democratic governance activities by the domestic unit and the closing of their projects after the 2005 government’s suppression of political opponents and the enactment of CSP.

Model Type VII

The ideal scenario for INGO effectiveness is where the relationship between INGOs, donors and the domestic units are positive and marked by trust and collaboration. But to achieve this, the goals of these stakeholders should be as close as possible and their strategy of achieving these goals should complement each other (Najam, 2000). It can be argued that in Ethiopia the relationship between these three stakeholders was on the path of strong collaboration until the government persecuted opposition forces in 2005 and enacted the CSP

Most of the donors who were supporting the government with direct budget assistance trusted the government’s structure to manage donors’ funds and complete their projects. But that trust was broken for many of the donors and INGOs when the government enacted the CSP which essentially prevented donors and INGOs from conducting any rights based activities side by side with relief and development projects. Even before the enactment of this proclamation, the government had frozen the assets
of prominent domestic human right NGOs such as The Ethiopian Human Right Council (EHRO) and The Ethiopian Women’s Lawyers’ Association (EWLA) (Human Rights Watch, 2012).

The latest INGO to close its office in protest of the restrictions imposed by the CSP was the Heinrich Boll Foundation of Germany. The Foundation’s official stated that “it has become impossible for the organization to work for democracy, gender equality and sustainable development under existing circumstances” (The Gulele Post, 2012, Par. 3).

Developing capacity of INGOs, partner domestic NGOs and local government offices

INGOs which operate in all sectors need to keep building not only their own organizational capacity but also the capacity of their NGO partners and government offices, (USAID, 2012, PANE, 2011). For example in the case of PSNP the donors evaluate the organizational capacity and financial accountability of their NGO partners before they accept them as partners (Interview with several INGO and donor officials, 2011). INGOs which have projects in the healthcare and education sectors also make sure their NGO partners have the necessary trained professionals, equipment, and technical skills to implement their projects or conduct monitoring and evaluation of their progress.

One INGO official noted that to be effective

We need to build the capacity of our partner organizations, build managerial Capacity By training, sharing their experience and establishing learning forums. We encourage initiatives between our partners and other NGOs/ private/
government institutions in woreda or kebelle level, example Rudolf Lake fishing between community, private and government institutions.

INGOs need to have sufficient budget to build the capacity of their NGO partners. But building the capacity of NGO partners in project areas alone is not sufficient unless it is complemented by building the capacity of local government offices through the provision of equipment and training (Interview with several INGO, donor and government officials, 2011). There seems to be a wide range of agreement among the three stakeholder groups about the necessity of INGO’s partnering with domestic NGO to increase cultural competence and sustainability of programs offered. But there are differences in the way each stakeholder wants to build the capacity of their partner INGOs and the local government offices. This brings back the issue of administrative cost in to the picture. INGOs want to spend more in administrative costs to improve the effectiveness of their NGO partners whereas donors and the domestic unit want most of the project money to be spent on the projects (Interview with several INGO, donor and government officials, 2011). The domestic unit in Ethiopia would want INGOs to build more infrastructure projects rather than using their funds for training and buying equipment for their NGO partners or government offices. Those INGOs which focus on training staff of NGO partners and local government offices rather than building physical infrastructure are likely to be perceived negatively by the domestic unit (Interview with several INGO, donor and government officials, 2011).
Different Factors of INGO Effectiveness in the three sectors

Avoidance of aid dependency in food security sector vs. Encouraging free use of services in health and education sectors

Aid Dependency culture in the food security sector

A major difference the researcher observed between the Food Security sector and the healthcare and education sectors is the need to make a change in the mentality of people receiving aid. In the food security sector, the people who live in the chronically food insecure areas have been receiving free food aid since the early 1970s from the government and donors. In the 1990s, the newly established government of Ethiopia realized that provision of free aid for such a long time has created an aid dependency culture among the poor people (PRSP, 2000, SDPRP, 2002, PASDEP, 2006). So the Poverty Reduction Paper and subsequent poverty reduction programs of the government clearly spelled out the need to get rid of aid dependency culture among the people that are able to work (PRSP, 2000, SDPRP, 2002, PASDEP, 2006). As SDPRP (2002) indicated through the PSNP the government was determined to bring

A major shift from relief aid to a combination of productive safety net transfers (for example by employment of the poor on labor intensive works and unconditional transfers to those such as the elderly, disabled or orphans who are unable to work. It also represents a significant shift from food to cash transfers and embodies an emphasis on promoting productive behavior (SDPRP, 2005, pp. 27).

The government’s budget for changing the public culture from aid dependency to employment through the Food Security Program jumped to 1 billion ETB (119.1
million USD)\(^{17}\) in 2003/04 from a mere 150 million ETB (17.8 million USD) in previous years (SDPRP, 2002). In 2004/05, the budget doubled to 2 billion ETB (238.3 million USD) (SDPRP, 2002). With its budget allocation the government aimed to discourage free aid handouts and instead invested in better farming techniques, diversifying income sources and resettling farmers to more fertile land (Personal communication with official of Food Security Administration, 2011). Donors also supported the cultural change from free aid to employment and structured their aid along that line. For example, the DAG which represents a majority of the donors in the country agreed with the government’s plan of diversifying farmers’ income and improving their productiveness by stating the following.

The overall thrust of the PASDEP is accepted. The document presents a logical and consistent formation of strategy. It reflects new thinking with respect to greater emphasis on growth, market orientation, private sector involvement and diversification of the agricultural sector, especially in terms of the roles of agriculture, the rural Non-farm sector and urban sector (DAG, 2006, P.4).

INGOs also adopted this approach and structured their projects towards eliminating the aid dependency culture that has been a norm in the chronically food insecure areas. Those community members who have been selected for the program are required to work in their slack time at least for six months of the year and a minimum of five days a week on a community project like irrigation canals, water point development, and road construction along with their own farm work. Those who worked on long term community projects were paid in cash or in grains and built their household assets while simultaneously building their community assets (Personal

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17 The exchange rate was from 2004 which is 8.39 ETB equivalents to 1USD.
communication with officials of Food Security Administration and USAID, 2011).

Regarding the success of the PSNP one donor official said

80-90 percent of participants in the program are expected to graduate by building their community asset and getting rid of the food gap. 20 percent are not expected to graduate as they are not able to work and build their asset because of old age, permanent disability or other reasons. These later ones will continue getting assistance from a government social scheme at the end of the program.

Many of the INGOs and NGO partners supported projects that increased agricultural productivity and built household assets by providing different means for livelihoods geared towards breaking the cycle of aid dependency. For example, one INGO official noted

We also provide youth skill development like carpentry computer, catering, dressing, development of vocational skill that goes to small trade. There was a saying that poor people do not save. But that is changing now and poor people are forming cooperatives to save money and borrow money with interest.

Another INGO official suggested the following

Unlike others we use market based approaches to help farmers create their own wealth. We do not give credit ourselves or we do not build the technical equipment on our own we do not have the expertise and we do not want to give the impression that INGOS give out free assistance or hand out.

**Encouraging free use of Services in healthcare and education sectors**

In contrast to Food Security Program the domestic unit, donors and INGOs need to encourage free utilization behavior among the population in regard to the Healthcare and Education sectors. People’s tendency to use healthcare services in the rural areas has been very low since the current government came in to office in the early 1990s.

Infant mortality was very high with 110 deaths out of 1000 live births in 1993 (The
World Bank, 2013). The percentage of people who go to healthcare centers to use health care services has also been low with only 40% receiving services in 1997 (Minister of Finance and Economic Development, 2005).

In an effort to meet the healthcare MDGs the government sought collaboration with donors and INGOs to undertake a campaign that would change people’s culture of indifference or aversion towards accessing healthcare and encourage them to use it (PRSP, 2000, SDPRP, 2002, PASDEP, 2006). Since this culture of indifference or aversion to healthcare service has been implanted by cultural, traditional or religious beliefs in to the minds of people, all the three stakeholders agreed to use the following three strategies to help break this cycle and develop a new culture in which people seek the freely available healthcare service.

The first strategy has been training and deploying HEWs who would go house to house and educate people regularly to practice disease prevention methods and seeking treatment for their illnesses. In addition to HEWs the availability of several trained midwives helped change the behavior of women to seek clinical assistance upon giving birth. To show the increase in reproductive healthcare seeking behavior one INGO official noted that

Family planning is not well accustomed in the country. Ages 15-49 can give birth and out of this group only 8% (6% traditional and 2% modern way) use family planning on a 2000 survey. On 2005 survey 15% (14% modern and 1% traditional) are using family planning. New preliminary survey shows that 32% use family planning.
The second strategy was using cultural, tribal and religious leaders to educate and convince their followers to use free healthcare and education services. There are various superstitious beliefs common in the population that could have negative implications for changing people’s behavior about using healthcare or education services. For example one INGO official stated that

Hand washing technique was not accepted well because of the norm and expensiveness of soap. On the border between Wello and Gojam they prefer to wash their hands with ash or in other places they prefer to purify their hands with sand through traditional means.

Other examples are various harmful traditional practices like women’s circumcision, taking out tonsils in children and avoiding child immunization vaccines (Save the Children, 2008). In the Afar and Somali regions parents were reluctant to send girls to school for cultural reasons. In this case educating religious and tribal leaders and using them as change agents became an effective strategy (Personal communication with officials of Path Finder, ACRD, 2011). Many government officials and INGOs facilitated their projects by causing a behavioral change in people’s perception towards accessing free healthcare or educational services through religious or tribal leaders (Personal communication with officials of Ministry of Youth and Women Affairs, Norwegian Church Aid, 2011). INGOs which are culturally sensitive and count on the support of religious or tribal leaders to advocate a change of long held belief have better chance of success than INGOs that do not (Personal Communication with Officials of MOFED, DICAC, 2011).
The third strategy is training and deploying volunteers recruited from the same community to facilitate behavioral change. Volunteers who work with INGOs or government offices in the healthcare or education sector focus on educating their community members to use the benefit of free healthcare or education services that were made available in their localities.

**Enabling or disabling government policies towards INGO activities in the three sectors.**

In the case of Food Security sector the government’s policy on land proprietorship and price control has been a source of contention between the three stakeholders. The government is the sole owner of all land in the country and refused to privatize it (Ethiopian Constitution, 1997). International donors and INGOs believe that the absence of private ownership of land does not encourage farmers to improve the productivity of their land, and does not give freedom to farmers to buy, sell or use land as collateral to borrow money (Personal Communication with several donors, CCRDA, PANE, 2011). They also think high population growth and the current policy of state monopoly of land ownership has caused land fragmentation that reduced average land holding from 2 hectares to 0.3 hectares per household (Personal Communication with various INGOs, NGO Networks, and donors, 2011). Donors and INGOs also consider the government’s price capping on certain grain products as harmful to free market (Personal communication with officials of ACDI-VOCA, PANE, 2011). When the government agreed to form market exchange support where farmers can sell their products at a competitive
price in the market, there was a positive support from donors and INGOs. For example USAID has been supporting the market exchange services with its PSNP PLUS project and the activities of INGOs that were involved in the PSNP project showed effectiveness in meeting its goals. But when the government deviates from its undertaking of allowing the market to fix the price and started fixing the prices of grains artificially, INGO activities fell short of meeting their objectives. Unlike some African countries like Kenya which led the western model of liberalized economic systems, the Ethiopian government chose a state led economy with land proprietary rights and all major economic sectors under the ownership of the state (The Economist, 2013). When the government artificially fixed the market price of some grains it eventually led to shortages of these grains in the market because sellers were not encouraged to put them out for sale (The Economist, 2013).

