Strengthening Civil Society's Capacities to Forward Democracy in Ethiopia.

Recommendations for improving local development.

The Hunger Project.

About

Between 01.06.2023 and 31.12.2024 The Hunger Project carried out the project **Strengthening Civil Society's Capacities to Forward Democracy in Ethiopia** in the Gurage zone of Ethiopia. This report summarizes the project and highlights key challenges, lessons learned, and provides recommendations for future efforts to enhance democracy and local development. It also amplifies the voices and experiences of project participants.

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> A lot of activities are being made by CSOs, including The Hunger Project and government offices, to bring behavioral change and promote tapping local resources to ensure food security. For instance we are trained to cultivate various types of vegetables, cereals and crops. But it's not only that. When my villagers observe lack of good governance, we sit together and set out a plan on how to challenge the issue.

– Amsale Teklu-Abeshge, Health Extension Expert and project participant

Intro.

The Hunger Project is committed to strengthening civil society and advancing democratic development in Ethiopia through comprehensive, community-driven initiatives. In the Gurage Zone, The Hunger Project has undertaken a range of targeted initiatives focused on empowering civil society organizations (CSOs), enhancing citizen engagement, and improving local governance structures. Key activities include leadership training, capacity-building programs, collaborative engagement with local authorities, and participatory governance initiatives.

A policy research study was conducted to examine decentralized governance. The research assessed how CSOs and citizens participate in governance processes, particularly in budget planning, monitoring, and accountability. Interviews and focus group discussions highlighted both challenges and opportunities in influencing fiscal decisions and demanding transparency. The findings provided critical insights into systemic barriers to engagement and offered strategies for strengthening citizen participation in local decision-making.
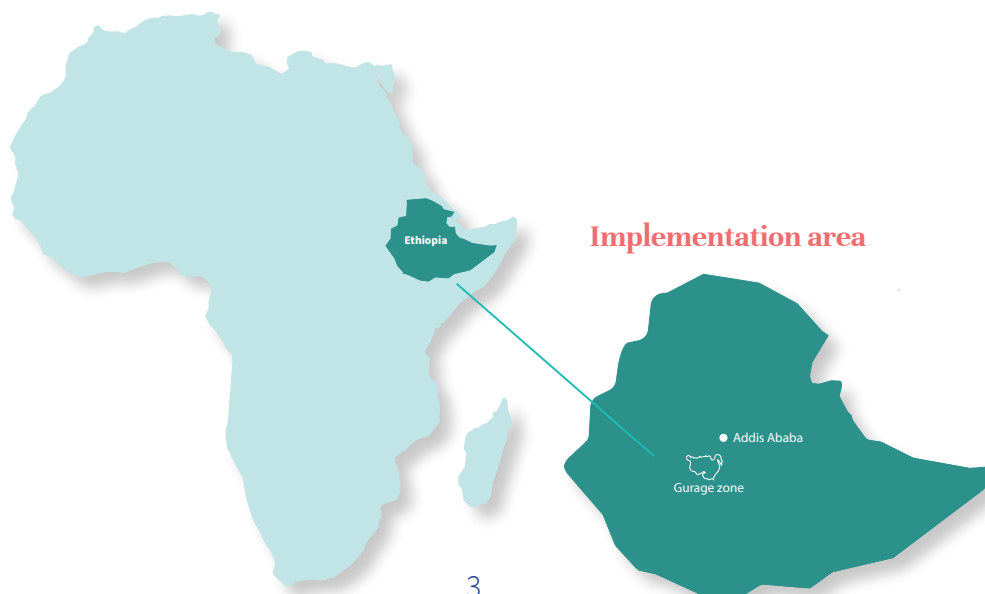

> As women we have plenty of needs, like access to quality primary health care services. Local associations are instrumental for me to get my voice heard. They advocate for human rights and contribute to the improvement of service delivery at grassroot level.
>
> – Selfnesh Bargza, community member and project participant

In addition to the research, The Hunger Project led hands-on initiatives to build leadership capacity and foster partnerships between communities and government officials. Training workshops and interactive forums equipped CSOs and community leaders with practical skills to drive change and advocate for accountability.

This report presents the key outcomes, lessons learned, and recommendations from these combined efforts, showcasing the impact of the work and pathways for future action.

Implementation area

Ethiopia

Addis Ababa

Gurage zone

Civil Society in Ethiopia – Challenges and Opportunities.

