

A Review of the Effectiveness
of the Federal Ethics and
Anti-corruption Commission of
Ethiopia



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ISBN 13 978-92-79-17123-9
Doi: 10.2783/53345

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*A Review of the Effectiveness of the Federal Ethics and Anti-
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October 2010

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ABSTRACT

More and more governments and international actors are promoting the introduction and creation of specialized entities to fight corruption. The question then becomes: what makes an effective anti-corruption authority? The aim of this review is to analyze the effectiveness of the Federal Ethics Anti-corruption Commission (FEACC) of Ethiopia based on questionnaires and in-depth interviews conducted with the FEACC's leadership and staff and other pertinent parties. The effectiveness of the FEACC is assessed using internal and external factors that affect its functions. The results of the study show that the FEACC has made notable progress since its establishment in 2001. In particular, it has carried out several important initiatives aimed at enhancing the Commission's effectiveness in the fight against corruption and has undergone a massive reengineering program to establish itself as an independent anti-corruption agency, which is the first of its kind in the country's history. In addition, high-level government commitment has resulted in consistent budgetary support. However, despite positive developments and achievements, the Commission is understaffed and suffers from a lack of resources needed to carry out its mandate. Currently, human capacity and resource constraints are the most serious challenges facing the Commission. Furthermore, the relationship between the FEACC and civil society organizations is limited, and the FEACC needs to make increased efforts to garner greater public support and trust as the public's confidence in the Commission is not very high. Nevertheless, it is clear that the FEACC has made notable strides in improving the effectiveness of its operations and has the potential to become an effective anti-corruption authority. Yet in order to be fully effective, it is essential that the Commission enhance its staff capabilities related to its main anti-corruption functions.

¹ This paper is one of the case studies completed as a part of a new initiative aimed at increasing our understanding of ACAs. The initiative was launched by the World Bank, in collaboration with the European Commission, the United Nation Office of Drugs and Crime (UNODC) and the US State Department.

I would like to extend my deepest thanks to the Commissioner, Deputy Commissioner and staff at the FEACC for their time, valuable insight and generous support. I also would like to extend my deepest thanks to Francesca Recanatini for her valuable suggestion, timely feedback and comments; Jean-Pierre Sacaze and Berhanu Legesse Ayane for their continuous support and encouragement. Any remaining errors are the sole responsibility of the author. Author's e-mail: arsemat@gmail.com.

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1. Introduction

As corruption becomes increasingly sophisticated, the fight against it demands a well-integrated, multi-disciplinary strategy. In this regard, more and more governmental and international actors are creating specialized entities to combat corruption. These entities, usually called anti-corruption authorities (ACAs), come in different forms. However, the mere creation of such entities does not in itself eradicate the source of corruption because ACAs are usually created after corruption is already widespread. Therefore, in order to fight endemic corruption, there is a need to implement complementary government reforms that address the principal sources of corruption in public sector institutions (Gray and Kaufman 1998, Meagher 2004, Dionisie and Checchi 2008). In this regard, it is also important to point out that ACAs are complementary institutions that assist governments in fighting corruption. (De Sousa 2009).

In this study, an ACA is defined as a specialized entity established by the government for the purpose of combating corruption. The aim of this study is to analyze the institutional structure, capacity, and effectiveness of the Federal Ethics Anti-corruption Commission (FEACC) of Ethiopia based on questionnaires and in-depth interviews conducted with the FEACC'S commissioner, deputy commissioner, department directors, and staff. This report will focus on the national FEACC, which operates mainly at the federal level, and includes the chartered cities of Addis Ababa and Dire Dawa². Due to time constraints and the lack of available data, this report will not cover the seven regional states that have established their own ethics and anti-corruption commissions.

This study is comprised of five sections. The first section discusses the typical characteristics of ACAs and establishes a working definition of the entity based on specific criteria. The second section briefly presents important external and internal factors that influence the effectiveness of ACAs based on a review of the literature. The third section discusses the rationale for the FEACC's establishment and presents its organizational structure based primarily on data collected through diagnostic surveys, interviews with key FEACC management and staff (including its commissioner, deputy commissioner, and directors) and secondary data obtained from the FEACC and other research papers. This section also examines the Commission's specific functions and achievements as well as the political and legal environments in which it operates, and its collaboration with governmental and nongovernmental agencies. The fourth section analyzes the effectiveness of the Commission as an anti-corruption agency

² Ethiopia has nine regional states and chartered cities (Addis Ababa and Dire Dawa), which have the power to raise their own revenue.

based on the factors discussed in the second section of the paper. Finally, the fifth section summarizes the findings of the study.

2. Characteristics of Anti-corruption Authorities

A review of the literature on ACAs indicates that there is no standard model. Some ACAs have been created from scratch, while others have been established based on ombudsman offices, special units within police departments, or justice departments (Johnston, 1999, De Sousa 2009). Despite the heterogeneous nature of these agencies, they can be broadly categorized in two types of approaches (Doig et al., 2007, Meagher 2004): single- and multiple- agency approaches to the anticorruption mandate.

The single-agency approach, which is the most popular among newly created ACAs worldwide, is a centralized, powerful agency that focuses specifically on anti-corruption responsibilities, which also requires interaction with other public bodies, for example line ministries and courts. The Singapore Corrupt Practices Investigation Bureau (CPIB) and the Hong Kong Independent Commission Against Corruption (ICAC) both use this type of approach and are widely viewed as models for the establishment of successful strong, centralized anti-corruption agencies. Unfortunately, the replication of these models in their entirety, without taking into account countries' specific political, social, and economic conditions has not been successful or efficient (Doig et al., 2007).

In contrast to the single-agency approach, the multiple-agency approach, which is currently used in the U.S., Brazil, France, and other countries, spreads anti-corruption mandate and responsibilities among different bodies, agencies, or departments. Under a multiple-agency approach, the anti-corruption authority shares its responsibilities with the Offices of the Ombudsman, Auditors General, or the Comptrollers General, Commissioners for Human Rights, and the Ministry of Education. Those who favor the single-agency approach argue that government agencies that deal with corruption while simultaneously conducting their regular functions may not give the fight against corruption the same importance as other items in their portfolio.

Regardless of whether a single- or multiple-agency approach is adopted, most ACAs have one or more of the following four universal functions:

1. Investigation and prosecution
2. Corruption prevention
3. Creating public awareness and disseminating education on the issue of corruption

4. Coordination of anti-corruption-related efforts and policies.

(Doig et al, 2007, Charron 2008, Meagher 2004, Quah, 2009, De Speville, 2008).

Not all ACAs integrate all of the above-mentioned functions in their anti-corruption efforts. For instance, while the Hong Kong ICAC model includes all functions except prosecution, other ACAs focus on just corruption prevention and education or may include investigation and prevention functions as well. In this regard, the determination of which functions ACAs include is usually consistent with the country's national anti-corruption strategy.

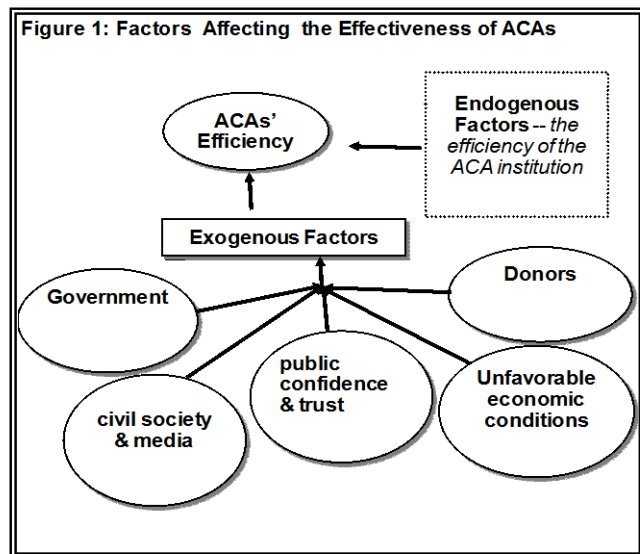
3. Factors that influence the effectiveness of ACAs

This section will discuss key factors that affect the effectiveness of ACAs based on a review of the literature. In order for ACAs to be effective, it is crucial that they have strategic partnerships with other government agencies, civil society organizations, the private sector, donors, the media, and other relevant actors. Furthermore, it is important to have an effective legal framework in place as the effectiveness of ACAs is challenged when a government institution underperforms and there is an inadequate legal framework (Doig et al., 2007). In addition, the credibility and effectiveness of ACAs depend on the behavior of the anti-corruption agency itself (IMF, 2000). However, despite the differing characteristics of various ACAs, according to the contemporary literature, there are certain factors that need to be in place for ACAs to function effectively (Johnston 1999, De Sousa 2009, Quah, 2009, De Speville, 2008, Doig et al., 2007, De Speville 2000, Pope and Vogl 2000, Dionisie and Checchi 2007, De Sousa 2006). These factors can be broadly classified into two categories: exogenous and endogenous factors.

