

Organization and Mode of Operation of the Ethiopian Cities' Network (ECN)

Ethiopia Cities Network

P108989

ORGANIZATION AND MODE OF OPERATION

OF

THE ETHIOPIAN CITIES' NETWORK

(ECN)

Endorsed by the General Assembly

22nd October, 2009

Addis Ababa

I. Background

Ethiopia is experiencing one of the highest urbanization rates in Africa (approximately 4-8% per annum). Ethiopian urban centers suffer from a host of social and economic problems including deepening poverty, rising unemployment, widening income disparity, acute housing shortage, poorly developed physical and social infrastructure and weak management capacity. The problems are exacerbated by the extremely low level of financial, technical, managerial and human resource capacities of Ethiopian cities. According to recent estimates, around 80 percent of the Ethiopian urban population lives in slum like areas and two third of the housing stock does not provide proper shelter. The question as to how to improve the living conditions of the urban poor thus remains to be a pressing topic on cities agenda. An equally pressing key challenge of the city administrations in Ethiopia is the implementation of their development Plans. Though municipalities have, as of recent years, developed broad access to information on experiences gained in many city planning processes, they still lack the required minimum level of competence to implement these legally binding urban planning documents.

An Ethiopian Cities' Network (ECN) could go a long way in filling this gap and provide a platform for knowledge exchange among the different city administrations. Thus cities could have better access to information on the implantation of strategic plans in the Ethiopian context. The ECN would therefore contribute directly to City Alliance's goal to improve strategic development planning in cities. On a more positive note, the country has as of recent years embarked on a comprehensive poverty alleviation and urban development and upgrading programs that aim at redressing these fundamental and structural problems. In this regard the Ethiopian Government (GoE) has taken considerable measures to strengthen local autonomy through its comprehensive decentralization programme.

Among the key measures taken in this regard is the urban reform and decentralization program currently underway at various levels of government Included in this area of reform is the definition of the legal status of cities where duties and responsibilities were clearly defined through City Proclamations. As a result, Ethiopian cities have the potential to benefit from a growing recognition by policy makers of the enormous role they could play as engines of the county's growth and development. In addition, there is a supportive policy and legal environment that would allow them to function as effective centers of urban service delivery, and an accountable system of urban governance. These opportunities however do not bring, by and of themselves, the desired changes in cities unless cities take the initiative to join hands and

develop their competence to transform themselves into vibrant and robust centers growth and productivity. As the functioning of urban local governments is still at its very beginning where they lack experience, capacities and financial means to properly take over the newly assigned tasks, the need for pulling together resources, experiences and capacities has indeed become critical for city growth and sustainability in Ethiopia. Today, there is a favorable policy framework for networking among cities in Ethiopia. In this regard, the urban development policy of the Federal Government clearly outlines the need for fostering urban- rural and urban–urban linkages as a key strategy for bringing about accelerated development in the country. The various City proclamations issued by regional governments provide as well, a supportive legal & operational framework where Regional Urban Development Bureaus are designated with the task of facilitating, nurturing and supporting links and partnerships between cities under their areas of jurisdiction.

The idea of establishing a cities network first has evolved among the cities in the north-western Amahara Region The discussion continued and developed to the idea of founding a national cities' network, which cities from different regions expressed interest to join. The Ministry of Works and Urban Development (MWUD has acknowledged the benefits of a membership-based network of Ethiopian cities. The MUWD has expressed its commitment to support the network through in-kind contribution, lobbying and technical assistance and encouraged GTZ as well, to support the planning and implementation of the network. Discussions among cities on this agenda have affirmed strong support and commitment to establish maintain and expand the ECN .

A major step made forward in this regard was the preparatory meeting of Mayors and Managers of 15 Ethiopian cities¹ that deliberated on the need for the establishment of the ECN and the scope of its activities A consensus was reached during this workshop to establish a taskforce consisting of Addis Ababa City Government², the Ministry of Works and Urban Development and GTZ. to further elaborate the issues and prepare a detailed proposal on the organisation and mode of operation of the Ethiopian Cities Network. This proposal is prepared as per the decisions made during the meeting and is meant for detailed discussion and eventual approval by the founding meeting of the Ethiopian Cities' Network.