The country’s latest five year growth and Transformation Plan (GTP) foresees more state led growth that requires huge public finance outlays in ambitious projects like the Grand Renaissance Dam. In regard to the government’s plan of funding the

PSNP PLUS is a program designed to assist poor households build household assets by linking them to microfinance services and effective market system that are both necessary to graduate them from the regular PSNP. The program has been created by USAID to assist the graduation of people from PSNP and it was in partnership with Care international, Catholic Relief Services, REST, AND Save the Children UK with technical support by SNV and Feinstein center of Tuft University. It was a three years long program launched in 2009 in honey; hair coat beans; livestock fattening; and cereal production. Use of microfinance and market connection system has also been increasing in other African countries with the support of Care and other INGOs and brought a lot of success in improving the financial and household asset of people in many African countries like Malawi, UGANDA and Tanzania (CARE, 2011).

The Grand Renaissance Dam is a dam constructed by Ethiopia on the Blue Nile River at a cost of 4.8 billion US dollars. When it is completed in 2017 it will be the largest hydroelectric power generating dam in Africa (All Africa, 2013).
current five year economic plan with a loan of 23.6 billion dollars, the then World Bank
country director commented as follows

I can’t see it is sustainable short of discovering huge oil reserve essentially an
unexpected windfall. I don’t see how they can sustain such an aggressive
investment plan without getting in to serious problem. On debt there is
danger. If this public investment led growth at some point really stumbles or
stagnates for a while then all these debt equations could unravel. I do worry that
without the private sector expanding much more vigorously then rapid growth
is not likely to be sustainable and if that is the case then all these debt
balances could go out of control (Davison, 2011).

Majority of the donors in Ethiopia represented by DAG urge the government to
scale down state control in the economic sector and liberalize land ownership rights and
the market system. In this respect, the collaboration between donors and domestic
units seems to be less than complete and this has a negative impact on the effectiveness
of INGOs in the food security sector. In contrast to the food security sector there is no
any major policy issue that creates contention between donors and, INGOs and
domestic units in the healthcare and education sectors. The government’s willingness to
work more positively with donors and INGOs in the healthcare and education sectors to
achieve MDG goals produced an enabling environment for INGOs to be effective in their
operations. The classic examples in the Healthcare sector where achievement has been
recorded through positive collaboration between the three stakeholders are: the HEW
programs; the HIV/ AIDS epidemics control and prevention programs; Family Planning
and Reproductive Health Programs and; Prevention of Common Infectious diseases.

In the education sector, the three stakeholders ‘positive collaboration without
any condition helped INGOs, be effective in increasing access of primary education
through novel programs like alternative basic education, mobile school for nomadic people and functional literacy for adults. These programs were scaled up and offered across the country. In the education and healthcare sectors, the more restrictive elements were cultural or traditional beliefs and practices rather than government policies. To overcome these cultural and traditional barriers, INGOs and government officials educated the people and used the influences of religious and tribal leaders.

**Graduation vs. Expansion**

A third difference INGOs in the Food Security Sector have from the Health and Education sector INGOs is the goal of graduating beneficiaries and cutting resources from those who graduated. There is no such goal of cutting resources to healthcare and education service recipients. Graduation of community members in the Food Security Program has not been defined by the government or by any of the other stakeholders. A major donor official noted the following in regard to graduation from the PSNP

Under this program the beneficiaries are needed to graduate from the program by creating community assets and protecting their assets so that they have a viable form of income generation. The people who qualify for this program are those that cannot feed themselves after 3, 6 or 9 months. Those people who need to sell their assets to buy food after this period are also included in the program. The community will select the beneficiaries among its ranks and the same community will also have an opportunity to evaluate and approve the graduation of the participant community members from the program.

However 20% of the beneficiary members are not expected to graduate because of old age, disability and sickness and they will stay on regular government financial assistance. But defining what graduation is and determining its expected time and size has become a complex subject (Personal communication with official of USAID, 2011).
The government had an ambitious plan of graduating 5 million people between the years 2005-2009. But graduating from Food security Program requires a coordinated intervention of PSNP, Other Food Security Programs (OFSP), and Macroeconomic environment (PASDEP, 2006; Rahmato, Bantirgu, and Endeshaw, 2008). The government and international donors realized that emergency food assistance is good to solve lives and address only the transitory food insecurity but does not help to address chronic food insecurity of people or manage risks of future humanitarian crisis (Hobson, 2013). People who received humanitarian food assistance in the last three years and do not have more than a food reserve of nine months are considered as chronically food insecure (Personal communication with official of USAID, 2011).

But even in the time when people improved their household asset and have managed to close the food gap, natural disasters occurred too frequently and ended up rolling back the gains achieved thus far (Hobson, 2013). PSNP has a contingency fund to help the households avoid selling their assets and weather the shock (Hobson & Campbell, 2012). In a case when the crisis is beyond the capacity of the PSNP contingency fund PSNP has also a Risk Financing Mechanism (RFM) that would make an increased level of financial assistance available in the affected areas for a short time (Hobson & Campbell, 2012). To make the PSNP package effective the three stakeholders agreed to establish four factors: Early Warning System; Contingency Planning; Contingency Financing; and Developing Capacity (Hobson, 2013). These conditions help detect the 2011 drought caused humanitarian crisis in Ethiopia, mobilize the RFM and succeed in lessening the negative impact of the crisis (Hobson, 2013).
Social protection policies like PSNP are not unique to Ethiopia. For example, Barrientos, Hulme & Nino – Zarazua (2008) noted that social protection plans in Africa have three elements: protective or guarding former external shocks; Supportive or ensuring of people’s basic functioning and Promoting or facilitating structural change to reduce poverty. Social protection policies became popular in Africa because governments realized that a strategy based on emergency aid in times of crisis alone does not change the structural problems of poverty. The same authors identified two social protection models; the South African model which is mainly characterized by direct money transfer to elderly indigent people and child support to vulnerable children; the middle African model which is characterized by direct income transfer for people exempted from work and income transfers dependent on services. In the South African model practiced by countries like South Africa, Lesotho and Namibia the social protection program is funded by public finance or taxes whereas in the middle African model practiced by countries like Ethiopia, Malawi, Tanzania and Kenya it is dependent on international donation and is usually involves active participation of INGOs and donors (Barrientos, Hulme & Nino – Zarazua, 2008). But in all these countries except Ethiopia, the Social Protection Programs were conducted as little pilot programs and they were dependent on international donations and design with little or no government investment (Barrientos, Hulme & Nino – Zarazua, 2008).

Ethiopia’s PSNP as social protection policy stands out from all the other African policies because it was rolled out on a massive scale with significant level of government investment and a coordinated support of other programs like PSNP, OFSP, voluntary
resettlement which made it more effective than the others. Some donors and INGOs however think that the massive scale up of the PSNP does not make it a sustainable program for the country as it is too expensive to be carried out on only the government’s budget (Personal communication with officials of Canadian Food Bank, World Bank, 2011). In contrast to the Food Security Program the Health and Education sectors were not subject to any resource limitation connected to a graduation period of beneficiaries from these programs. In its HSDPS and ESDPs the government indicated health and MDG goals as benchmarks for measuring its success. But this was considered as graduation thresholds.

Conclusion

This chapter provided an overview of the Food Security, Healthcare and Education sectors in Ethiopia and how the development goals of the domestic unit are structured. INGOs are development partners in all the sector goals and the poverty reduction strategy of the domestic unit. Ethiopia has completed the first two poverty reduction plans, SDPRP and PASDEP, and has embarked on the current one, GTP. This chapter showed the positive impact these programs brought to the lives of the poor people and how INGOs contributed to those results. Based on the analysis of the data this chapter also mapped out the factors that were perceived as common to all INGOs across all sectors and the factors that were found to be unique to INGOs operating in a specific sector. Accordingly community participation; stable source of funding; and the capacity of INGOs, NGO partners and local government offices were commonly
perceived as factors impacting the effectiveness of INGOs by stakeholders across all sectors while removal of aid dependency culture in the food security sector vs. encouraging free utilization of service behavior; and status of favorable environment have been perceived as factors that are different for INGOs operating in different sectors. The next chapter will discuss the factors perceived by most stakeholders as challenges to INGO effectiveness and what needs to be done to overcome them.
CHAPTER 5

CHALLENGES INGOs IN ETHIOPIA NEED TO OVERCOME TO BE EFFECTIVE

The previous chapter discussed the common factors considered to impact the effectiveness of INGOs by the stakeholders. It also showed the ways in which INGOs operating in the three different sectors are required to function differently to be effective. In this chapter we will examine the common perceptions of the stakeholders with regard to the challenges INGOs face every day and how to address those challenges.

Aid Dependency Culture in the Food Security Sector

A number of INGOs, domestic unit and donor officials who work in the Food Security sector identified the aid dependency perpetuating culture of INGOs as a strong reason for INGOs’ ineffectiveness. Especially those INGOs who have been in the country for a long time have found it challenging to get rid of their culture of providing free aid to communities. Part of the blame could also go to donors as they sometimes require INGOs and NGO partners to facilitate free aid to communities. For example one INGOs official said

Some of the foreign donor organizations want us to use the money in a way that does not go along with the government’s development plan. For instance a while ago Danish Aid gave us about seven million dollars in grant and asked us to buy oxen and give it to the farmers in the rural areas in our region. But we declined to do that and told them that would simply perpetuate aid dependency. Instead we convinced them that it will be better to put the money in a revolving fund and allow the farmers to borrow money and build their household and community asset.
Although government development goals (SDPRP, 2002; PACDEP, 2006; GTP, 2010) need development partners (INGOs and Donors) to implement their aid projects in the food security sector in a way that does not perpetuate aid dependency there is no sanction on those INGOs that still resort to providing free aid to communities. This situation seems to have created a double standard and made community members in other areas demand free aid or default on their loans (Personal Communication with official of The Hunger Project, 2011). For example one INGO official said

In regard to our project of revolving fund for the use of improved seed, equipment and fertilizer by loan the farmers do not return these products because they are used to being given freely which caused aid dependency.

But the researcher thinks that each stakeholder has contributed to the aid dependency culture in the food security sector. For instance the government may have contributed to this culture by allowing its woreda offices to administer its Community Asset Building Budget in the way they want without setting up any mechanism of recirculating the money. A senior government official of Food Security Department said

The two billion ETB (208.3 million USD)\textsuperscript{20} allocated by the government for community asset building was originally run by woreda, regional and federal government finance offices. But this kind of management was not effective as the money was also used for direct aid and other purposes in the hands of the different levels of finance offices. The government now decided to let regional micro financing organizations like the Amhara loan and saving association administer the funds. The money will serve as a revolving fund and be given to community members by way of repayable loan.

\textsuperscript{20} Exchange rate is taken from 2008 in which 1 USD was equivalent to 9.60 Ethiopian Birr (ETB).
The government also seems to be of the opinion that some donors like USAID did not help the removal of free aid receiving culture in the food security by restricting their funding to a handful of INGOs that can carry out their financial accountability reporting through their head office in the USA. USAID which funds a third of the PSNP qualified only six INGOs and one domestic NGO to receive funding for its PSNP\textsuperscript{21}. PSNP PLUS which is another program created by USAID also uses only three INGOs and one domestic NGO. Funding and building the capacity of only few INGOs and one domestic NGO contributes less to remove the aid dependency culture in the food security sector for the following reasons. Other INGOs and domestic NGOs do not have the opportunity to get their staff trained to gradually weed away aid dependency culture in communities; and other INGOs and domestic NGOs miss the opportunity of improving their capacity through funding and technical support that helps them establish the ground work for weeding out aid dependency culture in communities. Such ground work includes systems of micro-credit, non-farm activities, market information and providing product storage facilities.