Civil society in Ethiopia plays a vital role in advancing democracy, governance, and development. Legal reforms introduced in 2019 marked a significant turning point by repealing restrictive laws that had previously constrained CSO:s activities, particularly in advocacy, human rights, and governance work. These reforms expanded the scope for CSOs to operate across sectors and engage with local governance structures.

The Role of Civil Society

Ethiopian civil society encompasses a diverse range of organizations, including non-governmental organizations (NGOs), community-based organizations (CBOs), and grassroots movements addressing health, education, women's empowerment, and environmental sustainability, to name a few. Decentralization has provided frameworks for localized governance, positioning CSOs to collaborate more closely with local authorities and communities. By mobilizing resources, raising awareness, and advocating for marginalized groups, CSOs play a critical role in bridging the gap between citizens and local governments. However, systemic challenges continue to limit their effectiveness.

Key Challenges Facing Civil Society

While the 2019 legal reforms improved the operational environment for CSOs, significant challenges remain. Capacity limitations and a lack of experience in human rights, democracy promotion, peacebuilding, and governance persist in both CSOs and the government. This hinders their ability to engage effectively in advocacy and governance. A legacy of past restrictions has entrenched the perception of CSOs as primarily service providers, limiting their role in rights-based initiatives. Additionally, concerns over potential government responses discourage organizations from addressing sensitive issues, further constraining their impact.

Community Engagement and Participation

Community engagement remains a critical challenge for CSOs in Ethiopia. While decentralization reforms aim to bring governance closer to the people, meaningful participation in governance processes is still limited.

For example, in the Gurage Zone, opportunities for public participation in local decision-making processes have often been constrained. Community members report limited avenues to voice their concerns, particularly regarding budget allocations. Public meetings frequently fail to be inclusive, leading to the underrepresentation of women and marginalized groups. This lack of inclusivity restricts the ability of these groups to engage meaningfully in discussions that affect their communities, thereby hindering effective community leadership and participation in fiscal decentralization efforts.

> "Most challenges come from the local administrative bodies. It takes time to convince them on the importance of budget allocation issues. Through this project we have established a good governance committee, where the community meets frequently with the local authorities and civil servants.

– Anteneh Habte, community member and project participant

Opportunities for Strengthening Civil Society

Despite these challenges, there are clear opportunities for Ethiopian civil society to strengthen its role in governance and development. The legal reforms provide a framework for CSOs to engage more actively in advocacy, policy work, and governance processes. In areas where collaboration has improved, CSOs have begun engaging in budget discussions and policy dialogues with local governments, leading to gradual improvements in resource allocation and service delivery.

Workshops conducted illustrate this progress. For example, during training sessions with CSO leaders and local government representatives in the Gurage Zone, participants discussed budget prioritization and identified key areas for local develop-ment. This process not only built trust but also provided practical tools for CSOs to advocate for resource allocation that aligns with community needs. Additionally, workshops focused on leadership capacity highlighted strategies for improving citizen engagement, empowering participants to organize inclusive forums and advocate for marginalized groups.

Research findings further demonstrated examples where CSOs collaborated with local authorities to align priorities with community needs. Strengthened partnerships have led to gradual improvements, particularly in areas like healthcare service delivery and education resource planning. By addressing capacity gaps through training and fostering trust through dialogue, civil society can play a pivotal role in advancing inclusive governance, improving transparency and sustainable local development.

Policy Research – The Importance of Evidence-Based Policies.

In Ethiopia power has historically been centralized to an authoritarian state. Ethiopia's journey toward decentralization began in 1992 with reforms aimed to empower local authorities to plan and direct economic and social establishments, prepare, approve, and implement their budgets, borrow from domestic sources, and levy taxes and dues. In 2002, the District Level Decentralization Program (DLDP) expanded these efforts by focusing on fiscal autonomy at the woreda (district) level. However, significant challenges remain. Revenue generation is still highly centralized, leaving local governments dependent on central transfers to meet their expenditure needs. This dependency creates imbalances and limits local financial independence.

Challenges to Community Participation

Decentralization policies were intended to bring governance closer to the people. However, practical community engagement in fiscal decision-making remains limited. Many citizens lack the tools or opportunities to influence key decisions, undermining the intent of decentralized governance. This gap not only slows local development but also hinders the localization of the sustainable development goals (SDGs), which require active and sustained community involvement.

Research Aim and Focus

To evaluate the status of decentralization in Ethiopia, the policy research had a particular focus on fiscal decentralization and community engagement. By focusing on the relationships between communities, local governments, and policymakers, the study sought to highlight the systemic strengths and challenges of decentralization.