Exogenous factors are external issues that affect the agency's institutional effectiveness, while endogenous factors are internal conditions that affect an ACA's ability to fight corruption successfully. These factors are discussed below and will serve as the basis for assessing the effectiveness of the Federal Ethics and Anti-corruption Commission (FEACC) of Ethiopia.

3.1 Exogenous Factors

Exogenous factors include external factors that impact the performance of ACAs. As



highlighted in Figure 1, these factors broadly include political will, economic conditions, donor initiatives, public trust and confidence, the media, and ACAs' relationship with civil society actors. These factors are discussed in greater detail below.

Political Will – In order for ACAs to be fully effective, high-level political backing and commitment is critical. If there is political will, an incumbent government can, through legislation, empower ACAs and implement anti-corruption laws. Furthermore, the government can also provide ACAs with consistent funding, assist them by working closely through various agencies, grant them access to government data, and continuously give political support to achieve concrete results. At the same time, it is also important to recognize that besides political will demonstrated at the highest levels of government, there are bottom-up sources of political will as well. In some cases, these sources may include “street level bureaucrats” who are public officials that deliver final services to the general public and who are strongly committed to controlling, preventing waste, fraud, and abuse (Brinkerhoff, 2010). The role of these groups in whistleblowing, voicing concerns and demands, and putting pressure on public officials is an important factor in strengthening political will.

Economic Conditions – This factor has to do with macroeconomic stability and poverty, which can undermine the effectiveness of ACAs. An example of the impact of unfavorable economic conditions on an ACA is the Argentine experience. While the institution began with very good prospects for success, the deep economic crisis in the country caused shortfalls in funding, which resulted in underpaid staff and diminished morale (Meagher 2004). This situation made it difficult for the Argentine ACA to continue to be effective. The effectiveness of the ACAs of African countries such as Tanzania and Uganda has also been affected by poverty and economic shocks that have contributed to the lack of necessary funding for those ACAs to perform their day- to-day operations (Meagher 2004).

Donor Initiatives – A lack of donor coordination or duplication of efforts can negatively impact ACAs. Given that most ACAs suffer from a lack of funding, donors determine which ACA components to finance mostly based on donors' choices rather than ACAs' needs assessments (Doig et al., 2007). In order to enhance the effectiveness of ACAs, donors should work in partnership with ACAs rather than solely focusing on their own initiatives.

Public Confidence and Trust in ACAs – Because they operate on behalf of citizens, ACAs must command public respect and credibility (IMF, 2000). In this regard, the public's confidence in ACAs is a key indicator in their success.

Relationship with Civil Society Actors – An important factor impacting the effectiveness of ACAs is building cross sectional-sectoral support to create a significant mass of public official, civil society groups, and private firms (Johnston and Kpundeh 2002). Free media and nongovernmental watchdogs play a vital role through their capacity to build public awareness and monitor ACA activities. As gaining the public’s trust is crucial to ACAs’ effectiveness, collaboration between ACAs and nongovernmental groups is an important factor in their success.

3.2 Endogenous Factors

Endogenous factors are the internal conditions that affect an ACA’s ability to fight corruption effectively. Among others, these factors include the ACA’s independence in performing its functions, the specificity of its objectives in terms of the context of the country, permanence, sufficiency of financial resources, and staff capacity (human capital). These factors will be discussed in depth below.

Independence – Independence basically refers to the ability of an ACA to carry out its mission without political interference. However, it does not mean the absence of reporting to external control. Rather, it refers to an ACA’s degree of independence to freely investigate corruption wherever it suspects that it may occur without the punishment being cancelled or modified because of the interests of powerful individuals or groups (Johnston 1999). In order to function efficiently, the ACA should have a broad mandate without restrictions on its investigation of suspected corruption. However, at the same time, the ACA should also be held accountable for its actions, investigations, and general comportment as a government agency. In this regard, an independent anti-corruption institution needs to integrate a system of checks and balances in order to maintain transparency and accountability. In addition, the independence of an ACA may be evaluated based on the following considerations (OECD 2008):

1. *Institutional placement*- A permanent agency, unit, or commission that exists separately and outside of government agencies has greater independence than an ACA established as a unit or department within an institutional structure of a selected ministry, (e.g., Ministry of the Interior, Finance, or Justice).
2. *Appointment and removal of the head of the ACA*- The selection process of the head of the ACA should be transparent and based on consensus among different high-level decision-makers, such as the president and parliament. If the head of the institution is nominated by the president and subsequently approved by the parliament, then the president is not authorized to appoint the head, while the parliament is not authorized to nominate. This creates a system of checks and balances given that there is a separation of the authority to nominate and appoint. The head of an ACA should also be protected by law against dismissal.

3. *Budget and fiscal autonomy*- In the case of ACAs, complete financial independence is not possible given that in general, the budget for these entities is set by the parliament and in many cases, the government. Nevertheless, there needs to be a law in place that prohibits a decrease in the current year's budget from that of the previous year. In addition, an ACA's budget should be reflected separately in the government's overall budget.

Permanence- An essential factor in the effectiveness of ACAs is long-term durability. In particular, regular funding and continuous political and popular support are critical (De Sousa 2009). Permanence is also an important factor in reducing corruption over time and creating an institution that learns from its mistakes and generates advanced technical capacity to combat corruption (Johnston 1999). Furthermore, it is also important to take into account that time is needed to select and train personnel and establish both operational and functional systems (De Speville 2008).

Country-specific Objectives – Most ACAs are created by copying “successful models” without taking into account a particular country's unique political environment, social, and economic conditions and available resources in the context where the ACA will carry out its functions (De Sousa 2009). This practice does not always result in success and efficiency and can result in a gap between expected results and achievements. Consequently, when replicating a model, it is vital to assess the aforementioned factors and establish a country-specific model with realistic and achievable objectives.

Sufficient Resources – Most ACAs operate with limited financial resources. Without sufficient resources, it is difficult to attract qualified personnel, especially in developing countries, which often results in low-quality outputs. In addition, inadequate budgetary resources can also mean disconnected and inefficient outputs (for instance, partial investigations or the inability to implement planned prevention programs due to a lack of funding). Thus, a key factor in budgetary consistency is solid political support and an efficient budgetary process.

Appropriate Staffing – Deficiencies in recruitment and training procedures are the major causes for a lack of specialization among personnel (De Sousa 2009). For the most part, staff recruitment is not based on task-oriented or objective-oriented selection. Furthermore, most ACAs do not have a clearly defined human resources strategy that assesses human capital based on a set of pre-determined criteria. Another factor in the shortage of qualified staff is the lack of funding.

Well-defined Strategy – A failure to understand the underlying causes of corrupt practices may lead to misguided strategies in the fight against corruption. For instance, corruption should not be dealt with by law enforcement alone. However, although most countries try to deal with corruption entirely through investigating, prosecuting and sentencing (De Speville, 2008), ACAs should pursue a strategy that fits the specific cultural context of the country. Moreover, if there is a lack of a clear strategy regarding how to fight corruption within an ACA, the impact of its operation may be minimal.

Sufficient Internal Coordination – As previously mentioned, most ACAs integrate different anti-corruption functions. Such an integration of functions must be well coordinated in order for ACAs to operate effectively. For instance, the Prevention and Education Department should work closely with the Investigation Department to create techniques to reduce corruption.

Adequate Leadership and Management – Weak leadership or an inadequate or lack of a management strategy affects the performance and efficiency of ACAs (De Sousa 2009). In this regard, ACAs need to have a management team in place to lead day-to-day operations and a technical team to carry out specialized aspects of operations. If there is insufficient leadership, then the institution's results and ability to implement ideas will be compromised, which will ultimately impact the effectiveness of the ACA.