A senior government official who supported this view said “USAID need to change its technical qualification procedure for selecting INGOs and partner domestic

\textsuperscript{21} In the African context PSNP holds the second largest public safety net next to South Africa. It was a scheme designed to change the living condition of people and manage risk of humanitarian crisis that was occurring in Ethiopia more frequently (Hobson, 2013). PSNP provides a stable source of income through continuous period of work and direct financial assistance and ensures that households do not sell their assets like cattle.
NGOs that implement the PSNP with its funds to give a chance to as many INGOs and NGO partners as possible change the public culture of aid dependency”.

**Lack of Coordination in the Activities of INGOS, Donors and Domestic Units**

The theoretical framework of this research argues that INGO effectiveness can be ensured with the existence of strong or positive collaboration between three stakeholders. But positive collaboration cannot be realized unless there is a sustained level of coordination in the activities of these stakeholders. Representatives of each of the three stakeholders described in their interview how they try to coordinate their activities so that they can complete INGO projects within the scheduled time period and without duplicating resources (personal communication with various INGO, donors, domestic unit’s officials, 2011). There is an NGO Interaction Counsel in each woreda for this purpose which is attended by representatives of the three stakeholders. These counsels discuss the status of projects, problems encountered and how to use resources in an efficient manner (CRDA, PANE, 2011).

Despite this effort a number of interviewed INGOs government and donor officials explained that the lack of service coordination is limiting the effectiveness of INGOs. In regard to overlapping of resources, one INGO official who builds healthcare centers said “government plan overlaps our plan. Government built a bigger health center about 500 meters from our epicenter which created a duplication of resources”. Another INGO official in the Healthcare Sector also discussed in the following way a case
where lack of coordination originating from government offices caused duplication and ineffectiveness.

Duplication of INGO projects is seen in some areas because the government did not organize allocation of INGOs very well. When our INGO and partner INGOs find out that another INGOs or national NGO with similar purpose is operating in the area it will have to stop its service and ask the government to lead it to a different area where there is no duplication.

The above referred two cases are examples of lack of coordination attributed to action or inaction of government offices. But there are also other cases where it is difficult to put the blame of lack of coordination on the government despite the same claim by INGOs or donors. For example examining the following statement an INGO official made in regard to lack of cooperation can help understand this point.

Our ultimate goal is to raise these children, put them through schools, colleges and help them get a job. But the cooperation of the government or the community in providing employment for these kids is not sufficient. As the kids do not have any other support they need support in finding a job.

In a similar way a donor official who funds INGOs that have projects of taking urban slum dwellers out of poverty expressed lack of cooperation from the government in the following way.

The other project that was effective was the projects to change the urban slum areas and create a self-income generating mechanism for residents of urban slum areas. The INGOs who are working in these areas assessed a trade in which these residents can work and change their lives. Then they train them with such skill and provide them with seed money to start their work in places like Addis Ababa and Dire Dawa. But when they need to bring their products to sell it on a street side or open market government officials do not allow them to do so.

This researcher thinks both cases go further than government’s responsibility as a key stakeholder in INGO activities and reflect its legal, taxation and economic
authority. In the first case the government needs to balance its responsibility of creating employment for all its citizens with a pledge to give preferential employment benefit to orphan children. Such would be a policy or legal decision the government needs to make by taking into account the interests of all its constituents.

In the second case, also the government needs to make an exception to its taxation and regulatory laws that prohibit traders from engaging in any kind of business without obtaining appropriate business license and paying the required taxes. Traders who normally sell commodities on the street do not have a business license and they do not pay any taxes. It is also difficult for the government to track them and assess them tax because they do not stay at one specific area. In this sense government may not be willing to create a double standard and turn a blind eye for INGO’s supported traders who sell commodities on the street. It is not reasonable for donors and INGOs to expect the government not to enforce laws on their beneficiary communities. Lack of coordination of INGOs’ projects has also been reported in cases where donors and government officials follow a different time table about completing INGO projects. For example one INGO official said

Woreda government officials could be busy because of their busy political job. Sometimes they could be out of office for a long time. This delays the project. Donors on the other hand have their own time table and ask us why we cannot do it in time. They do not understand when we tell them that we cannot proceed with our project without the approval of the government officials.

Slowness of government officials in approving project proposals, mobilizing community members to contribute their share in INGO projects in their area or other functions have also been characterized as government bureaucracy by many INGO and
donor officials. But the researcher argues that such a delay from the government’s side occurred because of legal, political and capacity reasons.

**Legal reasons**

The legal reasons are lack of clarity on the CSP and its enforcement in relation to the different priorities of the domestic unit, INGOs and donors. The proclamation has several regulations that changed the relationship between INGOs, donors and domestic units. Some of the rules have been interpreted differently in the various regions of the country. For example one INGO official mentioned that

In Amhara region projects worth up to two million will be signed by the woreda office, up to five million will be signed by the zone office and over five million will be signed by region office. In Oromia up to two million will be signed by the zone office and over that amount will be signed by the region office. Woredas have not been given mandates to sign any project yet.

The researcher could not find any research or policy document showing why this difference in execution of the same government rule occurred. INGOs which have projects of same nature in both the Amhara and Oromo regions will have to go through different process and time table to get government approval of their projects. Their projects in the Amahara region has a chance of moving faster than the same kind of projects in the Oromia region because woreda government tend to be less bureaucratic and move faster than zone or region offices in approving projects (Personal
Communication with various officials of INGOs, NGO partners and CCRDA, PANE, 2011).

Another example for disparities in legal treatment by government offices in different regions is related to enforcement of sharing of administrative costs of INGOs and partner domestic NGOs. CSP Art.88 Provided those INGOs should not use more than 30% of their project funding for administrative cost. But majority of the interviewed INGOs and donor officials noted that there is not any definitive interpretation or direction of the law as far as the salary and benefits of project staff is concerned. In an interview conducted with officials of the newly established Federal Civil Society office, the researcher was notified that the office is in the process of preparing a directive that defines project cost and administrative cost. But in the absence of the directive the researcher observed a regional diversity in regard to enforcing the law. In this regard one INGO official stated that

The Southern Nations, Nationalities and People’s region (SNNPR) are very strict on the 70%-30% project and administrative cost rule. They consider all staff salary as administrative cost. The agency is preparing a directive to clarify what kinds of costs are included in the project or administrative cost. But this is not practical as we cannot hire any professional staff at that rate. Most INGOs consider project staff cost as project cost and that is acceptable to donors. The administrative cost in this consideration includes cost for utilities, gas and other small expenses. They consider project staff cost as project cost because the project staff spends most of their time on the project.

22 The literature about decentralization of government power in Africa seems to indicate that in many African countries decentralization did not bring the desired effectiveness in engagement of the people in the political process as it lacks functioning grass root level, adequate information flow and authority (Wunsch, 2010; Kiwanuka, 2012)
Research on administrative cost does not necessarily support the widely held government or donor perception that INGOs with lower administrative cost tend to be more effective than those with higher administrative cost. Writers like Jose (2000), Nunnemekams, Ohler (2012), Hughes (2012), Smillie (1997) argue that the level of INGOs administrative cost is not indication of their effectiveness, while some others like (BBS Wise Giving Alliance, 2013, Charity Watch, 2013, Chen, 2009, Sargeant, Lee & Jay, 2009) insist that effective INGOs maintain a lower administrative costs in order to make fund raising and administrative operations more efficient. From the view point of the Ethiopian INGO experience this researcher believes allocating a specific maximum limit in administrative cost across the board as in the case of CSP could have negative consequences in the survival and effectiveness of these organizations for the following reasons:

INGOs in Ethiopia currently conduct their operation through partnership with domestic NGOs. In addition to managing the funds, evaluating the projects periodically INGOs need to build the capacity of these partner NGOs and provide technical support whenever necessary. Unless all their expenses are considered as project expenses INGOs need a flexible administrative plan

INGOs also need to build the capacity of local government offices and their staff where it is necessary to do so and for this needs additional administrative expense unless it is an expense that is considered as project cost.
INGOs may also need sufficient administrative budget that allows them to mobilize their staff and equipment when they are requested to provide assistance by communities or government offices.

Without sufficient administrative budget INGOs may be forced to cut important services or provide low quality of service that has less chance of improving the lives of their community members.

Regarding the issue of correlation between high administrative cost and heavy competition of INGOs, Nunnen Kams & Ohler (2010) concluded that despite previous theoretical models showing that INGOs engaged in fierce competition for funding have higher administrative cost, they tend to have relatively lower cost. The same authors also found out that INGOs that receive funds from official sources tend to spend more of their funds on their project because they do not have to spend money to raise funds from private sources.

**Political reasons**

The second reason why there can be lack of coordination between the domestic unit and donors/INGOs is the government’s paranoid effort to maintain its political domination and blocking any INGO or donor activities that may have political implications. A typical example is CSP which forbade participation of INGOs and their NGO partners in any rights advocacy or democratic governance activities. Several INGOs and NGO partners which prepared voter education classes or observed the authenticity of elections in the 2005 election encountered a heavy handed reprisal from the

Following that period the government created CSP legislation to push INGOs and their partner domestic NGOs out of any political oriented activities. Some INGOs which had been reporting civil right violations lost their permit because they were allegedly found to have been operating outside of their mandates (Personal communication with official of CSU). CSP seems to have originated from the 2004 Civil Society law of Zimbabwe which has similar rules (Human Rights Watch, 2008). But Zimbabwe’s law never went in to enforcement and even if it did it would have been less restrictive than CSP (Human Rights Watch, 2008). So even by Sub-Saharan African standards CSP is a repressive law which alienated civil society organizations from the political process.

The evidence for the political alienation of civil society and opposition groups is the government’s winning 99% of all the votes in the 2010 election (Nazreth.com, 2010, Sudan Tribune, 2013). In identifying how INGOs can work effectively with the domestic unit one INGO official said

Be politically neutral. You have to create understanding with all levels of government Channels. Personal and organizational opinions are different. We work with the Federal Environmental Protection Authority and we have prepared their first policy draft on this issue and gave it to them and it will be presented to parliament next year.
A majority of the donors have negotiated with the government to scale down the restrictive impact of CSP 621/09 and in general remind the government to pursue the avenue of democratic governance.

**Underdeveloped Capacity of domestic units**

Government and community offices in regional and woreda levels are not well developed or equipped to serve their fast growing communities. Problems with in capacity can be classified in three broad categories: lack of a developed organizational culture, staff turnover, and lack of coordination.