Findings from the Gurage Zone revealed that while decentralization efforts have increased responsibilities for local governments, communities often lack access to clear budget information and opportunities for meaningful participation. Frustration over the inability to influence prioritization of local investments underscored the disconnect between fiscal decisions and development priorities.

The study examined how decentralized governance can empower communities to take leadership roles in local development and contribute to the localization of the SDGs. It also explored interactions between communities, local governments, and policymakers in areas such as budgeting, expenditure tracking, and service delivery monitoring.

Key Objectives of the Research

The research set out to review Ethiopia's decentralization process, specifically the implementation of fiscal decentralization and its role in advancing localized governance. It evaluated perspectives from lawmakers, enforcement bodies, and local government actors, while also capturing community perceptions of access to resources and

> The most interesting result of this project is understanding how an empowered community can exercise their rights with limited investment in knowledge and skill to get organized, amicably engage with their local government, make realistic demand and get what they rightly deserve. We believe this is local democracy at work.

– Teshome Shibru,
Country Manager
The Hunger Project Ethiopia

their ability to influence development priorities. The study further provided recommendations to strengthen policies, enhance accountability, and improve collaboration among stakeholders.

Methodology

A mixed-methods approach ensured a comprehensive analysis. Combining quantitative and qualitative methodologies enabled a robust understanding of fiscal decentralization and community engagement dynamics. Key methods included Key Informant Interviews (KIIs) with government officials and civil society representatives, Focus Group Discussions (FGDs) with community members, and Structured Surveys conducted across five woredas in the Gurage Zone. Participatory

Rapid Appraisals (PRAs) evaluated community participation in fiscal decision-making, prioritizing investments, and monitoring budget processes.

The study followed an exploratory sequential design, beginning with a review of relevant documents before progressing to primary data collection. Thematic analysis was applied for qualitative inputs, while ratio analysis supported quantitative findings. Ethical considerations such as informed consent and confidentiality were prioritized to ensure trust and credibility.

The conducted study combined insights from federal, regional, and district levels with discussions in workshops held in Addis Ababa and Welkitie.

Key Findings

Mismatch Between Revenue and Expenditure:

Local governments face substantial spending obligations but operate with limited fiscal autonomy. Despite gradual improvements in revenue collection, centralized revenue generation leaves local authorities reliant on central transfers. This dependency contributes to persistent disparities, inefficiencies, and restricted financial independence at the local level.

> **"** All in all the project brings us key lessons on how to address the multidimensional problems institutions encounter.
>
> – Fedlu Ahmed, Director of the Abeshge Woreda Revenue Bureau

Low Levels of Community Participation:

Community input in fiscal decision-making remains minimal, despite the intended emphasis on participatory governance. Processes such as budget planning, expenditure oversight, and outcome tracking frequently proceed without meaningful community involvement, reducing both transparency and inclusiveness.
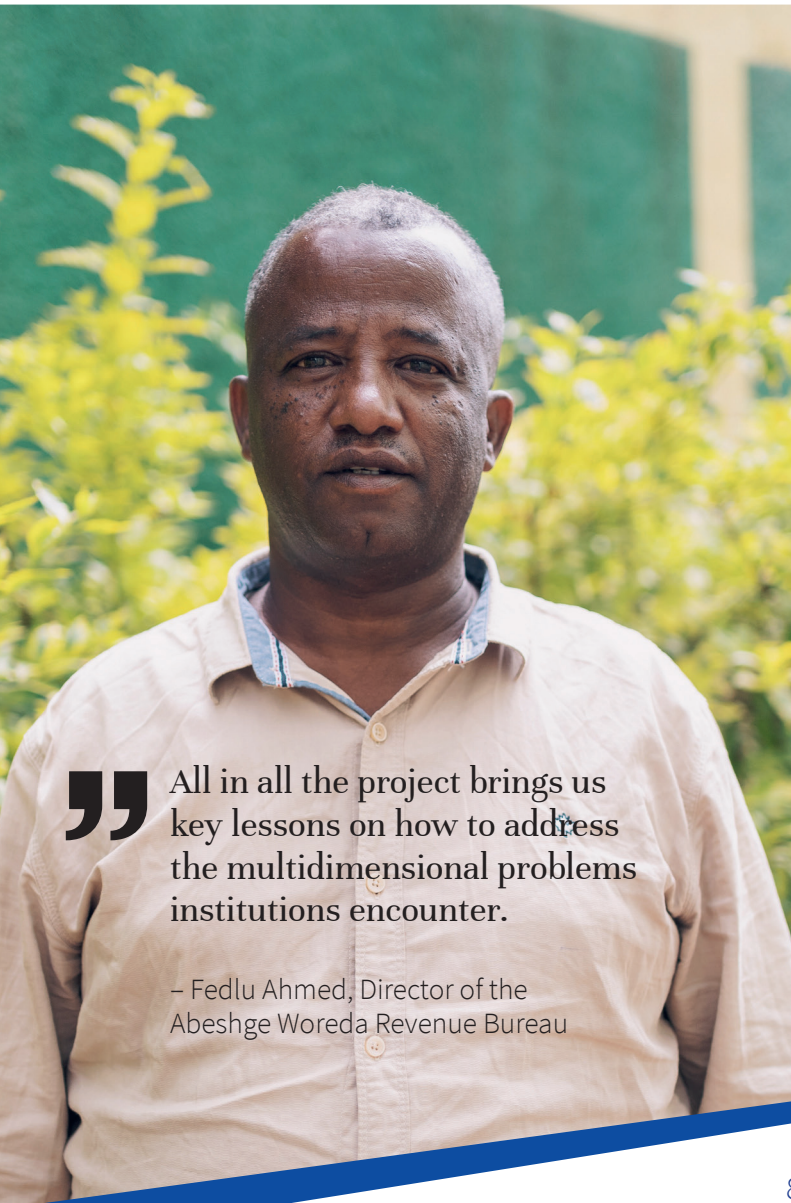
Weak Coordination Across Sectors:

Collaboration among various government sectors, as well as between different levels of government, remains underdeveloped. Although policies support inter-sectoral cooperation and resource-sharing, these measures are seldom effectively implemented, further diminishing the strength and responsiveness of local governance structures.

Challenges in SDG Localization:

While budget priorities increasingly align with pro-poor sectors and support the SDGs, community ownership and leadership are often lacking. Limited grassroots participation in planning and execution impedes the adaptation of global targets to local realities, weakening overall progress toward the SDGs.

Workshop Insights

Workshops held in Addis Ababa and Welkitie emphasized the importance of aligning decentralization policies with local realities. Participants questioned whether the enabling environment for decentralization is truly supportive, noting that legal and institutional frameworks often fail to consider grassroots contexts. The need for community-driven policies was a recurring theme, with calls to embed participation and leadership into every stage of decentralization.

> "When local organizations are supported with training and basic resource support they can play a pivotal role to address the multifaceted impact of hunger.

– Kamilat Akmel–Gumer, Health Officer in Mothers and Children's care

Policy Implications

Based on the findings, several key areas for policy reform were identified:

> **Enhancing Revenue Autonomy**
Expanding local governments' revenue bases and granting them greater control over revenue collection can reduce dependency on central transfers and improve financial sustainability.

> **Strengthening Community Participation**
Policies must incentivize citizen engagement through education, recognition programs, and mechanisms for direct involvement in fiscal processes.

> **Building Local Capacities**
Capacity-building initiatives for local officials and community leaders are essential to improve governance, project management, and resource mobilization.

> **Improving Coordination**
Strengthened intergovernmental and inter-sectoral collaboration can enhance efficiency and resource utilization, ensuring that local governments are better equipped to meet community needs.

> **Fostering Accountability**
Robust monitoring and evaluation systems, including independent audits and community oversight mechanisms, can improve transparency and ensure that decentralization efforts achieve their intended outcomes.

The Value of Evidence-Based Policy

The research underscores the importance of grounding reforms in evidence. By addressing the gaps identified through rigorous analysis, policymakers can create a stronger foundation for decentralization. This includes ensuring that reforms are not only effective in principle but also actionable and aligned with Ethiopia's local realities. Evidence-based approaches provide the tools to bridge the gap between policy and practice, empowering communities and strengthening governance systems.

Recommendations.

To address the challenges identified, the following recommendations are proposed:

Fiscal Decentralization

1. **Strengthen local revenue generation** by building the capacity of local officials to implement efficient revenue collection strategies and diversify income sources.
2. **Enhance expenditure accountability** by introducing stringent monitoring systems and clear guidelines to ensure efficient use of resources.
3. **Improve budget transparency and participation** through participatory budgeting processes that involve community members in fiscal decision-making.
4. **Expand intergovernmental transfers and borrowing options** to reduce revenue deficits and enable local governments to meet their expenditure needs.

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In my role I am bringing the voices of the farmers to the concerned local authorities and civil servants, and vice versa. Following the trainings in the project I apply new tools to serve my community better.