4. The Federal Ethics and Anti-corruption Commission (FEACC) of Ethiopia

4.1 Rationale for the Establishment of the FEACC

In late 1994, the Government of Ethiopia began a Civil Service Reform Program (CSRP) with the establishment of a task force comprised of 23 senior government officials and civil servants to examine the overall management system and operation of the civil service at all levels of government. Following the review, a CSRP was formally launched in response to the inefficiency and ineffectiveness of the public management system. The CSRP consisted of five components: (i) top management systems, (ii) human resource management, (iii) service delivery improvement, (iv) expenditure management and control, and (v) ethics. The Ethics Sub-group was mainly designed to address corruption and improve service delivery.

At the conclusion of its 15-month study, the task force came up with a comprehensive report on the performance of Ethiopia's civil service. The study revealed that there was a lack of a coherent strategy for

ensuring ethical standards in the civil service (Ayalew, 2000). Another finding was that neither legislation governing ethical practices, nor codes of conducts ensuring ethical conduct existed. In order to carry out a comprehensive reform, under the ethics sub-program, the following six projects were implemented: (i) development of codes of practices and a legislative framework; (ii) establishment of a government central body on ethics; (iii) strengthening of the capacity of police, prosecutors, and the judiciary; (iv) strengthening the capacity of the mass media; (v) development of education on ethics in government; and (vi) a corruption survey. The above-mentioned projects were further subdivided into a series of components. Under the ethics sub-program, the Establishment of a Central Government Body on Ethics, in 2001 by Proclamation number 235/200117, the FEACC was established as an independent federal government agency with the following three objectives:

1. To create awareness in Ethiopian society that corruption will not be condoned or tolerated by promoting ethics and anti-corruption education;
2. To prevent corruption offenses and other improprieties; and
3. To strive to create and promote integrity in public services by detecting, investigating, and prosecuting suspected cases of corruption offenses and other improprieties.

The Commission's establishment, special procedures, and rules of evidence proclamations were amended by the House of People's Representatives in 2005 (Proclamation No. 433/2005). The amendment was necessary to ensure that the Commission's operation and activities are transparent and accountable. The amendment also enabled the Commission to prevent, investigate, and prosecute corruption, and redefined its powers and duties in line with the amended criminal code of the country. The revised FEACC Establishment Proclamation of 2005 resulted in the modification of the Commission's objectives. The Commission's revised objectives are as follows:

1. In cooperation with relevant bodies, to strive to create awareness in Ethiopian society that corruption will not be condoned or tolerated by promoting ethics and anti-corruption education;
2. In cooperation with relevant bodies, to prevent corruption offenses and other improprieties; and
3. To expose, investigate, and prosecute corruption offenses and improprieties.

Besides the federal anti-corruption commission, in Ethiopia, there are also regional anti-corruption commissions in Ethiopia. Beginning in 2007, seven of the nine regional states have established their own Ethics and Anti-corruption Commissions (EAC) to fight and prevent corruption in their respective regions. Each regional office has autonomy in managing its own operations and budget. Table 1 lists Ethiopia's regional ethics and anti-corruption commissions along with their respective budgets.

Table 1: Regional Commission Budgets (US\$)³						
	2007	2008	2009	2010	Money Transfer From the FEACC	Total Population in '000 (2010 Official estimate)
Ethics and Anti-corruption Commission of National Regional State of Amhara	257,720	212,934	280,583	314,674	39,625	17,205
Ethics and Anti-corruption Commission of National Regional State of Oromia		371,114	371,947	346,655		23,704
Ethics and Anti-corruption Commission of National Regional State of Harar			17,800	39,476		172
Ethics and Anti-corruption Commission of National Regional State of Beneshangul Gumuz			95,666	183,974		565
Ethics and Anti-corruption Commission of National Regional State of SNNPR			345,284	706,334		13,293
Ethics and Anti-corruption Commission of National Regional State of Gambella		83,560	83,892	70,569		222
Ethics and Anti-corruption Commission of National Regional State of Tigray ⁴						3,901
Total	257,720	667,608	1,195,172	1,661,682	39,625	

4.2 Mission

The FEACC's current mission is threefold:

1. To ensure that the country's resources go to desired development projects by expanding ethics and anti-corruption education;
2. To examine the practices and working procedures of federal public offices and enterprises, thereby plugging loopholes conducive to corruption; and

³ Source: the figures were obtained from the Directorate for the Coordination of Ethics Infrastructures

⁴ Budget data was not available for the Tigray region

3. To expose, investigate, and prosecute corruption offenses committed in federal public offices and public enterprises, or in regional offices related to subsidies granted by the federal government.

4.3 Strategic Plan

The Commission is in the process of finalizing the preparation of a new five-year strategic plan based on the country's Growth and Transformation Plan. The new strategic plan focuses on corruption in land administration, grand public procurement, justice institutions, revenue collection and tax system, and asset disclosure and registration.⁵

4.4 Functions

The FEACC has adopted Hong Kong's three-pronged approach to fighting corruption, which includes the functions of ethics education, corruption prevention, and law enforcement, and has tailored the model to fit the Ethiopian context. The idea for the ethics component was taken from the United States' Office of Government Ethics, but the function is not exactly the same. While the FEACC's ethics component focuses entirely on expanding ethics by educating government employees, by contrast, the United States' Office of Government Ethics takes a broader approach, which includes preventing conflicts of interest on the part of government employees, resolving conflicts of interest, fostering high ethical standards for employees, and strengthening the public's confidence that the government's business is being conducted with impartiality and integrity.

The FEACC's approach to combating corruption is consistent with the draft national anti-corruption policy that was developed in consultation with stakeholders in 2010. The draft policy clearly states that education, prevention, and enforcement are the main pillars of the national anti-corruption strategy and requires that all concerned parties incorporate the three core pillars in their ethics and anti-corruption strategies. As the Government of Ethiopia has adopted a preventative approach as a major instrument to fight corruption, the FEACC focuses mainly on the prevention of corruption by disseminating ethics and anti-corruption education throughout the country. This has been accomplished by the launching of several formal and informal awareness-raising programs (see Section 5.2).

4.5 The Power of the Commission

The Commission has adopted the single-agency approach of an independent and centralized anti-corruption function with a threefold mandate of preventing, investigating and prosecuting corruption in public offices and public enterprises. In addition, the FEACC's mandate is only at the federal level, which

⁵ The strategic plan is available upon request from the FEACC.

includes the chartered cities of Addis Ababa (with a population of 3.5 million) and Dire Dawa (with a population of 342.000).

The Commission has the authority to investigate corruption in the private sector as long as the issue in question concerns public officials and matters such as public-private collusion. The FEACC has full authority to investigate corruption in any government agency or entity except in the Parliament. In the case of investigations related to Parliament, the Commission must request the Parliament to lift immunity in order to investigate Parliament members. It also has the authority and duty to raise public awareness about the negative effects of corruption, to prevent corruption by studying the practices and working procedures of public services, and to promote ethics in public service offices and public enterprises. Moreover, the Commission has the full authority to propose corrective measures and recommendations and follow up on their implementation. It also has the power to freeze, by court order, the assets of any person under investigation for corruption; and cause the forfeiture of any assets and wealth obtained by corruption or its equivalent to the state and dispose of the same by or without public auction. In cooperation with relevant agencies, the Commission has the authority to register or enforce the registration of the assets and financial interests of public officials and employees. In this regard, the first draft bill for the Disclosure and Registration of Assets was presented to the Parliament in mid-January and was passed on March 30, 2010 with a majority vote. As a result of this legislation, all political appointees, elected officials, and some categories of civil servants are now required to register their assets and financial interests as well as outstanding debts.