**Lack of well-developed organizational culture**

As Obiyan (2005) indicated state structures in African countries do not have a strong network capable of serving their communities in their peripheral regions. This is also true of Ethiopia which has decentralized all its government services on the basis of ethnic based regional administrations that have three hierarchies (regional, zonal and woredas). These local offices do not have a well-organized structure and it takes time to build (Personal communication with official of government Food Security department, 2011). Local government structures also lack consistency and stability because of the frequent change made by central government authorities. For example, when CSP established the Civil Society Agency it became the sole government office that can sign project operation agreement with INGOs and their NGO partners. But the new agency was given a mandate of overseeing the enforcement of the CSP which became too big to complete with its existing structure. A Food Security Department official stated
Operational agreements used to be signed by Disaster Prevention and Preparedness Commission (DPPC) in the past. The later has a structure as the way to the woredas. Currently the new Charity and Society Agency gives registration Documents and sign operational agreements with INGOs. Since the agency does not have a well-developed structure up to the woredas it created a loophole in the accountability structure of the INGOs and regions may not have any say on what is coming to their area.

Lack of a strong government structure also means the government’s inability to conduct monitoring and evaluation of INGO projects or to maintain proper documentation for research purposes. Local government officials do not have the culture and training to document their work and pass the necessary information to successors. One INGO official showed his frustration about this problem in government structure as follows

Another major problem that reduces effectiveness of INGOs is the frequent reshuffling of government officials and office structures that are authorized to license and supervise the activities of INGOs. Such reshuffling and lack of continuity of office structures or personnel shows that office positions in government are more individualized than institutionalized. Individuals do not follow a tradition of passing information regarding their experience to other future appointees or subordinates which puts the organization at a disadvantage.

**Government staff turnover**

The second capacity problem government offices encounter often is their staff turnover. Majority of interviewed INGOs and donor officials mentioned government staff turnover as a critical problem for effectiveness of INGOs. One INGO official noted that

The capacity of local government institutions is low. Those who are trained at the woreda level government will leave for a better job opportunity and so there is a high turnover of manpower.
The staff turnover can occur either when government transfers trained or experienced staff to a higher position on a different area or when the staff member wants to move to another job that gives him or her better compensation. Although government staff turnover is a common problem across all sectors some INGO officials in the Healthcare sector indicated that there is a relatively low level of turnover in HEWs which needs to be supported by the government putting in place a career development program for them. In the healthcare sector the government employed a strategy of flooding the sector with a great number of professionals like HEWs and medical doctors (Irin, 2012).

The Minister of Health in Ethiopia indicated that the enrollment of medical schools in the country has grown from 300 per year in 2005 to 3100 per year in 2012 which is a tenfold increase (Irin, 2012). But turnover of government staff was not the only problem. Most INGOs and donor officials noted that there are times when local government officials are unavailable for an extended period of time because of various political assignments handed down to them from their superiors in the regional or federal offices. INGO projects that need government approval and coordination will have to wait in the backburner until government officials complete their priority assignment. In this regard one INGO official observed the following:

Woreda governments may have other priorities like conducting trainings, meetings in relation to elections periods which last for almost six months, political works and emergency orders like recruiting soldier trainees. These situations will delay our effectiveness because it is the woreda governments that coordinate the community to dig trenches provide labor service and bring building materials like sand or rocks.
Noting that such delays can be either alleviated or aggravated by the kind of relationship INGOs have with government offices some INGOs tried to maneuvers a closer relationship with government by using government structure for their project or forming partnership with domestic NGOs that are very close to government (Personal communication with officials of CCRDA, PANE, 2011).

**Lack of coordination between local government offices and their stakeholders**

Due to decentralization of the government structure each woreda has different sector offices like health education, finance, agriculture, Water etc. Delay in carrying out INGO projects have occurred when the government approval or oversight process involves more of these sector offices and coordination of their activities becomes complex. For example one INGO official explained how delay can occur when INGO projects are subject to the approval of several sector government offices and the effect of such a delay:

Our project on water development can touch up on offices of health, water development, cultural, Youth, women and other sectors. All of them have to approve the project agreement. With the delay may follow different problems like losing some of the real value of the funds because of inflation, or change in circumstances like change in community priorities?

Local governments play a key role in coordinating the activities of INGOs, donors, communities and government offices. In the Food security sector some INGO officials expressed their concern that their projects are not well coordinated with what
government and communities do. For example an official of one INGO which maintains a training project farm and shows better farming technique to farmers said:

We are not successful on agriculture because farmers want to spend most of their time and energy on their own farm rather than coming and working on the project farm. In addition the time to cultivate seed and do other farm works overlap for both the private farm and the project farm.

In the education sector government has to take a lead in coordinating its education goals in different communities depending on their culture and traditions. In rural areas where farming is the main source of livelihood, parents cannot send their children to school during harvest season. In this case the school attendance period has to be coordinated in a flexible way. A major challenge for INGOs in the education sector has been providing access to primary education in the Afar and Somali regions of the country (Martin, Oksanea & Takala, 2000).

The people in these regions do not stay at one location for a long time and thus building a school facility may not be as useful as for people in other regions. Families in these regions were not comfortable to send their female children for fear of abduction or sexual abuse (Martin, Oksanea & Takala, 2000). A clear example of the positive collaboration between the three stakeholders in the Education sector were seen when Donors, INGOs and the Domestic Unit, coordinated their effort to create INGO projects based on Alternative Basic Education (ABE) and mobile schools which succeeded in increasing enrollment rate of students (Ministry of Education, 2011). But despite this fact government coordination of resources has been low since access rate in the Afar
and Somali regions are only 50% in 2011 compared to 90% in other regions (Ministry of Education, 2011).

**Lack of Rights Advocacy Activities**

CSP 621/09 denied INGOs and their partner domestic NGOs from advocating policy issues on behalf of their communities. CSP in particular does not want these organizations to be involved in activities like: advancement of human and democratic rights; promotion of the equality of nations, nationalities and peoples of different genders and religions; promotion of the rights of the disabled and children, promotion of conflict resolution or reconciliation; and promotion of the efficiency of justice and law enforcement (Art. 14.2) This law is one of the most restrictive NGO laws in developing countries and has been a flash point between the domestic units, donors and INGOs (CCRDA2011). According to NGO scholars like Fowler (1991) and Obiyan (2005) one of INGOs’ unique characters that makes them trustworthy to their communities is their being close to the poor and articulating the interest of the poor.

But in the Ethiopian context INGOs cannot have that character because of the government’s restriction imposed on them through CSP. Only domestic NGOs which have less than 10% of their total budget coming from international sources have been permitted to perform the rights advocacy activities (CSP, Art. 2.3). The government required all existing and new INGOs to apply for a new license and made sure that all INGOs delete the parts of their mission statement that refers to rights based services (personal communication with official of CSA, 2011). The government closed and
evicted some INGOs whom it said were conducting rights advocacy services that were outside of their mandates (Personal communication with official of CSA, 2011).

But the CSP’s barring of INGOs and their partner Ethiopian Resident INGOs to conduct rights based activities has serious problems at least from two viewpoints. The first is from the view of the Ethiopian Constitution and the International Conventions the country signed. The Ethiopian Constitution under Article 31 entitles any person in the country to form association for any purpose as long as that association does not break laws or contradicts the tenets of the constitution (Ethiopian Constitution, 1992). Since the constitution does not make distinction between Ethiopian and foreign based or foreign funded persons, the right to form associations is a right available to both national and foreign individuals and organizations. In this way CSP looks contradictory to the Supreme law of the land.

The constitution on its article 9(4) says “All international agreements ratified by Ethiopia are an integral part of the law of the land”. The country has signed many international covenants on human rights and civil liberties like the International Covenants on Civil and Political Rights and the international Covenants on Economic, Social and Cultural Rights. For example the International Convention on Civil and Political Rights (ICCPR) on its article 22 (I) state “Everyone shall have the right to Freedom of Association with others including the right to form and join trade unions for the protection of his interests “subject to restriction prescribed by law for purpose of public safety, security, health, moral and protection of other peoples’ interests (United
An important international convention that came into attention in context with CSP was the Cotonou Agreement that is signed by the European Union and 79 African and Asia Pacific (ACP) countries which formed a tripartite framework of the European Union, ACP countries’ states, and INGOS/NGO partners referred in the convention as Non State Actors (Cotonou Agreement, 2000). The agreement required the Ethiopian government to pursue Economic development and democratic governance in partnership with INGOs and the EU as a donor.

For this purpose, the EU allocated funds to develop capacities of civil society organizations like INGOs and partner domestic NGOs. CSP 621/09 contradicts this agreement when it restricted INGOs and partner domestic NGOs from conducting political rights and advocacy services. Before the government enacted this legislation, the collaboration and positivity in the relationship was at a level shown in Model type VII. As positive relationship in model type VII created a strong trust between the stakeholders, and donors like the EU and World Bank channeled significant amount of funds in the form of direct budget support to encourage democratic reform.

But as soon as CSP was enacted the trust relationship between donors, the domestic unit and INGOs deteriorated rapidly and the donors withdrew their direct budget assistance in favor of directly funding and supervising the protection of basic services projects in all woredas (Personal communication with official of World Bank, 2011). The relationship between the domestic unit, donors and INGOs has shown some improvement in the cases where EU is involved as a donor because the government
agreed to consider a limited amount of EU funds as a domestically originated funding and make it available for rights based activities (Personal communication with officials of NSA coalition, 2011). This Civil Society Fund however was administered by a tripartite committee composed of representatives from the EU, Ministry of Finance and representatives of Non State Actors (any non-governmental entities including INGOs and domestic NGOs) (Personal communication with official of NSA Coalition, 2011).

Second, because of CSP 621/09 there is an alienation of growth in democratic governance or protection of civil rights from economic growth (Tilahun, 2011). A majority of the international donors that are partners in the government’s poverty reduction program argued that real progress in poverty reduction cannot be achieved without tackling the root causes of the problem which are linked to reforming the power structure of the society and reducing the wealth gap between the rich and the poor (Tilahun, 2011).

The government itself indicated in its poverty reduction documents, SDPRP (2002), PASDEP (2006) and GTP (2010) that poverty is a multifaceted problem that needs to be tackled with a multifaceted intervention including Healthcare, Food Security, Education and Democratic governance. But in enacting the CSP the government declined to pursue the holistic, multifaceted approach required to reduce poverty and chose only relief and economic development assistance from donors and INGOs. One INGO official said
The rights based portion of INGOs work is important. As per the new proclamation the government does not want INGOs or Ethiopian Resident NGOs to do rights based work in the country. Without democracy and good governance INGOs can never be effective in what they do. The government interpreted rights based activities as political and relief and development activities as economical. But economic development cannot come without political development and the latter cannot come without good governance and strong civil society institution.

**Lack of stable Funding Source**

The majority of INGOs and their partner domestic NGOs are dependent on international funding for their survival and effectiveness. But international funding for INGO activities have been dwindling and the priorities of donors have also been changing over time. This fact has given international donors an opportunity to impose their own priorities. Typical example in the Ethiopian context is the vast funding available for INGOs and partner domestic NGOs engaged in rights advocacy, democratic governance and human rights protection before CSP 621/09 came in to effect.

In developing countries like Ethiopia the proliferation of INGOs and partner domestic NGOs has been reported in the 1990s and early 2000s. But as several NGO scholars like Clark (1980), Carlton & May (1995), Parks (2008), Reiman (2006), Manji & O’Coill (2002), Smillie (1997) stated the type of INGOs and domestic NGOs established followed a pattern of project areas in which international funding has been easily available. For example before the enactment of the CSP more INGOs and NGO partners were established in the area of promoting civil society or rights based activities because the funding in that line was easily available. But after the enactment of the CSP funding in the line of civil society virtually stopped and the new donor priority became Orphan
and Vulnerable children (OVC)\textsuperscript{23} (Personal communication with various officials of INGOs and donors, 2011). Several interviewed INGOs and donor officials confirmed that OVC has become a popular entry point for many new INGOs because international funding in that line was easily accessible. But this has created duplication of resources and allegiance of INGOs to donor priorities than community priorities (Personal communication with Focus group members, 2011).