¹ A number of cities (about 20 Secondary Cities and the two Federal chartered Cities have already been partially working together in informal networks - for example in the frame of the World Bank funded Capacity Building for Decentralized Service Delivery Programme (CBDS), in knowledge exchange activities of the Action Programme 2015 (AP 2015) funded by the German Government and coordinated by GTZ and in the implementation of projects of the Urban Development Fund (UDF) funded by KfW (

² Representing the interest of cities

II. The Cities' Network Concept

2.1 What a Network is all about

In the Webster's college dictionary, a network is defined as 'the exchange of information or services among individuals, groups or institutions.' In the literature, a network is broadly described as formal or informal cooperation between organizations with a common interest to reach a certain common goal together

In most cases:-

- ③ There should be some common interest /common goals
- ③ The cooperation can be formal or informal(with no written agreement)
- ③ The organizations have a certain independence, which implies that there is no hierarchical structure
- ③ However depending on the objectives pursued, network can be designed on a hierarchical/structural functional/sectoral, geographic/spatial, inter and intra organizational , and a combination of these or on holistic basis
- ③ There are areas in which the organizations depend on each other or complement each other's efforts (each other's information, each other's services)
- ③ Next to common interests there may be conflicting interests
- ③ A net work has a limited scope(geographical, ,sectoral or topical

2.2 Possible areas of cooperation

A) Cooperation *on setting and maintaining quality standards*

Exchange of information /communication

- on customers/target groups/clients
- on products/services/quality
- on work processes and methodology
- on technology/equipment /tools
- common data base/ networked information systems

B) Cooperation **on outputs**

Delivery of services to target group

- joint delivery of products/services to a target group/join projects
- backstopping /filling gaps
- coordination of activities towards a certain client/s working across the network
- established common standards in products /services /production and promotion

C) Cooperation **on inputs**

Joint/coordinated delivery of products/services to each other

- common planning
- purchase of materials/equipment/economics of scale/
- storage
- Sharing of facilities /halls, radio stations, equipment..
- Sharing of human resources / staff, consultants, etc /
- Collaboration in research/product development
- Joint marketing/promotion /sales
- Joint Staff /management development
- Technical services
- Access to financial services

D) Joint or coordinated policy influencing /lobbying

- Policy advice
- Common labor relations /conditions (employer's organization)
- Advocacy
- Lobby

2.3 Network Vs Association / legal ramifications³ /

- ③ Networks are broadly known and accepted in Ethiopia as relatively 'loose' organizations with no legal and binding obligations to reach their goals and perform agreed upon activities. Registration is not often mandatory should the network stay at an informal level.
- ③ Associations on the other hand are established as legal personalities, with a defined and formal governance structure and bylaws defining the rights and duties of members and office bearers. In fact ,the 1960 Ethiopian Civil Code defines associations as a :” grouping formed between two or more persons with a view to obtaining a result other than the security of sharing benefits”
- ③ The establishment as well as liquidation of associations has defined procedures to be followed including the acceptance and expulsion of members, while networks are relatively 'open' systems where entry or exist is not difficult and legally intricate.
- ③ Associations do have a legal power to open and operate their own bank accounts and run a formal office. Networks often do this through other arrangements that relies more on the legal status of their membership. (This is often a problem as the member/s who provide such office and banking facilities tend to dominate the activities of the network unless due care is taken to address the issue)

2.4 City Networks /Associations, (global trends and emerging practices)

Major global Trends

- ③ The global experience today depicts a situation where many cities in different regions of the world join together into networks, fora and consortiums in order to share information on policies, strategies and best practice, to benchmark their performance, and to increase their connectedness to the global economy.
- ③ In particular, they work together to analyse long term structural changes in the political, economic, social, technological and organisational context of government, and the implications of these for City policymaking, leadership, strategy, management and organisation.