The FEACC reports to the Prime Minister and is accountable to the Prime Minister. The same arrangement is followed by the regional anti-corruption commissions as they report directly to regional commission presidents. The commissioner is appointed by the House of Peoples' Representatives upon nomination by the Prime Minister and reports to the Prime Minister and Parliament. The House of Peoples' Representatives also has the authority to remove the commissioner. The deputy commissioner is appointed by the Prime Minister. The term of appointment of the commissioner and the deputy commissioner is six years, and these officials may be reappointed. Once appointed, the commissioner and deputy commissioner can only be removed from their duties in the following cases:

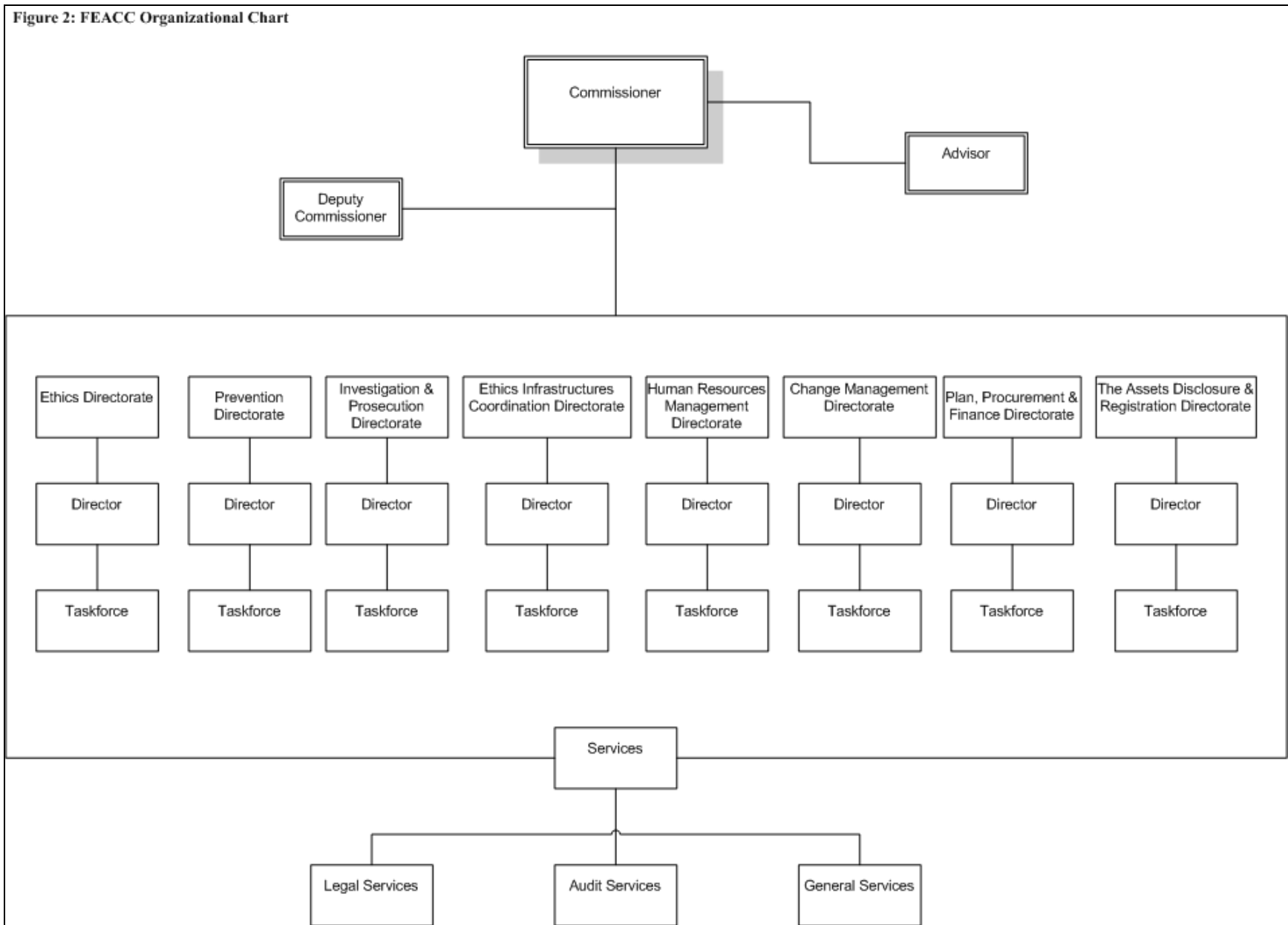
- Upon his/her own request,
- In the event that he/she has violated the provisions of the relevant codes of conduct,
- In the case that he/she has shown manifest incompetence and inefficiency, or
- If he/she can no longer carry out his/her responsibilities due to mental or physical illness.

5. Organizational Structure

The FEACC is led by a Commissioner, currently Mr. Ali Sulaiman, whose special advisor is Mr. Girma Worku. In the organizational structure, the commissioner is supported by a deputy commissioner. The current Deputy Commissioner of the FEACC is Mr. Addis Mengestu. In the organizational structure, there are a total of eight directorates and three services. As illustrated in the organizational chart below, the directorates include:

1. The Investigation and Prosecution Directorate
2. The Prevention Directorate
3. The Ethics Education and Public Relation (PR) Directorate
4. The Ethics Infrastructure Coordination Directorate
5. The Planning, Procurement, and Finance Directorate
6. The Human Resources Management Directorate
7. The Change Management Directorate
8. The Assets Disclosure and Registration Directorate

Figure 2: FEACC Organizational Chart



The aforementioned organizational structure was established in 2007. Prior to that time, the FEACC was comprised of five directorates and three services.

The reorganization was in keeping with the national civil service reform program that the FEACC carried out in collaboration with the government beginning in 2004-2005. However, when the civil service reform program did not achieve the desired results nationally as well as at the commission level, a decision was made to implement a Business Process Reengineering Program (BPR)⁶ in all government offices. The FEACC initiated the BPR study in 2004-2005. The study was completed in April 2007, and the reengineering program was immediately implemented. The Commission carried out another BPR in 2009 to address the shortcomings of the 2007 BPR. According to the Deputy Commissioner, some notable accomplishments of the reengineering program have been the empowerment of employees in the decision-making process, streamlining of work procedures, and the definition of more specific objectives of the Commission.

In addition, investigation and prosecution activities that were formerly carried out in two separate departments were brought under a single directorate, and the FEACC's prevention activities were reoriented to follow a problem-solving and cost-effective approach. Despite these achievements, the 2007 study process also revealed some weaknesses. This was largely attributed to the minimal participation of employees and the inadequate number of people included in the BPR working team. Furthermore, the study team did not receive the necessary training before the study began, and department directors were not part of the team that implemented the BPR study team, which consisted of change management staff. Regardless of the achievements and weaknesses identified, the process is seen by the Commission not as a one-time effort, but rather as a continuous assessment and improvement process. Needless to say, the FEACC aims to improve the BRP by correcting identified weaknesses.

In the sections that follow, the responsibilities and operations of each FEACC directorates will be described in-depth based on interviews conducted with officials of the respective departments. Given that the Assets Disclosure and Registration Directorate was under development when interviews with FEACC staff were conducted, it was not possible to obtain information about the operations of that directorate.

5.1 The Investigation and Prosecution Directorate

According to the Commission's establishment proclamation, the Investigation and Prosecution Directorate is authorized to investigate and prosecute any alleged or suspected corruption offenses

⁶ Business process reengineering (often referred to by the acronym BPR) is the principal process in which organizations become more efficient and modernized. Business process reengineering transforms an organization in ways that directly affect performance. For additional information, see <http://www.teamtechnology.co.uk/business-process-reengineering.html>.

committed in public offices and enterprises. It has the power to freeze by court order assets and wealth that are allegedly obtained through corruption and cause (through court order) their forfeiture and confiscation. Prior to the 2005 amendment, which as mentioned earlier, modified the Commission's establishment, special procedures, and rules of evidence proclamations, grand corruption was not clearly defined. In the amended proclamation, grand corruption is defined in SubArticle Nine of Article Two as follows:

1. Corruption offenses involving huge amounts of money committed in highly strategic public offices and public enterprises.
2. Corruption offenses involving a public official.
3. Corruption offenses causing grave danger to national sovereignty, the economy, security, or social life.

The 2005 amendment also resulted in a change in investigation criteria. Currently, 80 % of on-going investigations focus entirely on grand corruption.

The channels and mechanism used to obtain complaints about alleged corruption from whistle blowers are e-mail, telephone (hotline), fax, regular mail, or in-person statements. The identities of whistle blowers can be withheld upon request. In 2008 the Commission drafted a "whistleblower and witness protection" law submitted for the parliament's approval, but the bill has not been approved yet. Pending the passage of the whistleblower law, the FEACC has taken responsibility for protecting and providing job security to whistleblowers.

The operational procedure of the Investigation and Prosecution Directorate starts when the Directorate receives input or tips from civil servants or citizens. The next step is to register all incoming cases and evaluate them as follows:

- Is there evidence of corruption?
- Should the case be handled by the Investigation and Prosecution Directorate, or should it be addressed by another government agency?
- If the Directorate handles the case, it tries to obtain additional information and evidences about the case.