**Internal source of funding**

The literature on the issue of domestic source of funding seems to draw consensus on the absence of national government support and lack of public culture to donate to INGOs in developing countries (Obyan, 2005; Bratton, 1989). Although part of the argument dealing with the absence of national government financial assistance for INGOs seems to be true, lack of public culture to donate has been subject to a controversy. In the Ethiopian context, an official of NGO coalition observed the following:

Local donation culture or behavior is on a transition. ADA raised 1.1 billion birr (66.1 million USD)\textsuperscript{24} in 2010 on a special telethon event. ODA has planned to raise 3 billion ETB (176.9 million USD)\textsuperscript{25} in a similar way. The country has a culture of giving. Typical example is Zeka in Muslim culture or Gudifecha\textsuperscript{26} in Oromia culture. But this culture of donation is not well tapped. For example there was a local HIV fund in work places where employees were Contributing 10 birr every month. Money from this pot will be given to families of HIV/AIDS Victims. In Mojo there was a community aid effort where each farmer gives 20

\textsuperscript{23} Orphan and Vulnerable children (OVC), focuses on assisting children who have become orphans and vulnerable because of HIV/AIDS infection on these children or their parents.

\textsuperscript{24} Exchange rate in 2010 was 1 USD for 16.63 ETB.

\textsuperscript{25} Exchange rate in 2011 was 1 USD for 16.95 ETB.

\textsuperscript{26} Gudifecha refers to adoption of mostly orphan children in Ethiopia.
kilogram of cereals for the purpose of feeding 25 orphan children until these children get a permanent home.

In a country like Ethiopia where donating to the poor, the disabled and elderly citizens are ordained by religion and tradition it is difficult to argue that there is no public culture for donations. Government offices and religious or relief organizations like Red Cross, Development and Interchurch Aid Commission (DICAC), received donations of huge sums of money, food and clothing from the public during drought caused humanitarian crisis (CCRDA, 2010). But in regard to finding a regular domestic source of funding for INGOs or partner domestic NGOs specific government permit are required. Art 98 of CSP states that INGOs and partner INGOs cannot raise funds or engage in any sort of income generating activities without the specific permission of the Federal government Agency. When it gave such discretionary power to the government, the law did not define the guidelines the government would use to determine eligibility or whether or not the government’s decision is appealable.

This law brings back the issue of domestic sources of funding to the test of INGO effectiveness models and leads to an argument that INGOs or NGO partners close to the domestic unit have a better chance of building domestic funding sources. An example is the case of domestic NGOs, like ADA, which received more than 1.1 billion ETB (66.1 million USD) in 2010 through a telethon fund raising program and ODA which planned to collect over 3 billion birr (176.9 million USD) in 2011. These domestic NGOs have made domestic sources of funding their primary source of funding although they accept more than 10% of their total funding from international donors.
Although these domestic NGOs have been partners of several INGOs and are considered as Ethiopian Resident per CSP they have not been denied either by written law or in practice from conducting political advocacy activities on behalf of their communities. For example they can lobby for policy change on behalf of their communities or provide political education to their communities (Personal communication with officials of ADA, TDA, 2011). This situation takes us back to our model of INGO effectiveness type 7 where INGOs and partner domestic NGOs who have a strong attachment to the domestic unit and to their donors have a greater chance of effectiveness than other organizations that do not.

According to Najam’s (2000) model of NGO-government relation the character of relationship between these domestic NGOs and the domestic unit can be considered as complementariness because these organizations and the domestic unit use somewhat dissimilar means to reach the same goal. Many interviewed INGO and donor officials considered domestic NGOs like ADA, ODA, and TDA as political organizations which were registered as INGOs for the purpose of attracting international donations. Officials of these INGOs however do not accept this opinion and argue that their special relationship with regional governments does not mean that they will have free ride in their work (Personal communication with official of ADA, TDA, 2011).

**Impact of competition on funding**

Most INGO officials identified shortages of funds as one of the most daunting challenges they face for survival. Shortage of funds leads to competition of INGOs for
funding and only a portion of community needs being satisfied (Smillie, 1997, Harrison, 2002, Guler, 2008). Scarcity of international donations and competition for funding has resulted in the trumping of community priorities in favor of donor’s priorities (Smillie, 1997; Szporluk, 2009). In the face of such competition INGOs managed to find their niches and nurture that niche. For example INGOs like World Vision, Plan International or SOS Children Village structured most of their funding on a long term child sponsorship donations that provide them with a relatively stable funding source (Personal communication with officials of World Vision, Plan International, and SOS children Village, 2011).

Other INGOs like ACDI VOCA, Catholic Relief Services (CRS) and Path Finder International get most of their funding from governmental or intergovernmental sources like USAID (Personal communication with officials of ACDI VOCA, CRS and Path Finder International, 2011). Faith based INGOs like Norwegian Church Aid, Protestant Church of Germany and Karitas Belgium receive most of their funding from their congregations in their home country (Personal communication with officials of Norwegian Church Aid, Protestant Church of Germany and Karitas Belgium, 2011). Some other INGOs like The Hunger Project, Water Aid and the Clinton Foundation receive most of their funding through their head offices (Personal communication with officials of Hunger Project, Water Aid and the Clinton Foundation, 2011). Those INGOs who do not have opportunity for the referred kind of stable source of funding will have to go in to competition for the remaining available funds.
Regarding competition two views have emerged from the analysis of the interview documents. Donors and the Domestic Unit believe that competition of INGOs for funding will result in stronger and better organized INGOs benefitting with the weaker INGOs being unable to qualify for funding. But strong competition has an effect of excluding many INGOs and giving preferential treatment only to a few INGOs. For example, an official of USAID observed

INGOs have to fulfill a very stringent financial regulation placed by the US government. Because of this most of the INGOs that qualify for this job are those that are found in the US. But they can sub-grant the fund to other domestic NGOs and INGOs that can do the required job. INGOs, however, seek less competition and more stability in funding so that they can spend more time on helping their communities rather than hunting and qualifying for funds (Smillie, 1999). These two points of views go in line with the literature which also showed the two opposing views on competition of INGOs for funding. Those who want INGOs to compete for funding like Coradie (1999) believe that we can have more effective INGOs if they follow a businesslike approach to their work. Those who do not like competition of INGOs, such as Johnstone and Prakash (2007,) argue that funding competition will end up subjecting INGOs to compromise with their objectives of standing for the poor and will make them subservient to donor priorities. Another point that has to be mentioned in the discussion of finance is the limitation of administrative cost to 30% and uncertainty about placing or not placing professional staff salary in project cost rather than administrative cost. Art. 88 of the CSP does not allow INGOs to use more than 30% of their budget for administrative cost. The literature on this issue
seems to be divided in to two. One camp supports minimizing INGO overhead and fund raising costs and spending most of the money on projects. This view is also popular among donors and government officials (Personal communication with officials of the CSA, 2011, World Bank, USAID, 2011). The second view however argues that minimizing the administrative cost does not necessarily make INGOS effective or allow them to provide good quality services (Personal communication with several INGOS, 2011).

INGOs under low administrative budget cannot have qualified staff to coordinate and supervise projects or spend enough time to connect with their communities (Moore & Stewart, 1998; Johnstone & Prakash, 2007). INGOS which are required to show a low administrative budget by their donors will find a way to expand their administrative expenses through accounting techniques or creative allocation of some administrative expenses in to project expenses (Smillie, 1997; Szporluk, 2009). The debate over low vs. high administrative cost in the Ethiopian context is also in line with the literature where the domestic unit and donors believe low administrative cost is necessary for INGO effectiveness (Personal Communication with various government and donor officials, 2011). INGOS or NGO partners also did not openly argue against cost limitation because there is a huge negative public or government perception about INGOS using most of their funds for personal gains (Personal communication with most of the interviewed INGOS and NGO partners, 2011).

Regarding project staff salary, the proclamation did not specify if it is part of administrative or project cost. But majority of interviewed INGO officials noted that 30%
limitation on administrative cost can work only if professional staff salary is not included in it. Without considering project staff salary as part of project cost INGOs cannot afford to hire professional staff for their projects (Personal communication with various INGOs and NGO partners, 2011). The literature on the issue of administrative cost seems to be leaning towards considering project staff salary as a direct project cost whereas the salary of administrative support staff like accountants or coordinators is considered as indirect or administrative cost (Smillie, 1997; Szporluk, 2009).

**Lack of Well Developed Capacity of INGOs and NGO Partners**

Most interviewed INGO officials indicated that capacity underdevelopment of INGOs and NGO partners are few of the most common reasons for INGOs’ ineffectiveness. But the kind of capacity problems these officials identified was different. Many of the INGOs stressed that the continuous decline in international funding compared to the ever increasing demand for services in their communities exacerbated their financial capacity problems. The decline in international funding has also affected the organizational capacity of these INGOs in terms of training and supervising the work of their national NGO partners.

Since the late 1990s and early 2000s, INGOs adopted the strategy of working with national NGO partners in lieu of working individually (Lewis, 1998; Parks, 2008). But to make this strategy a reality INGOs have to select national NGO partners that have a relatively well developed organizational and financial capacity and bring them up to speed in training and technical support. Donors who provide funds to INGOs and allow
the funds to be sub granted to national NGO partners hold INGOs responsible for the proper utilization of the funds (Personal communication with official of USAID, 2011). So it is in the interest and obligation of INGOs to build the capacity of their NGO partners and monitor their effectiveness (Personal communication with various donors and INGOs, 2011). But even when financial and organizational capacity was built, corruption or mismanagement of funds was rampant among NGO partners’ staff (Personal communication with officials of some of the interviewed donors, 2011).

Capacity in terms of cultural competence-

Many of the interviewed INGO officials expressed that it is important to have local staff who can relate to the culture, language and priorities of their communists. Even the larger INGOs who have been operating in the country for a long time have chosen to partner with domestic NGOs and take a role of facilitating successful completion of projects by assisting and supervising the works of NGO partners. Although INGOs in all the three sectors need cultural competence the analysis of the interview documents showed that INGO officials in the healthcare sector gave more emphasis to cultural competence than the other two sectors (Interview with various INGO and donor officials in the Healthcare sector, 2011).

INGOs in the healthcare sector focused most of their effort on educating their community members and changing superstitious and harmful traditions that often have led to health problems. Typical example of these superstitious or harmful traditions are: early marriages; lack of family planning and birth control; avoidance of prenatal,
neonatal and post natal care even when it is available; female circumcision; and extracting tonsils (Save The Children Norway, 2008). These cultural or traditional issues needed a different kind of capacity building for INGOs or NGO partners that is not based or financial strength or organizational sophistication. It required harnessing the support and wisdom of traditional or religious leaders.