³ Consultation with a lawyer

- ③ The value of a network is that it is informal and non-hierarchical, allowing open-ended communication and fast flow of information. A network can effectively link traditionally hierarchical public sector structures together without interfering in their formal decision-making roles and legal mandates

- ③ The nature, scope of work structure and mode of operation of city networks, associations, alliances and forums broadly depend on two major factors. These are
 - i) The **structural governance arrangements** of a particular country, including the policy and legal frame work under which cities are organized and functioning. In countries that emphasise decentralized local structures where cities are constitutionally recognized as the third tier of government there are often local government associations that are basically established to articulate, represent and defend the interests of local government as a third tier of government. In addition such associations play a pivotal role in channelling central/regional government policy and resource inputs to cities working on the front line. A typical example of such practice is the South African Association of Local Government (SILGA). Membership here is comprehensive and largely inclusive as the focus is representation.

 - ii) **The nature complexity and scope of the problems /challenges the city networks /associations have to address.** Depending on the size of cities (Metropolitan, Municipal, county, etc)cities are observed to be networked with the purpose of addressing common issues through forums that will help them address their specific common needs. Again the South African Cities Network is a good example here that is a network of nine major metropolitan /big cities/ in South Africa. The focus here is more exchange of experiences, information and knowledge and no so much representation of interests. Membership here is selective as the aim is focused on addressing common problems.

III. The Ethiopian Cities' Network /ECN/

3.1 Overall Goal

To contribute to the improvement of the living conditions of the urban population in Ethiopian cities through the exchange of information, experiences, best practices and policy dialogue on pertinent urban development and city management issues

3.2 Objectives

The objectives of the Ethiopian Cities' Network are:

1. To promote sustainable and effective governance & management of Ethiopian cities
2. To serve as a forum for experience sharing and learning towards improved service delivery and effective urban planning
3. To provide a forum where Ethiopian cities can articulate their needs and interests and provide input for policymaking.

3.3 Thematic Focus Areas

1. Urban Infrastructure and Service delivery
2. Urban Planning
3. Local Economic Development
4. City Governance and Management
5. City Finance

3.4 Networking Strategies

- ③ Seminars and workshops
- ③ Training
- ③ Study tours, placements and exchanges
- ③ Documentation of best practices
- ③ Peer review
- ③ Thematic working groups
- ③ Electronic data base and cities resource centre
- ③ Newsletter
- ③ Advisory and technical support services to members
- ③ Action - research ⁴

⁴ Research aimed at problem solving and learning 'live' from the process

3.5 Activities and Services

To promote its goals and objectives, the Ethiopian Cities' Net Work shall undertake the following activities:

- A) Facilitate learning and exchange among and between member cities on key issues of urban development and city management
- B) Update and inform member cities on current and emerging trends and changes in urban policy and practice across the world and in Ethiopia
- C) Collect collate, organise and disseminate local and international best practices on thematic areas
- D) Promote innovation and strategic thinking between member cities and different spheres of government
- E) Provide member cities with technical and advisory services on city program design and implementation upon request
- F) Provide cities with up-to-date information on existing and potential human, financial and technical resources within the membership and support their efforts towards joint and coordinated use of their resources on mutually beneficial and agreed terms
- G) Assist members to coordinate their efforts and resources in designing and putting in place operational systems and procedures for improved city services and effective city management
- H) Provide members with up to date and reliable data on investment, credit and funding facilities as well as technical assistance and cooperation opportunities that would promote the growth and development of their cities
- I) Conduct research on city problems, potentials and opportunities and disseminate research findings among the membership for learning and problem solving
- J) Help cities to address their training and institutional development needs through peer learning and experience sharing interventions
- K) Provide a forum where cities can exchange ideas / opinions and articulate their needs , problems and demands for policy and action reform
- L) Foster a cooperative and an effective working relationship between cities and different spheres of government

IV. Proposed Structure of ECN

There is no one single way of structuring a network as structure varies depending on strategy, size and scope of operation, membership needs and the specific situation of the country, particularly the level and adequacy of transport and communication infrastructure. In structuring the Ethiopian Cities' Network the following organization design factors are taken in to consideration:

4.1 Organization Design Considerations.

- A) The structure shall support and reflect the strategic objectives and the scope of work of the network ,
- B) Keep the structure light to meet the needs of network members and encourage efficient decision making
- C) Encourage flexibility and creativity in the structure through planned use of virtual working teams to promote members active participation and ownership of the Network
- D) Provide room for coordination with decentralised local government /city/ structures in line with the Urban governance structural arrangements of the country
- E) Clearly delineate roles, authority and responsibility between policy decision making and day to day operations management organs of the Network.
- F) Use state-of-the art ICT to streamline work processes and ensure member's access to the Network's services

4.2 Governance Structure

Given its stated objectives, activities and organizational design principles the Ethiopian Cities' Network is proposed to have the following three organs.