All cases that fall under the FEACC's jurisdiction are classified as one of three types of corruption: modest corruption offenses, serious corruption offenses, and very serious corruption offenses. This classification is based on the amount of money involved, the executive level of the person suspected of corrupt acts, and the effect of the corrupt practice on the country's national growth, poverty, sovereignty, economy, security, or social life. The three categories are detailed below:

- Modest corruption offenses – Cases classified in this category involve very low-ranking civil servants that do not have significant decision-making powers. In addition, the total amount of money obtained through suspected corrupt acts must be less than US\$6,048.
- Serious corruption offenses - Cases classified in this category involve both executive and lower ranking civil servants. In this type of corruption cases, the main issues is not the amount of money involved; rather, it is the impact of the suspected corrupt acts on economic growth, poverty reduction, and security.
- Very serious corruption offenses – Cases classified in this category involve both executive and lower ranking civil servants and involve any suspected act of corruption with: (i) a monetary value ranging from US\$ 6,048 to US\$ 30,241 and (ii) that affects economic growth, security, and poverty.

Table 2 below shows the total number of complaints in 2008 and 2009 and how they were dealt with by the Investigation and Prosecution Directorate.

Table 2: Cases reported to the FEACC in 2008 and 2009⁷		
	2008	2009
Reported to the Commission	3073	2286
Found to be under the jurisdiction of the Commission	1272	1212
Accepted for investigation by the Commission	168	165
Investigated and referred for prosecution	118	177
Found to have insufficient evidence; information maintained at the FEACC information center	486	482
Outsourced to the Police Investigation Directorate	118	63
Passed on to a regional ACA	10	
Referred to another Directorate within the FEACC	10	20
Referred to pertinent bodies for further substantiation	150	124
Dealt by public offices and enterprises	212	231

As illustrated in Table 3, the most common cases handled by the FEACC can be classified as 11 types of crimes: abuse of power, gaining undue advantage, concealment, maladministration, owning assets whose source is unidentified, exercising others' power, forgery/fraud, betrayal of trust, embezzlement, bribery, and reprisal. As shown in the table, the total number of cases investigated and concluded during the 2007-2009 period increased in each successive year, and in 2009 the number of investigated and concluded cases more than doubled compared to cases handled in 2007 and 2008.

⁷ Source: The FEACC Annual Performance Report for the year 2008 and 2009 and information from the Investigation and Prosecution Directorate of the Commission.

Table: 3 Cases Investigated and Concluded:2007 - 2009 ⁸									
Type of Crime	2007			2008			2009		
	No. of files	No. of suspects	Undue advantage obtained/losses to gov.t (in Birr)	No. of files	No. of suspects	Undue advantage obtained/losses to gov.t (in Birr)	No. of files	No. of suspects	Undue advantage obtained/losses to gov.t (in Birr)
Abuse of Power	29	139	422,713,110	32	128	1,533,563,093	47	132	85,065,622
Gaining Undue Advantage							7	4	88,000
Concealment							9	32	6,856,428
Maladministration	5	14	4,160,000	7	31	4,958,949	55	175	177,121,733
Owning Assets Whose Source is Unidentified							2	3	
Exercising Others' Power							1	8	
Forgery/Fraud	10	72	14,491,308	10	88	481,212,319	17	124	560,687,910
Betrayal of trust	8	18	15,124,074	4	8	7,500,000	19	46	1,912,081
Embezzlement	4	16	5,782,139	1	23	158,000,000			
Bribery				4	6	477,000	7	13	273,500
Reprisal	2						4	1	
Other				5	12				
Total	58	259	462,270,631	63	296	2,185,711,361	168	406	832,005,274

In the context of this discussion, it is important to mention that the Commission has had difficulties in obtaining the cooperation of witnesses needed to investigate and prosecute alleged corruption crimes. As a result, the FEACC has drafted a whistle blower and witness protection policy in order to encourage the public to provide tips.

The Investigation and Prosecution Directorate has 80 employees whose tasks are defined by a workload chart. The Directorate is divided into eight teams, which meet monthly to review and assess their performance. Currently, the unit does not have an effective performance management system. The investigation staff is made up of individuals from diverse professional backgrounds including economists, social scientists, engineers, lawyers, accountants, managers, and police, while the prosecution staff consists of lawyers. During an interview with the Director of the Department, it was disclosed that staff members do not have the necessary skills to successfully investigate and prosecute corruption offenses. In this regard, the Director indicated that there is a need for a long-term hands-on-education and training program. This lack of staff expertise has also meant that some cases have

⁸ Source: The FEACC Annual Performance Report for the years 2008 and 2009.

had to be outsourced to the investigation Directorates of the police or other institutions. In addition, according to the Director, the Directorate should ideally have 138 employees instead of its current staff of 80. Given the nature of the work, staff hired by the Directorate undergo a thorough background check. The Directorate tries to attract qualified staff by providing generous benefits in the form of health insurance, transportation cost subsidies, etc. Thirty-five percent of the cost of FEACC salaries is allocated to this unit. By paying relatively higher salaries, the Directorate hopes to attract and maintain qualified staff.

In the last eight years, the Commission has investigated more than 1,300 alleged corruption crimes, which has resulted in the conviction of 380 people who have received prison sentences ranging from 1 to 19 years. Those convicted include high-profile government officials, including a former prime minister, defense minister, head of the Government Enterprises and Privatization Agency, as well as senior bank and telecommunication company managers, land administration officials, and senior judges.

5.2 The Prevention Directorate

The Government of Ethiopia has adapted a preventive approach to combating corruption. The rationale for this approach has to do with its cost effectiveness, sustainability, and participatory nature. The Prevention Directorate seeks to prevent corruption by studying the practices and work procedures of public offices and public enterprises (see Table 4). It further attempts to examine work methods that may lead to corrupt practices and follows up on the implementation of recommended suggestions. The Directorate conducts research and studies on corruption prevention and its findings are used to guide the Commission's activities.

Government Directorate/sector⁹	Number of offices (2008)	Number of offices (2009)
Federal Public Offices	13	11
Federal Public Enterprises	5	12
Infrastructure Institutions	14	9
Revenue & Finance Institutions	4	5
Health Institutions	5	3
Education Institutions	5	2
Media Institutions	3	1
Manufacturing Enterprises	4	3
Service-rendering Institutions	10	10
Law enforcement agencies	1	6
Trade Enterprises		3
Total	64	65

⁹ Ibid

The unit also consults with stakeholders on preventing and combating corruption. Furthermore, the media, schools, and religious institutions are used by the Directorate as useful channels to educate the public about corruption. The recipients of the unit's services include government directorates, regional anti-corruption commissions, ethics liaison units, and nongovernmental organizations.

The Prevention Directorate's work on corruption prevention is twofold:

1. Long term prevention – The Directorate attempts to prevent long-term acts of corruption.
2. Immediate prevention – The Commission may receive tips that require a quick reaction from the Directorate. For instance, such a tip may be that a large government bid that potentially involves corrupt practices. In such cases, the Commission steps in quickly in an attempt to prevent potentially corrupt acts.

The Prevention Directorate works closely with all FEACC Directorates. Once the Prevention Directorate detects a potentially corrupt practice, it collects evidence and conducts a study to determine the reasons for it. When there is enough evidence, it proposes solutions and works closely with all concerned bodies in implementing solutions, which includes among others, revision of work procedures or corrective recommendations. In this regard, it is worth mentioning that according to the Commission's Establishment Proclamation, public offices and public enterprises are obligated to cooperate with the Commission in dealing with corruption, and failure to cooperate is tantamount to obstruction of justice and punishable by law. However, there is no formal memorandum of understanding on how such cooperation should take place in practice. Regarding long-term prevention, the Prevention Directorate works closely with the Investigation Directorate to identify where most crimes occur and also evaluates the effectiveness of its services by analyzing any corrupt practices that have occurred in an area where the unit has previously conducted prevention activities.

The Prevention Directorate also conducts in-house research. This activity was established in 2007 with the implementation of the BPR (see Section 5) and involves the following activities:

- Definition of baselines for corruption surveys
- Conducting research on ethics education
- Following up on the implementation of anti-corruption laws and codes of ethics
- Evaluating the Commission's workflow and proposing and designing solutions to correct inefficiencies
- Drafting legal documents

Currently, the unit has 22 professional staff consisting of engineers, economists, accountants, and lawyers. While all staff members have bachelors or masters degrees, they lack specific knowledge or skills on corruption detection and prevention. In an interview, the Director of the Department indicated that staff would benefit from long-term hands-on-training, which would provide staff with the

knowledge and skills needed to design corruption prevention-related activities. He also mentioned that in general, the Commission's staff earns higher salaries compared to other government employees. However, a recent restructuring in the Revenue Administration Directorate and the Exchange and Commodity Department resulted in those departments offering the highest salaries in terms of government jobs, which led some highly qualified Commission staff to defect to those departments.