Healthcare sector INGO’s wide use of religious or tribal leaders to influence community members in to following hygiene practices, using healthcare facilities, and getting rid of harmful traditional practices like female circumcision made them effective (Personal communication with officials of Ministry of Health, Norwegian Church Aid, 2011). In areas where informal governance structures are strong, like the Geda system in Oromia region, INGOs exploited that system to communicate with community members (personal communication with official of ACRD, 2011). Even though INGOs or their NGO partners have done so much to change harmful cultural or traditional practices there are still some that persist. In areas like use of contraception for Family planning or use of condoms to prevent the spread of HIV/AIDS religious or tribal leaders were not helpful. For example one INGO official stated

Religious leaders were not cooperative enough for our program. Orthodox Church says children are blessing. Abortion is confused with family planning. Religious leaders teach about one to one relationship, marriage before sex, but do not go to the extra mile needed to teach about the benefit of condom.
Capacity in regard to information and research

Incorrect information has affected the effectiveness of INGOs in many ways. INGOs plan their projects and prepare their budget proposals to their donors based on the information they get. Many of these INGOs and NGO partners may not be able to afford to gather all information they need from scratch and they have to depend on the information they get from the government and donors. If the information they get from these stakeholders contradicts each other and there is no way of verifying which information is correct or incorrect, INGOs operation will be flawed and subject to problems like duplication of resources or eventual loss of support from their donors or the domestic unit. An example for this situation was communicated by one INGO official in the Water Resource Development sector as follows:

There is a financial and capacity problem as well as information problem. Government record says water supply has reached 68% of the population and sanitation service reached 60% of the population. But joint monitoring of United Nations Children’s Fund and World Health Organization indicated that the figure for water access and sanitation is 40% and 12% of the population respectively. So these two sources of information are contradictory and show that there is no reliable information.

Lack of capacity in coordinating activities with other INGOs and NGO partners

INGOs and NGO partners also need to coordinate their services with other INGOs or their NGO partners to avoid duplication of services in the same area resulting in the waste of resources. As discussed in the previous section these INGOs are in a tough spot to find correct data when they are receiving contradictory information from their donors and the domestic unit. Those INGOs and NGO partners that are members of
networks or coalitions will get the capacity they lacked in this respect from their networks or coalitions.

Networks like CCRDA OR PANE gather information in communities, conduct research, host trainings in regard to teaching best practices, and become liaisons between their members and government offices. Several INGO officials expressed their concern about the confusion created after the enactment of the CSP regarding regional placement of INGO projects and the absence of documentation showing that placement. There was grave disconnect between the new CSA Agency and Woreda government offices which did not even know who has the authority to approve INGO projects in their localities (Personal communication with various INGOs, 2011). This was also the period in which many new INGOs or NGO partners were registered and sent to develop an area that could have already been given to other INGOs or local government offices (Personal communication with officials of Marie Stoppes, and NSA, 2011).

Networks or coalitions helped alleviate this problem by providing updated information and avoiding duplication of resources. In a time when the government does not allow INGOs to engage in political and human right activities on behalf of their communities networks carried on this task by negotiating with the government in a cordial way. Thus INGOs which do not have the benefit of working through networks or coalitions may lack capacity to be effective.

Conclusion

This chapter outlined the main challenges INGOs face in their effort to achieve effectiveness in Ethiopia. First and foremost on the list of the challenges is the aid
dependency culture that has been ingrained in the rural population since the early 1970s. Government policies prior to the Poverty Reduction strategies of SDPRP (2002) were culpable in perpetuating the aid dependency culture of the public as they were structured on providing free food assistance to the poor. INGOs and donors who have also been providing free aid for such a long time faced a challenge when they are trying to change the aid dependency culture. The challenge came both from their community’s and their own staff’s mentality. This chapter also showed the problem in coordination of activities between the three stakeholders which has a negative impact on the effectiveness of INGOs. When the three stakeholders maintain a strong cooperation within the meaning of type VII of the effectiveness model they can remove any barriers and make INGOs effective. But as it was discussed in this chapter this is not always the case in Ethiopia. Lack of capacity in local governments, INGOs, NGO partners; and lack of stable source of funding have also been identified as the main challenges for INGOs effectiveness. The last chapter of this research provides the conclusion of the entire research and the recommendations I have for each of the three stakeholders to help INGOs be effective in Ethiopia.
CHAPTER 6
CONCLUSION AND RECOMMENDATIONS

Conclusion

INGOs are active development partners of countries in developing countries like Ethiopia. There was only small number of INGOs operating in Ethiopia in the 1960s and beginning of 1970s. But the drought caused famine of the 1974 and other subsequent years brought several INGOs in to the country with relief and rehabilitation services. The current government of Ethiopia which has been in power since May 1991 followed a policy that encourages more INGOs to come in to the country and operate within the limit of the country’s overarching development goals. INGOs however have been functioning under the shadow of a general public and government perception of being predatory, ineffective and self-serving rather than being a genuine development partners (Gebru, 2011).

To change this perception and ensure that INGOs manage donors’ money effectively the domestic unit needed to be more involved in INGO activities and hold these organizations accountable (CSP, 2009). The domestic unit needed to establish a system in which they maintain a positive collaboration with donors and INGOs to ensure the effectiveness of INGOs in all sectors (Bahta, 2011). This research focused on finding what INGO effectiveness mean to each of the three stakeholders; what each of these stakeholders considered as reasons of INGO effectiveness and at the end find out if there is any pattern or convergence in the perception of these three stakeholders. 
The research also categorized the perception of INGO effectiveness on the basis of Food Security, Health, and Education sectors and showed perceptions of causes of INGO effectiveness that are common to the three sector INGOS or that are unique to the different sector INGOS. Even though there is abundant research in relation to INGO activity in developing countries, I did not find any large scale research or well documented data regarding the effectiveness of INGOS in the Ethiopian context. The scarcity of evidence in this area led me to select exploratory qualitative research method that was mainly based on interviewing representatives of INGOS, donors, government officials, NGO networks and focus group members. I also used some primary resource documents to verify the strength of the interview data. Detailed analysis of the data led me to draw the following observations.

The data points out that there are similarities and differences in perceptions of INGO effectiveness between the three stakeholders based on their individual priorities.

Even when common factors of INGO effectiveness or ineffectiveness have been identified these factors could be more or less critical to INGOS in one sector than INGOS operating in one or both of the other sectors. INGOS, donors and the Domestic Unit define and understand effectiveness based on their own goals and priorities.

INGO effectiveness is determined not only by the strength or weakness of their relationship with the government and donors but also by the strength or weakness of the relationship between the government and their donors in relation to their projects or other activities. Due to this fundamental observation this research used the
constituency model of organizational effectiveness as theoretical framework of analyzing INGO effectiveness in Ethiopia. According to the Constituency model the effectiveness of an organization is measured by the degree of satisfaction each stakeholder gets out of that particular INGO performance. As discussed in the introduction chapter there is no one definition of effectiveness that satisfies all. Each of the three stakeholders defines the concept from the perception of its own individual goals. But this research has shown an important finding that can expand or enrich the constituency model of organizational effectiveness. The analysis of the data shows that seven different types of relationship have emerged in the interaction between the three stakeholders. If the order of relationship of the stakeholders is kept as (1) domestic units, (2) INGOs, and (3) donors for all types of relationship the following are the seven possible kind of relationship between the stakeholders.27

1) Strong – Strong-Weak
2) Strong-Weak-Strong
3) Weak- Strong – Strong
4) Weak- Weak- Strong
5) Strong- Weak- Weak
6) Weak- Strong- Weak
7) Strong- Strong- Strong

The survival and effectiveness of INGOs in the first type of the model seems to depend on the degree of disagreement existing between the Domestic Unit and Donors.

For example under the era of the previous military government in Ethiopia USAID was

27 The relationship Weak- Weak- Weak has not been considered as existence of INGOs in that kind of environment does not seem to be a reality.
willing to support INGOs in providing only humanitarian and relief assistance for drought victims even when the US government was determined not to support any kind of development assistance to the country because the military government followed communist ideology and engaged in massive civil right violation of its citizens (Campbell, 1996). A recent example for this is the survival and effectiveness of INGOs even under the souring of relationship between international donors and the government after the enactment of CSP. Those INGOs which focus on human right protection and rights advocacy services withered away while those which focus on relief and development work continued to thrive and be effective because they continued to get the direct support of donors and the Domestic Unit. For example although donors like World Bank and EU stopped giving direct budget assistance to the government after the enactment of CSP they continued to support INGOs that were monitoring the protection of basic services through the Social Accountability Program (Personal Communication with World Bank Official, 2011, GIZ, 2009).

1) INGOs in the second type of the model have very less chance of survival let alone being effective because they do not have financial support from international donors. But it is possible for some NGO partners to survive and be effective when the domestic unit facilitates for them to raise funds internally through membership fee, telethons or other fund raising activities. For example NGO partners like ADA, ODA, TDA received majority of their funds internally and continued to be effective organizations.

2) INGOs in the third type of the model may have difficulty of becoming effective. In the current Ethiopian context it is critically important for INGOs or their NGO
partners’ effectiveness to have a positive working relationship with the domestic unit. Since the political turmoil of 2005 and after the enactment of CSP the government looked very paranoiac about INGOs who have a mission of supporting civil society and democratic governance in the country. Over 1600 INGOs and NGO partners which is nearly half of all the registered INGOs and NGO partners before the enactment of CSP lost their license mostly because they could not abandon their mission of building civil society and democratic governance (Personal communication with official of CSA, 2011). Thus even if INGOs have a positive relationship with their donors it is difficult for them to function effectively without maintaining a good relationship with the government. In such situation the donors and the Domestic unit are likely to enter in to a negotiation to select INGOs that would be acceptable for both of them.

3) In type IV of the model also it is unlikely to see a functioning of INGOs let alone an effective INGO without the support of international donors and Domestic Units. In such case donors and domestic units can select INGOs that are acceptable for both of them.

4) In a similar way to model type II INGOs, Model type V INGOs have a chance of functioning and effectiveness as long as the government is in support of their effort to find financial and other resources from internal sources. The examples mentioned for model type II INGOs would also be applicable here.

5) In type VI of the model the evidence showed that it is difficult for INGOs to survive let alone be effective in the current environment because they have negative relation with the domestic unit. Prior to the aftermath of the 2005 political election and
enactment of CSP type VI INGOs may have survived even if they do not have a strong relation with the domestic unit because the regulatory and political environment was more open and enabling. Example for this are the 1600 plus INGOs and NGO partners which were in existence prior to the enactment of the CSP but were shut down after the enactment of the same legislation. Since donors and the domestic unit also have a negative relationship there is less chance of having compromise between them to allow specific INGOs to operate.

6) Type VII of the model would be the ideal situation stakeholders want to be in. The analysis of the evidence showed that before the enactment of CSP 621/09 many INGOs were functioning in an environment of harmony where there was a strong agreement and collaboration between the three stakeholders. But the environment has changed since then and it was not possible to see the ideal type of positive collaboration between the three stakeholders. But this has left a room for compromise between the three stakeholders in favor of the greater good of serving the poor in the country.

Each of the three stakeholders has to forgive a portion of its core principle or priority to come to a common ground with other stakeholders and support the effectiveness of INGO projects. For example after the enactment of CSP international donors like the World Bank, EU, and all the other members of the DAG were forced to put on hold their core principles of promoting civil society and democratic governance and agreed to limit their donation to relief and development work.

Many INGOs and NGO partners who have a long established core principle of supporting growth of civil society and democratic governance also agreed to amend
their mission and focus only on relief and development activities. Even though it has a strong stance of blocking international funding for civil society activities, the government made a compromise when it agreed with EU to receive a limited amount of civil society fund and distribute it to selected INGOs and NGO partners in the country.