- i) The General Assembly of members
- ii) The Executive Board and,
- iii) The Secretariat

4.3 Duties and Responsibilities:-

A) The General Assembly

- ③ Is the highest policy decision making body of the network
- ③ Elects from among its members the Executive Board of the ECN
- ③ Approves the strategic and yearly plans and budget of the Network
- ③ Appoints the external auditor of the Network
- ③ On the basis of the recommendations of the Executive Board establishes the various organs and branches of the network
- ③ Approves and/or amends the statute and by laws of the network
- ③ Decides on the dissolution of the Network when deemed necessary

B) The Executive Board

- ③ Is the officially elected organ by the general assembly of member cities to provide policy and strategic guidance to the network's activities
- ③ Prepares the annual plans and budget of the Network for approval by the general assembly
- ③ Ensures that all organs and members of the Network implement the decisions of the general assembly
- ③ Appoints /dismisses the Secretary and the department heads of the ECN's secretariat and provides them with operational directives and policy guidance
- ③ Formulates policies and strategies of the network for approval by the General Assembly and follows implementation of same
- ③ Fosters partnership with interested parties and solicits funds and external technical and institutional support to promote the work of the network
- ③ Establishes the various organs of the Network, with the approval of the general assembly, and provides them with policy and strategic guidance and directives to run their day to day operations
- ③ Establishes working teams or groups to run the various activities of the Network as appropriate
- ③ Signs contractual agreements with external government, private and non-governmental organizations to promote the activities of the network
- ③ Formulates internal policies and operational guidelines to run the business of the network
- ③ Performs other activities it is given by the General assembly of the cities' network

C) The Secretariat

- ③ Is responsible for implementing the decisions of the General Assembly and the Executive Board of the Ethiopian Cities' Network
- ③ Organizes and manages the day to day activities of the Network in line with the strategic goals and priorities of the network
- ③ Is managed by the Head of the secretariat and Department Heads to be appointed by the Executive Board on merit basis
- ③ Prepares the annual plans and budget of the Network and implements same upon approval by the board
- ③ Implements the annual plan and budget of the Network and makes a regular report of its performance to the Executive Board
- ③ Prepares the internal operational and working procedures and tools of the network, and implements same upon approval by the executive board
- ③ Recruits and /or discharges secretariat staff , sets performance standards and ensures that set ECN standards are met
- ③ Facilitates communication , networking and alliances among and between members and other interested partners working on city development
- ③ Maintains and promotes active links and communication with external government and non-governmental partners and stake holders , to promote the work and interests of the network
- ③ In accordance with the operational guidelines and procedures of the network, coordinates the various activities of the working groups and other branches of the network as appropriate
- ③ Promotes and practices a flexible, innovative and result oriented management approach in addressing the needs of the ECN's membership and its partners and stakeholders with a view to set an example of excellence
- ③ Performs other activities it is given by the board.

4.4 Board size & Composition, Terms of Service and Meetings

- A) The size of the executive board is proposed to be 11. This size is based on regional representation i.e. one city per region plus the representatives of Addis Ababa and Dire Dawa are proposed to be members of executive board.

- B) In the executive board, Cities shall be represented by their Mayors. This is recommended with the view to strengthen the decision-making power of the net work.
- C) The term of service of the executive board shall be two years. With the exception of the cities of Addis Ababa and Dire Dawa, a city cannot be elected to the executive board of ECN for more than two consecutive terms.
- D) ECN's General Assembly shall meet once in a year. Additional meetings can be organised as deemed necessary.
- E) ECN's executive board shall meet every three months.