5.3 The Ethics and Education Directorate

The objective of the Ethics and Education Directorate is to create greater awareness in Ethiopian society that corruption should not be tolerated by promoting ethics and anti-corruption education. Its main responsibility is to disseminate ethics education, undertake public relations activities, and promote the Commission's objectives and activities through various outlets. This Directorate is comprised of public relations, media, ethics, and education teams. The Directorate disseminates its message through the following channels:

- Face-to-face training – Since its establishment, the FEACC has provided face-to-face ethics and education training to more than 135, 000 Ethiopians drawn from various cross-sections of society.
- Training of Trainers – Given its limited resources, the Directorate aims to train individuals who have the ability to train trainers. The duration of training is usually 3-5 days. This training involves the selection of appropriate trainees who will go on to train others. To date, the unit has developed 11 training modules.
- Panel discussions – This activity is carried out through workshops, conferences, and the dissemination by the media of education on ethics and anti-corruption.
- Publicity and marketing – This occurs through publications, posters, flyers, brochures, stickers, billboards, newsletters (internal and external), media, and magazines.

According to the Director of the Department, television and radio are the most effective ways to reach citizens. This is because the written media excludes illiterate people¹⁰. Dramatic and sports programs are well received by citizens, and have become the most successful vehicle for disseminating anti-corruption education. The recipients of the ethics and anti-corruption education services include the government, regional anti-corruption commissions, citizens, and other stakeholders.

¹⁰According to the CIA World Factbook, the literacy rate in 2009 was 42.7 %.

Table 5 :Ethics and Education Activities Delivered		
	Year	Year
	2008	2009
Type of Education provided¹¹		
1. Awareness-raising training on the concept of ethics and anti-corruption	6,795 civil servants participated	9,249 civil servants participated
2. Training of trainers in civic organizations	40	100

As shown in Table 5 above, the FEACC provided ethics and anti-corruption education to 6,795 and 9,249 civil servants in 2008 and 2009, respectively. It has also conducted training of trainers for various civil society organizations, which have included, among others, leaders of youth associations, leaders of women associations, school teachers, etc.

During an interview, the Director of the Department mentioned that the Directorate lacks the technical capacity to design high-quality ethics and anti-corruption messages aimed at the general public. It also attempts to monitor its impact by collaborating with the Investigation Directorate and identifying crime trends in areas where the Directorate has disseminated education. However, given the nature of the Directorate's outputs, it is difficult to measure the outcome and impact of its efforts. In this regard, the Directorate is aware of this challenge and is in the process of creating a system that monitors outcomes and the impact of its efforts.

The Directorate currently has 49 employees in total, but according to the Director, it should ideally have 61. Directorate employees have bachelors or masters degrees in languages, literature, art and graphic design, education, political science, international relations, curriculum development, and communication. While these professionals have various levels of expertise in the areas of teaching, curriculum development, journalistic communication, they lack core knowledge on corruption. The United Nations Development (UNDP) has trained staff on the issue of corruption and has assisted in the design of ethics and anti-corruption educational initiatives.

¹¹ Ibid

5.4 The Ethics Infrastructure Coordination Directorate

The main task of the Ethics Infrastructure Coordination Directorate is to coordinate the activities of major stakeholders in the fight against corruption. Currently, the Directorate has seven employees, but at full capacity, it should have about 21 employees. The Directorate is responsible for coordinating the following stakeholders and activities:

- Collaboration between the seven regional ethics and anti-corruption commissions with the FEACC
- Ethics liaison offices
- Public offices (police directorates, prosecutorial bodies, courts, ombudsman and human rights agencies, auditor generals, parliaments, etc) that are in charge of investigating and prosecuting crimes at the federal and regional levels. This Directorate coordinates the Commission's work with all anti-corruption activities performed within the government and works closely with anti-corruption representatives posted in public sector offices.
- Ethics and civics education clubs
- Civil society organizations
- Professional associations
- Media and religious organizations

This unit aims to collaborate with the above-mentioned organizations by assisting them in institutionalizing their efforts in combating corruption, sharing experiences, functioning as a liaison between the Commission and organizations, and providing them with training and advisory and technical support.

The Ethics Infrastructure Coordination Directorate coordinates a national anti-corruption coalition that was established in 2009. This coalition is a joint forum between the FEACC, regional anti-corruption institutions, government bodies, the media, civic associations and law enforcement agencies (see Table 6). The coalition is led by the General Assembly (consisting of government representatives), which nominates and appoints the chairperson from the various Directorates of the government organizations. The General Assembly's role is to evaluate and monitor the performance and activities accomplished by the coalition members. The two vice chairpersons are appointed by the General Assembly and represent the private sector and civil society organizations. The coalition group has an executive board comprised of 11 members that carry out the organization's activities in the absence of the General Assembly. The FEACC serves as a permanent secretariat of the coalition and assigns individuals to serve as the secretariat of the coalition. Its functions include, among others:

- Preparing and submitting to the chairperson a two-year plan for the coalition,

- Keeping minutes of General Assembly meetings and obtaining approval upon submission to the chairperson,
- Providing follow-up and support to ensure that separate action plans are developed by coalition members based on resolutions passed by the General Assembly,
- Supporting the implementation of joint activities conducted by coalition members, and
- Preparing national anti-corruption coalition activity reports.

Table 6: List of National Anti-corruption Coalition Members by Organization Type		
Representative of Members ¹²	Total Members	Percentage of representation
Government Representative		
Government organization representative	24	
Federal and regional anti corruption representatives	14	
Regional states that do not have anti-corruption commissions	10	
Total	48	32%
Civil Society or other Organizations Representatives		
NGOs and Professional associations	43	
Media	25	
Faith-based organizations	5	
Total	73	48%
Private Sector Representatives		
Trade and sector associations	27	
Opposition parties	3	2 %
Total	30	
Total members	151	100 %

The coalition with civil society organizations, private sector representatives, and other organizations is based on each member's ability to disseminate ethics and anti-corruption education to its target groups. For those members that do not have ethics and anti-corruption knowledge, the FEACC trains staff members so they can train their target groups.

5.5 The Planning, Procurement, and Finance Directorate

This Directorate, which currently has 14 employees, is responsible for planning and managing the Commission's fiscal and financial activities. The budget preparation process starts when each Directorate prepares its own budget with pre-determined ceilings. The budget team reviews the draft proposals from each Directorate and submits a budget request to the Minister of Finance and Economic Development (MoFED). According to the Manager of the Finance Directorate, since its

¹² National Anti-corruption Coalition Founding Conference Proceedings, developed by government affairs office in cooperation with the FEACC, July 2009

establishment, the MoFED has consistently provided the FEACC with its requested budgetary allocation. Furthermore, the budgetary allocation for the FEACC is included in the government's five-year budget plan as part of the fight against corruption initiative, which is considered a high priority for the government in the next five years. Given that the cost of prevention activities is relatively high compared to other Directorate activities, most of the budget allocated for the implementation of corruption prevention consists of education, research, and public relations.

Year	Budget (US\$)
2001-2002	\$910,023
2002-2003	\$644,101
2003-2004	\$581,944
2004-2005	\$545,666
2005-2006	\$576,848
2006-2007	\$699,555
2007-2008	\$784,643
2008-2009	\$1,161,059
2009-2010	\$893,615
2010-2011	\$1,202,934

As illustrated in Table 7 above, the FEACC's budget was relatively high in fiscal years 2008-2009, 2010-2011, and 2001-2002, and then significantly decreased from fiscal year 2002-2003 to 2005-2006. After fiscal year 2006-2007, it has increased except for a slight decrease in fiscal year 2009-2010.

Year ¹⁴	Total Staff	Total Budget	Total Salaries	Salary as percentage of budget
2006	180	759,619.00	439,560.00	58 %
2007	201	851,570.00	491,087.00	58 %
2008	226	1,043,699.00	561,506.00	54 %
2009	236	1,413,359.00	829,155.00	59 %
2010	284	1,192,297.00	670,010.00	56 %

As Table 8 indicates, the Commission's total hired staff increased between 2006 to 2010, and the total budget for salaries has been in the range of 54%-59% of the total budget.