The evidence also showed even under this carefully arranged compromise there are certain areas where the three stakeholders supported extremely effective INGO projects that have significant impact in changing the living condition of the people. Examples of these areas of achievement are the PSNP in the Food Security area; the HEWs and HIV/ AIDS prevention programs in the Healthcare sector and the ABE program in the in the Education sector.

**Recommendations**

This research has focused on finding out the reasons of INGO effectiveness in Ethiopia. INGO projects have different stakeholders and each stakeholder measures INGO’s effectiveness from the view point of satisfaction of its own interest. Knowing that fact INGOs try to balance the satisfaction of all stakeholders in a way that helps them to achieve their own objectives. But as this research showed there can be conflicts between the interests of these stakeholders which cannot be managed by the actions of INGOs alone.

The degree of positive or negative relationship between their stakeholders affects the overall effectiveness of INGOs. The positive or negative relationship of these stakeholders is also determined by how far they can impose their interest on each other
or if that is not possible how far they can compromise on their priorities to find a middle
ground with other stakeholders and advance the overall effectiveness of INGOs.

Based on the overall findings of this research I have the following recommendations
for each of the three stakeholders that have been considered in this research.

1) INGOs should build their organizational capacity in terms of office structure and
adequate number of professional and administrative staff. But capacity building is not
limited to office, equipment and staff. INGOs should build their capacity of
communication with their communities through religious and tribal leaders. They also
need to be members of networks or coalitions to increase capacity of getting
information.

2) INGOs should develop a bottom up and not top down management system to
allow the enrichment of managerial decisions with the contextual differences available
in each of their field offices or NGO partners. One INGO official in the Food Security
sector described lack of bottom up approach by saying the following, “Another problem
is having a unified single top down strategy from our head office for all country projects
which does not give room to contextual differences”. One donor official also highlighted
the benefit of having a bottom up approach in relation to accountability by saying the
following, “Regarding accountability NGO partners do not have constituency base
because they were not established from bottom up. Most of them were established by
few friends or family members. This may not make them directly accountable to the
community because they were not set up by the latter”. Bottom up management
approach would also help being in the participation of the community and make INGOs’ project sustainable.

3) INGOs have to think of setting up a project that teaches community members how to increase production or improve their living condition by focusing on easy locally accessible and affordable technology. Typical example is the water pulling technology one INGO uses in Ethiopia that can be built easily from local materials and does not cost more than 25 ETB (1.47 USD)\(^2\). This would ensure the sustainability of the project in the long run.

4) In order to win the trust of their donors and the domestic unit, INGOs should document their work clearly and keep it transparent. They should also be in frequent communication to their stakeholders about the progress of their project on each phase of the project. INGOs decision that does not involve the support or approval of their stakeholders may fail to be sustainable at the end.

5) An important practice all INGOs or NGO partners should do since the planning stage of their project is inviting participation of community members and local government officials. This will allow local government officials and community members to be invested in the project and support its sustainability when INGOs complete their stay and leave the project.

6) INGOs and partner NGOs would benefit from becoming members of network organizations. Although network organizations charge membership fee and other small expenses from their members they provide enormous amount of benefit in return like

\(^2\) Exchange rate taken was prevailing on June 10, 2011.
training, sharing best practices, representing their members’ interest in discussions with
government officials or donors; conduct research and ensure that there would be
cooperation and efficient utilizations of resources among members than competition.

7) Finding stable source of funding is the number one priority for most INGOs and
NGO partners. INGOs should work on finding a niche area where they can find a stable
and long term financial source to ensure non interruption of their projects.

1) Government

As an important stakeholder, government offices at federal, regional, zonal and
woreda levels need to do the following to support the effectiveness of INGOs.

1) First in line is softening its position on denying INGOs and NGO partners from
carrying on projects promoting growth of civil society and democratic governance. This
is an important change which can potentially bring back the relationship between
INGOs, the government and donors to the level of model type VII. Ethiopia has
embarked on a multifaceted poverty reduction program to address the root causes of
poverty since the emergency relief aid in times of natural disasters did not change the
aid dependency situation of the people. The formation of vibrant civil society and
democratic governance is one of the cardinal goals of the government’s Poverty
Reduction Paper and needs to be realized with the assistance of development partners
like donors and INGOs. But the government backtracked on its promise of working on
this issue with its development partners when it enacted the CSP. The government
needs to realize that poverty reduction and economic development cannot come in a
sustainable way without political liberalization and democratic governance. The root causes of poverty can be tackled only when the huge gap between the rich and the poor decreases and a vibrant middle class is created (Bratton, 1987, 1990, Fowler, 1996). So government has to amend its restrictive law of CSP and create an enabling environment for INGOs and donors to be development partners in the formation of vibrant civil society and democratic governance in the country.

2) Along with liberalizing the political and economic system the government needs to reform its land ownership system and pave the way to private ownership of land. Ownership of land will encourage farmers to develop its fertility and use it as collateral to borrow money for improving livelihood. The government should also avoid interfering in the market and fixing the prices of some grains since doing so would mess up the demand-supply equilibrium.

3) The government should allocate enough budgets to develop the capacity of its local offices in terms of office facility and trained manpower. The research showed that one of the major complaint INGOs and donors have is the bureaucratic delay of decisions from government offices and their unavailability in their office for a lengthy period of time because of other political assignment from higher officials. A high turnover of government officials has also been reported as those trained leave or get transferred for a better job. Delay in government support makes INGOs or NGO partners ineffective in their projects and could damage their relationship with donors. The government should fix this problem by assigning enough members of staff that would be easily available to work with INGOs and curb turnover.
4) Another problem the government has to address is the misconception the general public and some government officials have about the role of INGOs and donors in the country. Because of negative media coverage of INGOs after the 2005 political turmoil public opinion about INGOs in general has been filled with mistrust. Although there has been some improvement in recapturing positive public opinion the government has to do more to educate people and show that INGOs and donors are important development partners.

5) Regarding source of funding the government should come away from its restriction and allow INGOs and NGO partners to find an internal source of funding either through private donations or small income earning activities. Especially in the present time when international funding is declining INGOs deserve to find a sustainable source of funding from internal donors or small business activities.

6) Regarding administrative cost of INGOs the government should abandon the arbitrary 30% limit on administrative cost and adopt a practice of measuring what kind of impact each dollar in cost brought in to the community. Low administrative cost necessarily does not correlate with INGO effectiveness as it can also produce low quality result at the end. At the least the government should consider project staff salary as part of the project budget and not as part of the administrative cost. Without this practice INGOs could stop their operation for lack of professional staff. As I have been conducting this research I found out that the government is still preparing a directive to define which costs are administrative and which costs are not. The vacuum created by the absence of this directive caused different interpretation of the law by different
regional governments and uncertainty on the future of many INGOs and NGO partners. So the government should address this issue as soon as possible.

7) Another issue that needs strong government intervention is the population growth that is outpacing the country’s economic development. Education about family planning by INGOs, HEWs and religious or tribal leaders brought some improvement. But religious or tribal leaders are offering only limited assistance and do not advocate to limit the number of children parents can have. It is only the government which can use its regulatory and administrative power to put family planning in to effective practice.

8) Access to primary education has grown at a fast scale. But the growth mainly focused on quantity of schools built or increasing enrollment of primary students. Since high enrollment rate has already been achieved the government should turn its focus to quality of education and coordinate the change in focus direction of donors and INGOs as well.

9) The government has made it one of its priorities to declare the equal role of women in all venues including public life and private life activities. But there are many tribal, cultural and religious traditions that place barriers on women’s equal participation in society. Because of these traditions women were discouraged to enroll in school, to access healthcare services or serve on official capacities. For example the women in Afar or Somali areas are still under the influence of cultural or traditional views that bars them from enjoying the fruits of development. The government should lead the way to educate these communities and empower women.

II) DONORS
1) Donors need to be flexible with the time limit they have for fund use by INGOs. Some INGOs indicated that when the project time table is delayed because of government bureaucracy, lack of construction materials or other reasons, donors would not be flexible and hold their funds or entirely cancel their funding. But donors need to understand that INGOs’ projects can be delayed for reasons that are not attributed to the actions or inactions of INGOs and be prepared to update their time schedule and hold contingency fund to adjust for inflation.

2) Although competition of INGOs for funding is helpful to select INGOs with strong financial and organizational capacity it tends to benefit larger INGOs and create a monopoly of INGOs rather than encouraging growth of small or medium level INGOs and NGO partners. An example of this is USAID’s selection of six INGOs and one national NGO for its PSNP and PSNP PLUS programs. Donors need to understand that it is important to encourage small or medium level INGOs to take up projects individually or jointly to expand the INGO pool and make their growth sustainable.

3) A lot has been discussed about administrative expenses. Donors promote a minimum administrative cost and maximum project cost. In some cases INGOs said that donors gave them money that is earmarked only for project cost and require INGOs to pay the administrative cost. But donors should know that low administrative cost does not necessarily produce a good quality project or does not make INGOs effective. Donors need to think of a flexible administrative expense plan that will be determined by the role it has on the effectiveness of INGOs and by the impact it produces on the lives of community members.
4) Donors also need to work on changing the aid dependency culture of the people in the Food Security sector. The research showed that some donors still want to follow the old approach of giving free aid to farmers in chronically food insecure areas. These donors need to change their approach and encourage communities to stop seeking free aid and build their household asset with microcredit loans.

5) Many donors have decreased or stopped their funding after the 2005 government crackdown on opposition forces and the eventual enactment of the CSP. But this situation did hurt communities that were dependent on those funds. Donors need to understand that stopping funds by opposing a government policy or law ultimately hurts the poor people and thus need to give priority for compromise.

6) Newly established INGOs and NGO partners may not have a well-developed organizational capacity or lack effective monitoring and evaluation system. Donors have to step in and help these INGOs in developing their capacity and accountability system.

7) International donors should also avoid top down management strategy in their fund allocation or administration and need to be attentive to contextual differences of each community or region. In this regard donors should also be open to train local government officials and develop their capacity to help the effectiveness of INGOs.

**Future Research Questions**

The current model talks about the positive or negative nature of stakeholders’ relation. But it did not go to measuring the extent of positivity or negativity of the relationship. But future researches need to investigate if there would be a difference in outcome of INGO effectiveness depending on the degree of positivity or negativity of
the relation. Depending on the improvement of availability of research data, it is also my goal to conduct a quantitative research and analysis on the same subject in the future and find out if that research would come to the same conclusion as this research. This research focused only on studying the effectiveness of INGOs in Ethiopia due to data availability concerns. But future research should study the effectiveness of domestic NGOs in Ethiopia as they are growing to become formidable partners in the country’s growth strategy.