4.5 Organization Strategy & Staffing Profile of ECN

A) **Formative Stage** :- October 2009- September 2010

Key tasks :

- i. Organizing member/s conferences
- ii. Election of the ECN Board and appointment of Head of the Secretariat
- iii. Developing by-laws and operational manuals
- iv. Formalizing the network as appropriate
- v. Developing the Strategic Business Plan of ECN(2008-2010)
- vi. Organizing the office and IT facilities of the Network
- vii. Staff recruitment and training
- viii. Fundraising

Staffing

- i) Secretariat Head 1
- ii) Project officer 1
- iii) IT officer..... 1

Transitional Management Arrangements

- ③ MWUD & GTZ provide full organizational , technical , financial and logistical support during phase 1

- ③ ECN secretariat to be hosted by GTZ Governance program at the MWUD
- ③ All strategic decisions (including Selection of the Head of secretariat ,registration, by-laws, Strategic plan etc) to be decided by the ECN Board) at this stage too.

Phase II: Development Phase (Starts as of October 2010)

Task:

- Full fledged operations with legal status and bank account
- Operational systems in place
- Key staff including subject matter officers in place assisting the Head of Secretariat)
- Strategic Plan approved and functional
- Funding Proposals submitted and agreement signed with some partners
- Working groups in place and functioning
- ECN has its own office outside MWUD/GTZ premises
- Facilities in place including a web page and Newsletters connecting cities

Staffing

- 1) + Phase Transition
- 2) Program Officers For
 - i. ICT
 - ii. Fundraising & Publications
 - iii. Facilitating exchange & Learning Processes
- 3) Support staff in place

4.6 Working Groups

- ③ ECN shall ensure the participation of its membership in its various activities through working groups that are composed of member cities on a voluntary basis
- ③ The Working groups in addition to serving as live forums for peer learning and net working among members, will serve as ‘ sounding boards’ for listening to the beats and pulses of the Network members thus adding value to the quality of the work done.

- ③ The thematic working groups shall provide as well organized fora for the articulation of the needs and priorities of member cities that demand the attention of policy makers. In this respect they will also serve as learning laboratories for members to acquire skills for lobbying for policy reform at appropriate levels.
- ③ The following working groups are proposed at this initial stage with a main role of organizing, and mobilizing member's technical, human resource and other resources for sharing, learning exchange of best practices in their respective areas of focus.
 - A) Working group on Urban Governance & Management
 - B) Working group on Urban Planning and Service delivery
 - C) Working group on City infrastructure and housing
- ③ ECN's Secretariat to work on the elaboration of an operational system that would allow the proper functioning of these and similar groups of the Network to be established in the future

4.7 Membership

A) Assumptions and Principles:

- ③ A sound membership base provides a solid foundation for the success of any organized effort
- ③ The larger the membership, the stronger the possibility of pulling together scarce financial and human resources of the membership towards goal attainment
- ③ A network as inclusive and embracing as possible will have a good chance of being taken seriously as a development partner by policy makers and other development partners.
- ③ A network that operates under the name 'Ethiopian' can hardly have a moral ground to embrace some cities and exclude others
- ③ Though ECN should remain as open and embracing as possible, the membership drive should be cognizant of the costs and benefits to the Network given the country's infrastructural, communication and resource limits and capacities.
- ③ The membership strategy should be designed as a continuous process of institutional development than a one time event.

- ③ The Federal arrangement of the country should be taken into account and exploited as an opportunity to facilitate ECN's operations as a well functioning structure working at different levels in a flexible and creative way.

B) Membership Modalities & Eligibility to ECN

1. ECN shall be open to a voluntary membership of all Ethiopian Cities that have a legal status⁵ irrespective of size, level of economic development and population. In principle therefore, every Ethiopian city with a legal status is eligible to ECN's membership.
2. All ECN members shall have equal rights on all matters affecting the activities of the network. the experience sharing and learning evnts of the ECN targets not only mayors and city managers but also practitioners related to the topic of the experience sharing.
3. The detailed duties, rights and privileges of members shall be worked out in the Articles of association of the Net Work and approved by the general assembly.
4. There could be regional chapters of ECN established on regional /sub-regional basis (as appropriate) depending on the interests of members, availability of resources and the scope of communication infrastructure in place . There will be arrangements where by ECN members could still retain their individual membership rights in the national Ethiopian Cities' Nnetwork while actively participating and benefiting through regional chapters at the same time. Detailed modalities will be worked out by ECN's Board and secretariat.
5. ECN will have full, associate and honorary members. While legally recognized cities are eligible to full membership, other cities and development partners such as NGOs, Civic Associations Private sector Associations etc critical for strategic alliance and development of ECN could be registered as associate members. Honorary membership is reserved for individuals or organizations that have made unique contributions to the work of the ECN. The aim here is to mobilize resource, expertise and policy support to promote ECN as a vibrant network in the country.
6. The 19 Cities that have participated so far in the formation process of ECN and attended the first kick - off meeting are proposed to be registered as the Founding Members of the Ethiopian Cities' Network.