– Bereket Mesele, community member and representative of farmer's union

Community Leadership

1. **Increase transparency and accountability** in local governance by establishing mechanisms like public meetings, accessible reports, and clear anti-corruption measures.
2. **Build community capacity** through targeted training programs focusing on governance, budgeting, and development planning.
3. **Foster collaborative leadership** between community leaders, government officials, and civil society organizations to strengthen participatory decision-making.
4. **Enhance resource access** by developing microfinance programs and improving information sharing on available financial and non-financial resources.
5. **Incentivize community participation** by recognizing active contributors and creating platforms for feedback and suggestions.

Localizing the SDGs

1. **Strengthen community involvement** in planning, budgeting, and monitoring SDG-related projects through inclusive platforms and local councils.
2. **Address funding and bureaucratic hurdles** by streamlining administrative processes, ensuring timely payments, and reducing corruption.
3. **Leverage partnerships** with international and local organizations to provide resources, technical assistance, and expertise.
4. **Improve evaluation and accountability mechanisms** by incorporating independent audits and public reporting to ensure transparency and effectiveness.

Finally, the study recommends establishing a comprehensive monitoring and evaluation framework to assess the impacts of fiscal decentralization and community-led development. Insights gained should guide future policy adjustments, ensuring Ethiopia's continued progress toward sustainable and inclusive development.

Conclusions.

Ethiopia's journey toward fiscal decentralization reflects a significant effort to strengthen democratic governance, empower civil society, and enhance service delivery. Through capacity-building activities, policy research, and collaborative workshops, the project highlighted both the opportunities and challenges facing decentralized governance. By equipping civil society organizations and local leaders with tools to engage in fiscal planning, monitoring, and advocacy, the project demonstrated how participatory governance can drive sustainable, community-led development. The findings underscore the importance of supporting civil society's capacity to influence decision-making processes, bridging the gap between policy and practice, and ensuring that Ethiopia's decentralization efforts align with local needs and realities.

Despite these strides, Ethiopia's fragile democratic transition continues to face systemic challenges rooted in historically centralized governance. Persistent issues such as limited revenue autonomy, weak coordination, and low levels of community participation remain barriers to inclusive and responsive governance. Local governments, tasked with working closest to the people, often lack the capacity to accommodate citizen aspirations and ensure meaningful engagement. Citizens, in turn, remain disconnected from decision-making processes, lacking awareness of their political rights and the tools to hold authorities accountable. This underscores the necessity of implementing further projects and efforts to support decentralization, empower civil society organizations, and strengthen Ethiopia's democracy.

> This project contributed to Ethiopia's democratic development by enhancing government accountability through evidence-based advocacy. Engaging lawmakers and executive bodies in policy dialogues on decentralization, particularly budget allocation, led to commitments for change. In five districts of the Gurage Zone, local communities were empowered to understand their rights, use community scorecards to assess selected services, and participate in interface meetings with service providers. This process improved mutual understanding and service delivery. Although localized, the initiative offers significant replication potential for other CSOs operating across the country.

– Teshome Shibru, Country Manager
The Hunger Project Ethiopia

" These types of initiatives need to be scaled up to inform local authorities on the importance of budget decentralization to local levels, and to empower communities to have control in the utilization of the budgets.

– Tsehay Admassu, Senior Director for Program Development, The Consortium of Christian Relief and Development Association (CCRDA)

" Local organizations are key agents, because they are trusted by their community. As a community representative, I collaborate with all stakeholders in our localities and advocate to address the need for budgeting on to improve nutrition culture and food security.

– Assema Tetema, community member and project participant

References.

The Hunger Project Policy Research Report (2024)

Workshop Proceedings, Addis Ababa and Welkitie (2024)

Ethiopian Constitution and Decentralization Policies

Community Case Studies from Gurage Zone

> I'm most proud of the community conversation platforms that we've established, where communities, local authorities and service providers sit together to deal with various issues. Now, communities can confidently question what the local authorities provide. If they see a lack of good governance, they put their own solutions and work together. I'm certain democracy is going to flourish in the project areas.

– Abate Hailu. Project Manager
The Hunger Project Ethiopia (to the right)

" Currently in Ethiopia, the main issue is peace all over the country. Therefore, CSOs must advocate, facilitate dialogue, interact between actors, mobilize influential people to act on securing peace. Then, civil society can address hunger, ensure human rights and good governance.

– Tsehay Admassu, Senior Director for Program Development, The Consortium of Christian Relief and Development Association (CCRDA)