In addition, the Commission has obtained financial support for study tours, training programs, and sharing experiences from the Governments of the Netherlands, China, Malaysia, Botswana, South Korea, and Zambia. The World Bank, the Directorate for International Development (DFID), the

¹³ Information obtained from the Finance Directorate of the Commission. Note that the budget presented in Table 8 is the actual budget contributed by the government.

¹⁴ Ibid

United Nations Office on Drugs and Crime (UNODC) and the Canadian International Development Agency (CIDA) have also supported capacity-building programs. Besides the Commission's collaboration with the aforementioned partners and other development actors, according to the Manager of the Finance Directorate, the United Nation Development Program (UNDP) is the most involved international actor in FEACC as it administers the funding provided by the Democratic Institution Program (DIP).¹⁵ The DIP has committed US\$ 1 million over four years (2009 to 2012) to assist FEACC to carry out corruption surveys, establish a management infrastructure system in the Commission, and assist in the dissemination of ethics and anti-corruption education.

5.6 The Human Resources Management Directorate

The Human Resources Management Directorate, which currently has 12 employees, is responsible for building the capacity of FEACC staff through training. In order to attract highly skilled staff, this unit has created its own human resources strategy, which is separate and distinct from the national government's human resources strategy and procedures. Given the nature of the job, the hiring process is task oriented, and all newly hired staff must undergo background checks. The Human Resources Management Directorate coordinates orientation for newly hired staff. In addition, in collaboration with other Commission Directorates, it provides refresher training for all permanent staff. In addition, it also promotes other learning activities for FEACC staff. For instance, an idea exchange partnership it arranged with Hong Kong's Independent Commission Against Corruption of Hong Kong, led to an 11-day study tour for selected FEACC staff. In addition, some FEACC staff members also visited Singapore's and Malaysia's anti-corruption agencies to gain vital knowledge and skills in the prevention, investigation, and prosecution of corruption offenses.

5.7 The Change Management Directorate

This newly created Directorate, which currently has 15 staff members, is responsible for leading the Commission's activities related to work directives and principles formulated during the BPR. The Change Management Directorate designs proposals to improve the working procedures in the Commission's Directorates, services, and other divisions. It is also responsible for ensuring that the Commission's activities are in line with the ongoing national civil service reform program. This unit is

¹⁵ The Democratic Institutions Programme (DIP) is a five-year, multi-donor program whose aim is to develop a fully operational democratic, accountable, and responsive constitutional federalism, ensuring citizen empowerment and participation. The purpose of the DIP is to support the development of key organizations that together play a role in strengthening institutional frameworks of democratic governance in Ethiopia. Current donors to the DIP include: Austria Development Cooperation, Canada International Development Agency (CIDA), Denmark, Irish Aid, Italian Cooperation, The Netherlands, Norway, United Nations Office of the High Commissioner for Human Rights (UNHCR), Swedish International Development Cooperation (SIDA), Department for International Development (DIFD), United States Agency for International Development (USAID), and United Nations Development Programme (UNDP).

currently evaluating and revising the BPR implemented during 2007-2008 and is working closely with the National Capacity Department to train staff and improve the Commission's overall effectiveness.

In addition, the Change Management Directorate has created a pilot task-oriented monitoring and evaluation system for the entire Commission. The first step of the initiative is to develop a monitoring and evaluation system for each Directorate based on input from each Directorate team. Once the change management team has evaluated each department's operating procedures and work structure, it designs a monitoring and evaluation system. The unit is in the process of evaluating this pilot initiative, and if feasible, the system will be implemented throughout the entire Commission.

Another issue handled by this department is the issue of gender inequality in the Commission. Currently, 80 % of Commission employees are male and only 20 % are female. Most female employees are tasked with administrative work. In this regard, the Commission is seeking to hire female employees at the professional level in the near future. The unit, in collaboration with the United Nations Development Programme (UNDP), has conducted gender training for all Commission employees. The unit is also studying the factor of gender in the fight against corruption. In this regard, it has assigned a few staff members to conduct research on the issue and create action plans on how to mainstream gender in the FEACC's anti-corruption strategy.

5.8 The Services Department

As mentioned earlier, the Commission has three services. These services provide legal, internal audit, and general services functions to the entire organization. The Internal Audit Department carries out a review of the Commission's financial activities. It reviews and audits financial documents and the performance of each department and service. In addition, it examines the validity of financial documents, makes recommendations, and follows up on the implementation of its recommendations. The Legal Service provides legal advice to the Commission's Deputy Commissioner and to the Commission's various Directorates. It also drafts laws, regulations, and proposes amendments. Finally, the newly created General Service is in charge of maintenance, transportation, cleaning, and security issues and activities.

5.9 Political Commitment

Ethiopia signed the African Union Convention on Preventing and Combating Corruption in 2004 and the UN Convention against Corruption in 2003, but it was only in September 2007 and November 2007, respectively, that Parliament ratified the two accords. Thus far, high-level government commitment and support for the establishment of an anti-corruption agency has been consistent and strong. The fact that combating corruption was part of the civil service reform program initiated by the

government is in itself evidence of a serious commitment to combating corruption. Another important consideration is that, as shown in Table 9 below, since the establishment of anti-corruption institutions in the country, the federal government and the regional state presidents have provided these entities with consistent budgets.

	2008	2009	2010
National Budget ¹⁶	3,399,422,288	3,234,085,859	4,747,141,351
FEACC and Regional Ethics and Anti-corruption Budget	\$1,711,307	\$2,608,531	\$2,893,604
FEACC and Regional Ethics and Anti-corruption Budget as a percentage of the National budget	0.1 %	0.1%	0.1%

In addition to the creation of independent national and regional anti-corruption commissions, the government is also trying to eliminate corruption among civil servants and government officials by posting ethics officers in public sector offices. Furthermore, all the FEACC directors interviewed indicated that they have full access to information from the government. Although the Office of the Auditor General, Ombudsman’s Office, Human Rights Commission, House of Federation, and House of Peoples’ Representatives and the FEACC have a joint forum led by the House of Peoples’ Representatives, there is no formal memorandum of understanding on how collaboration should take place in practice. However, in general there is a positive relationship between the Commission and other government bodies. The Commission also works very closely with the Office of the Auditor General, but besides the aforementioned forum, it does not have a close working relationship with the Ombudsman’s Office.

5.10 The Commission’s Relationship with Civil Society Organizations and the Media

Civil society organizations and the media play a critical role in the success of anti-corruption efforts through public awareness campaigns and monitoring government activities. Given their role in evaluating the effectiveness of anti-corruption authorities, a decision was made to interview two civil society organizations--Transparency Ethiopia Chapter and Vision Ethiopia Congress for Democracy— in addition to two radio stations (the privately owned Zami Public Connection and government-owned Radio Fana) and a newspaper agency, *Capital*. The selection of these agencies was based on their credibility and their membership in the national coalition forum mentioned earlier (see Section 5.4). Currently, besides the national coalition initiative, which focuses its efforts on engaging civil society organizations to disseminate ethics and anti-corruption education to citizens, there is no other collaboration with other civil society organizations and the media. The collaboration between the FEACC and the above-mentioned organizations can be summarized as follows:

¹⁶ Ethiopia’s Minister of Finance and Economic Development website - <http://www.mofed.gov.et/>

- Collaboration between the FEACC and Transparency Chapter Ethiopia and Vision Ethiopia Congress for Democracy consists of the dissemination of ethics and anti-corruption education to public officials and target groups. These groups also assist with forming ethics and anti-corruption clubs; for instance among other activities, they have established youth ethics and anti-corruption clubs.
- The radio stations collaborate with the Commission by disseminating ethics and anti-corruption education to its target groups. Zami Public Connection is in the process of drafting official terms of reference regarding its collaboration with the Commission, while Fana Radio has been disseminating ethics education in the form of live panel discussions with the Commissioner and the public.
- *Capital* is an English-language newspaper that promotes free enterprise and provides reporting and analysis on national development, the business community, NGOs, international organizations, academics, etc. It collaborates with the FEACC by providing space in its daily issued newspaper to report on corruption-related news.

Although the above-mentioned agencies view collaboration with the FEACC as generally positive, they have also reported some weaknesses. Most civil society organizations in the country are interested in participating in the coalition. However, not all of them have been or will be invited to join the forum. According to those interviewed for this report, including FEACC officials, it is difficult to identify impartial civil society organizations that do not have a political agenda. This situation has limited collaboration between existing civil society organizations and the Commission.