⁵ Accorded by Federal and Regional governments with due privileges and obligations thereof

C) Membership Fees

1. ECN's membership fee is crucial both for the financial viability of the network and the sustainability of its activities and programs. A sound financial base means organizational strength and greater capacity to negotiate and run the business of the Network on the Net Work's terms.
2. ECN will find it hard to depend only on external funding and remain at the same time a vibrant and robust Ethiopian Network that could make a difference in city management and development. In addition, a dependent Network will not be taken seriously by policy decision makers as it will be vulnerable to external demands and pressures not to speak of possible conflict of interests. A sound membership –fee organization and collection strategy is hence critical for the eventual success of ECN as a sustainable forum learning and exchange for Ethiopian cities.
3. Membership fees could take various forms depending on the nature and capacity of the membership. There are different models ⁶ varying according to the particular circumstances of a country. Some city networks apply a standard membership fee to all member cities irrespective of size and level of economic development, while some others differentiate on the basis of the income of the municipality.
4. Others stagger the fees to the size of the city in terms of population and often indexing the fee to rate of inflation and/or the level of transfer from central to local government. Some others use a mixed model, with a standard sum (base pay) paid by the municipality, plus an additional amount based on the economic situation of the city administration.
5. As a general practice larger cities pay a higher fee although it may not be as high in relative terms when compared to the volume of their revenues.⁷

D) Proposal for ECN's Membership Fee

Given current global trends and mindful of the need to have a solid financial base to effectively and sustainably run the Net work; it is proposed that:-

1. In the short run (1-2 Years) ECN's membership fee be based on a fixed minimum amount which is the same in amount for all members irrespective of

⁶ SALGA documents

⁷ The South African City Network members pay fees based on three categories. Category A 200,000 R, Category B 150,000 R, Category C, 100,000 R (Source: SACN website)

city size and economy ⁸ In this regard, it is proposed that all ECN member cities shall pay Eth. Birr 50,000 (fifty thousand) as an annual membership fee and birr 5000(five thousand) as a one time registration fee.

2. The secretariat shall organize (from day one) some of its training, experience sharing and information services on cost-recovery basis with a view to secure additional and sustainable source of income , and more importantly perhaps , to help member cities develop the much desired management culture of making decisions on the basis of economic efficiency and cost-benefit considerations
3. In addition, relatively bigger cities shall be mobilized to make additional contributions on a voluntary basis to support the Network at its initial stage of development on free grant and/or loan basis
4. A proper fund raising strategy be prepared as part of the overall growth strategy of the Network that is based on a proper assessment of all potential and actual actors and partners in the urban development arena .Particular focus shall be made in this regard, to link with and solicit funding from multilateral and bilateral development partners already running urban development and governance cooperation programs in the country. This includes technical and financial cooperation programs currently under way that are in line with the goals and activities of the Ethiopian Cities' Network
5. Clear guidelines and operational systems be worked out and put in place for ensuring sustainable source of income for the network through members' active participation.
6. Last but not least, ECN should strategically and effectively link its services with on going and upcoming public sector financial, capacity building and technical support programs meant for urban areas

⁸ This is intended to promote membership and encourage as many members as possible as part of a general membership and organization building strategy of the management. In addition it could help to avoid unnecessary complication from the start (such as the request for tied voting rights reflecting the size of contribution, etc) at the early and formative stage of the Network where pulling together ideas, vision and technical knowhow is much more important than looking for economic rationality and equity etc.