Despite lack of democratic governance in Ethiopia more INGOs are coming in to the country now than ever before and currently Ethiopia has become the leading international aid recipient country in Africa. Ethiopia also showed progress in reducing poverty across all sectors. Does this mean that the country’s situation is defying the conventional argument that poverty reduction or elimination will not be achieved without democratic governance? This would be a fertile ground for future research.
APPENDIX- A

LIST OF ABBREVIATIONS AND ACCRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ABE</td>
<td>Alternative Basic Education</td>
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<tr>
<td>ACDI-VOCA</td>
<td>Agriculture Cooperative Development International and Volunteers in Overseas Cooperative Assistance</td>
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<td>CCRDA</td>
<td>Consortium of Christian Relief and Development Association</td>
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<tr>
<td>CARE</td>
<td>Cooperative for Assistance and Relief Everywhere</td>
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<tr>
<td>CHW</td>
<td>Community Health Workers</td>
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<tr>
<td>CRS</td>
<td>Catholic Relief Services</td>
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<tr>
<td>CSA</td>
<td>Ethiopian Charities and Societies Agency</td>
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<td>CSP</td>
<td>Civil Society Proclamation</td>
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<tr>
<td>DAG</td>
<td>Donors’ Assistance Group</td>
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<tr>
<td>DICAC</td>
<td>Ethiopian Orthodox Church Development and Interchurch Aid Commission</td>
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<tr>
<td>DFID</td>
<td>United Kingdom Department for International Development</td>
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<tr>
<td>EHRC</td>
<td>Ethiopian Human Right Commission</td>
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<tr>
<td>EPRDF</td>
<td>Ethiopian Peoples’ Republic Democratic Front</td>
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<td>ESDP</td>
<td>Education Sector Development Plan</td>
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<td>EU</td>
<td>European Union</td>
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<td>EWLA</td>
<td>Ethiopian Women’s Lawyers’ Association</td>
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<td>FHI</td>
<td>Family Health International</td>
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<td>GER</td>
<td>Gross Enrollment Ratio</td>
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<td>GIZ</td>
<td>Deutsche Gesellschaft fur Internationale Zusammenarbeit</td>
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<tr>
<td>GTP</td>
<td>Growth and Transformation Plan</td>
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<tr>
<td>HEP</td>
<td>Health Extension Program</td>
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<tr>
<td>HEW</td>
<td>Health Extension Workers</td>
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<tr>
<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus Infection/ Acquired Immunodeficiency Syndrome</td>
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<tr>
<td>HSDP</td>
<td>Health Sector Development Plan</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>INGOs</td>
<td>International Nongovernmental Organizations</td>
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<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
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<tr>
<td>MOFED</td>
<td>Ministry of Finance and Economic Development</td>
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<td>NER</td>
<td>Net Enrollment Ratio</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>ODA</td>
<td>Oromia Development Association</td>
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<td>OFSP</td>
<td>Other Food Security Programs</td>
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<tr>
<td>OVC</td>
<td>Orphan and Vulnerable Children</td>
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<tr>
<td>OXFAM</td>
<td>Oxford Committee for Famine Relief</td>
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<tr>
<td>PASDEP</td>
<td>Plan for Accelerated and Sustained Development to End Poverty</td>
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<tr>
<td>PBS</td>
<td>Protection of Basic Services</td>
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<tr>
<td>PEPFAR</td>
<td>US President’s Emergency Plan for AIDS Relief</td>
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<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Papers</td>
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<td>PSNP</td>
<td>Productive Safety Net Program</td>
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<tr>
<td>SAP</td>
<td>Structural Adjustment Programs</td>
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<tr>
<td>SDPRP</td>
<td>Sustainable Development and Poverty Reduction Program</td>
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<tr>
<td>TDA</td>
<td>Tigray Development Association</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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LIST OF INTERVIEW QUESTIONS TO INGO OFFICIALS

This research is interested in understanding what makes an INGOS effective in the Ethiopian setting. In particular I am interested in INGOs doing developmental work. My goal is to develop a set of lessons that can help INGOs become as effective as possible in implementing their projects in Ethiopia.

**Basic background questions**
1) Can you tell me your name and title?
2) How long have you been working and living in Ethiopia?
3) How long has your organization been working in Ethiopia?
4) How long have you been associated with this organization?
5) Have you worked on INGO developmental projects in different parts of the country?
6) Prior to coming to work for this organization did you have other INGO work experiences? If so, what were they?
7) What is your educational background?

_____________________________________________________________________

**Effectiveness questions**

a. Can you give me some examples of INGO’s Developmental projects that your organization considers effective?
b. “Why was each of these projects considered effective? And
c. What made each effective/why did this project work so well? ” (can you describe the factors that are responsible for the project’s success/effectiveness)

8) Can you point to examples of other NGO programs that are considered as effective by such INGOs in Ethiopia?
   a. If yes, what makes them effective?
   b. At these INGOs who would be the best person to talk to about these programs?
9) Can you point out to any previous researches, news articles, assessment reports or any other literatures written in regard to effectiveness of INGOs in Ethiopia?
10) Stepping back from the project level, which level of govt. here in Ethiopia—federal, regional or local—is the most important to your on-the-ground programmatic effectiveness? Why?

11) Which level of govt. is the least important to your on-the-ground success? (And why?)

12) If a new INGO was just now trying to get started in Ethiopia doing developmental work, what advice would you offer them on how to foster and maintain their INGO’s effectiveness inside Ethiopia? (i.e., what should they do/what are the keys to success?)
   a. As part of this, can you elicit the degree of importance for each element noted? Which are by far the most important factors and which are the least to INGO effectiveness?
   b. Can you talk about the negatives—what are the things that a new INGO should not do?

13) From your perspective, what are the top two to three obstacles to INGO effectiveness in Ethiopia? (And why?)

14) How would you describe your organization’s relationship with the various levels of govt. here in Ethiopia? (Federal, regional and local) strong and positive at one end of the spectrum to weak and negative at the other end.

   **Accountability questions**

15) What kinds of processes and procedures do INGOs use to ensure accountability?
16) Are some of these processes and procedures emphasized, or used, more than others?
17) When it comes to being accountable, who or what puts the most pressure on INGO? (And why?)
18) How important is effectiveness to your donors?
19) How do you communicate your successes to your donors?
20) How important is effectiveness to federal or local governments and the beneficiary communities?
21) How do NGOs communicate their success or failure to governments or their beneficiary communities?
APPENDIX- C

LIST OF INTERVIEW QUESTIONS TO GOVERNMENT OFFICIALS

This research is interested in understanding what makes INGOs effective in the Ethiopian setting. In particular I am interested in INGOs doing developmental work. My goal is to develop a set of lessons that can help INGOs become as effective as possible in implementing their projects in Ethiopia.

**Basic background questions**

1) Can you tell me your name and title?
2) How long have you worked on this capacity in your office?
3) How long has your office been working with INGOs and donors?
4) How long have you been associated with this organization in this office or in any other regions?
5) Have you worked with donors or INGOs in INGO projects in different parts of the country?
6) Prior to coming to work for this organization did you have other work experience that is related with the activities of INGOs or donor organizations? If so, what were they?
7) What is your educational background?

**Effectiveness questions**

a. What does INGO effectiveness mean to you?
b. Can you give me some examples of INGO’s Developmental projects that your organization considers effective?
c. “Why was each of these projects considered effective? And

d. What made each effective/why did this project work so well? ” (can you describe the factors that are responsible for the project’s success/effectiveness)

8) Can you point to examples of other INGO programs that are considered as effective by your office?

a. If yes, what makes them effective?
b. In these INGOs who would be the best person to talk to about these programs?
9) Can you point out to any previous researches, news articles, assessment reports or any other literatures written in regard to effectiveness of INGOs in Ethiopia?

10) Stepping back from the project level, which level of govt. here in Ethiopia—federal, regional or local—is the most important to INGOS’ programmatic effectiveness? Why?

11) Which level of govt. is the least important to INGOS’ on-the-ground effectiveness? (And why?)

12) If a new INGO was just now trying to get started in Ethiopia doing developmental work, what advice would you offer them on how to foster and maintain their effectiveness inside Ethiopia? (i.e., what should they do/ what are the keys to success?)
   a. As part of this, can you elicit the degree of importance for each element noted? Which are by far the most important factors and which are the least to INGO effectiveness?
   b. Can you talk about the negatives – what are the things that a new INGO should not do?

13) From your perspective, what are the top two to three obstacles to INGO effectiveness in Ethiopia? (And why?)

14) How would you describe your office’s relationship with the various INGOs in Ethiopia? Strong and positive at one end of the spectrum to weak and negative at the other end.

**Accountability questions**

15) What kinds of processes and procedures do you expect INGOs to follow to ensure their accountability?

16) Are some of these processes and procedures emphasized, or used, more than others?

17) When it comes to being accountable, which government office or organization puts the most pressure on INGOs and why?

18) How important is INGOs’ effectiveness to you or other government offices?

19) How do you communicate your assessment of INGOs’ projects to INGOs or donors at the end of each evaluation?
20) How important is effectiveness to federal or local governments and the beneficiary communities?

21) How do INGOs communicate their success or failure to governments or their beneficiary communities?
APPENDIX- D

LIST OF INTERVIEW QUESTIONS TO DONOR ORGANIZATIONS

This research is interested in understanding what makes INGOs effective in the Ethiopian setting. In particular I am interested in INGOs doing developmental work. My goal is to develop a set of lessons that can help INGOs become as effective as possible in implementing their projects in Ethiopia.

**Basic background questions**

1) Can you tell me your name and title?
2) How long have you worked on this capacity in your office?
3) How long has your organization been working with INGOs and government offices in Ethiopia?
4) How long have you been associated with this organization in this office or in any other regional offices?
5) Have you worked with government offices or INGOs in relation to INGO projects in different parts of the country?
6) Prior to coming to work for this organization did you have other work experience that is related with the activities of INGOs or government offices? If so, what were they?
7) What is your educational background?

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**Effectiveness questions**

a. What does INGO effectiveness mean to you?
b. Can you give me some examples of INGO’s Developmental projects that your organization considers effective?
c. “Why was each of these projects considered effective? And
d. What made each effective/why did this project work so well? ” (can you describe the factors that are responsible for the project’s success/effectiveness)

8) Can you point to examples of other INGO programs that are considered as effective by your organization?
   a. If yes, what makes them effective?
b. In these INGOs who would be the best person to talk to about these programs?

9) Can you point out to any previous researches, news articles, assessment reports or any other literatures written in regard to effectiveness of INGOs in Ethiopia?

10) Stepping back from the project level, in your opinion which level of govt. here in Ethiopia—federal, regional or local—is the most important to INGOS’ programmatic effectiveness? Why?
Which level of government is easier to work with to donors or INGOs?

11) Which level of govt. is the least important to INGOs’ on-the-ground effectiveness? (And why?)

12) If a new INGO was just now trying to get started in Ethiopia doing developmental work, what advice would you offer them on how to foster and maintain their effectiveness inside Ethiopia? (i.e., what should they do/ what are the keys to success?)
   a. As part of this, can you elicit the degree of importance for each element noted? Which are by far the most important factors and which are the least to INGO effectiveness?
   b. Can you talk about the negatives – what are the things that a new INGO should not do?

13) From your perspective, what are the top two to three obstacles to INGO effectiveness in Ethiopia? (And why?)

14) How would you describe your organization’s relationship with the various INGOs and government offices in Ethiopia? Strong and positive at one end of the spectrum to weak and negative at the other end.

   **Accountability questions**

15) What kinds of processes and procedures do you expect INGOs to follow to ensure their accountability to you or government offices?

16) Are some of these processes and procedures emphasized, or used, more than others?

17) When it comes to accountability of INGOs, which government office or organization interacts with your organization and how positive or negative is your relationship with these government offices? And why?
18) How important is INGOs’ effectiveness to you or government offices?
19) How do you communicate your assessment of INGOs’ projects to INGOs or government offices at the end of each project evaluation?
20) How important is INGO effectiveness to you or other donor organizations? How is this relationship interconnected with the Paris declaration of aid effectiveness and the UN Millennium Development Goals of reducing poverty and its impacts?
21) How do INGOs communicate their success or failure to your organization and how important is this method for you and government offices to support INGOs program effectiveness?
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