In the context of this discussion, it is also important to mention that the chairperson of the coalition is always a government member (nongovernmental organizations are not allowed to be the chairperson of the coalition). A representative from the Transparency Chapter Ethiopia currently serves as the vice chairperson, which is a permanent position. In this regard, staff of the civil society organizations interviewed suggested that the position of chairperson should be rotated. Furthermore, while the anti-corruption coalition is a step in the right direction, its impact is limited as it does not act as a watchdog in challenging the Commission's performance of its functions.

Another important consideration concerning civil society organizations is the "Proclamation for the Registration and Regulation of Charities and Societies"¹⁷ law that was passed by the Ethiopian Parliament on January 6, 2009. The law puts restrictions on the funding of civil society organizations working on issues related to human and democratic rights, gender or ethnic equality, conflict resolution, strengthening of judicial practices, or law enforcement. Only Ethiopian charities or

¹⁷ Federal Geararit Gazeta of the Democratic Republic of Ethiopia (2009), *Charities and Societies Proclamation, No 25, Proclamation No. 621/2009*, 4521

societies with no more than 10 percent of their income coming from foreign sources are permitted to work in those areas. Given that all civil society organizations in some way actually carry out work in those areas, placing a cap on foreign support will inevitably lead to the demise of some civil society organizations due to a lack of funding.

5.11 Public Confidence and Trust

The public obtains information about the Commission's operations through its annual report, brochures, and website (<http://www.feac.gov.et/>). Since public confidence and trust is a key factor to the Commission's success, it is worth mentioning that according to The Corruption Diagnostic Baseline Survey Report (2008) by Transparency Ethiopia, FEACC services ranked 21 out of 29 public institutions in terms of inspiring public confidence and trust. It is important to note that confidence ratings do not necessarily reflect the effectiveness of an institution since perceptions of confidence are formed on the basis of the frequency of contact between respondents and public institutions. In addition, during interviews with FEACC representatives, it was revealed that the public's expectation of the Commission is very high. In this regard, such a high expectation has the potential to create an appreciable gap between expectations and achievements. Furthermore, it is worth mentioning that there has not been a history of citizens holding the government accountable, nor a history of a binding social contract based on shared expectation between citizens and those who govern them.

5.12 Legal Environment

The 1995 Federal Democratic Republic of Ethiopia constitution provides for a federal-state structure comprised of nine member states. The constitution allocates power between federal government and regional states, and there are two layers of administration: the federal state and self-governing regional state administrations. Legislative, executive, and judicial functions are exercised at both levels with the limits of power defined by the country's constitution. The country's legal system includes 23¹⁸ actors. The FEACC is one of those actors and is responsible for carrying out the investigation and prosecution of corruption offenses falling under the jurisdiction of the federal government.

The anti-corruption law is not treated separately in Ethiopia's penal code, which only mentions a definition of corruption. However, in 2005 the penal code was amended to include 23 new articles that include criminal codes specifically addressing corruption issues. In addition, on April 6, 2010, Ethiopia passed the Asset Declaration and Registration Proclamation, a law that requires government officials and employees to declare and register their assets starting from October 2010. Furthermore, in

¹⁸ Profile of the Justice/Legal Institutions of the Federal Democratic Republic of Ethiopia, conducted by the Ministry of Justice of the Federal Democratic Republic of Ethiopia

2010, a draft proclamation for the protection of witnesses and whistle blowers was prepared by the Commission.

6. Analysis

This section will analyze the effectiveness of the Commission as an anti-corruption agency based on the exogenous and endogenous factors described earlier.

6.1 Exogenous Factors

Political will – In the case of the FEACC, top-level government commitment and support for the establishment of an anti-corruption agency has been consistent and strong. As mentioned earlier, the fact that combating corruption was part of the civil service reform program initiated by the government in addition to providing the FEACC with a consistent budget demonstrates a serious commitment to fighting corruption. Furthermore, the government has encouraged the establishment of independent anti-corruption institutions both at the national and regional level.

The Government has also incorporated new anti-corruption laws into the amended criminal law and has classified them into 23 articles. In addition, the FEACC directors interviewed for this report indicated that they have full access to information from the government. However, at the same time, it is worth mentioning that according to Global Integrity data, there are significant gaps between the existence of laws and institutions designed to curb corruption and their actual implementation. Moreover, because the anti-corruption laws were not separately treated in the penal codes prior to their revision in May 2005, judges in the court system do not have solid knowledge regarding how to deal with corruption cases. Furthermore, the court system in general is not effective, which may affect the ability of the FEACC to fine and punish those guilty of corruption. The problem is further compounded by the fact that the court system is not efficiently and adequately staffed to handle corruption-related cases. Either cases are dismissed, or convictions result in low fines and reduced sentences. Consequently, individuals engaged in corruption may repeat the same kind of corrupt acts without fear of facing consequences for their actions.

Notwithstanding the above considerations, corrupt practices among senior and lower-level government officials remain very high. The infamous gold scam scandal that occurred in March 2008 is an important example of the prevalence of corruption in Ethiopia. The Ethiopian Central Bank exported a consignment of gold bars to the government of South Africa, and the gold turned out to be gilded steel. An investigation revealed that the bank had bought a consignment of fake gold from a supplier, who is now under arrest. Other arrests followed, including business associates of the supplier, national

bank officials; and chemists from the Geological Survey of Ethiopia whose job it was to assess the bank's purchases of gold and certify their authenticity.

Relationship with Civil Society Organizations – Currently, the relationship between the FEACC and civil society organizations is limited. As mentioned earlier, besides the national coalition partnership, there is no other collaboration between the Commission and civil society organizations. Furthermore, because of concerns regarding those organizations' impartiality and individual political agendas, the FEACC is selective regarding which organizations invited to participate in the coalition, which limits the openness of the forum. In addition and as mentioned earlier, by mandate, the chairperson of the coalition is always a member of government. In order to have a dynamic and effective national anti-corruption coalition, more civil society organizations should have the opportunity to join the coalition. Furthermore, the coalition should have a rotation system whereby every member has the opportunity to hold the chairperson position. Another shortcoming of the coalition is that it is not advanced enough to allow civil society organizations to operate as watchdogs and challenge the activities and authority of the FEACC. Nevertheless, since the coalition is the first attempt ever in Ethiopia on the part of civil society to collaborate with a government organization, it should be seen as a positive first step towards more meaningful and productive collaboration in the future.

Finally, and as mentioned earlier, the implementation of the "Proclamation for the Registration and Regulation of Charities and Societies" law puts restrictions on the funding of civil society organizations working on issues related to human and democratic rights, gender or ethnic equality, conflict resolution, the strengthening of judicial practices, and law enforcement. This law has caused most civil societies to change their mission to include objectives that will qualify them to obtain funding from foreign countries. Given that only Ethiopian charities or societies with no more than 10 percent of their income from foreign sources are permitted to operate in the aforementioned areas, as stated earlier, the law will be highly detrimental to these organizations.

Public trust – The fact that the FEACC offers a mechanism for citizens to report complaints or offer information on corrupt activities through e-mail, telephone (hotline), fax, regular mail, or by appearing in person shows that the general public has access to the Commission. Of the total reported complaints in 2008 and 2009, an average of 47% have fallen under the jurisdiction of the Commission. Although the fact that the public actually reports corrupt acts to the Commission is positive, there is still a lack of knowledge about the organization and what should be reported to it. Furthermore, the total number of reported cases is still relatively small, especially if it is considered that the FEACC has jurisdiction over two cities: Addis Ababa (with a population of 3.5 million) and Dire Dawa (with a population of 342,000). In 2009, only 0.06 % of the population reported suspected corruption, which is extremely low in relation to the entire population. In addition, although the Commission has created a draft

whistle blower and witness protection law to protect people who report corruption, the general public does not consider the law to be sufficient, and therefore some people are hesitant to report suspected corrupt activities.

The FEACC, in collaboration with the Ministry of Education, has included ethics and anti-corruption education in the national school curriculum. This educational program is expected to reach millions of citizens and create a long-term attitude change toward corruption. Moreover, it is worth mentioning that an organization such as the FEACC is the first of its kind in Ethiopia. Because the general public has not had any previous experience with such an entity therefore makes it difficult for citizens to overcome their suspicions and fears and report corrupt activities.

6.2 Endogenous Factors

Independence – The FEACC is situated in a separate institution that is not subject to the presidential administration and governmental structure. Therefore, it is not dependent on any specific government officials. In addition, its budget is separate from the government budget. Based on interviews and a diagnostic survey, it is clear that the FEACC has full authority to investigate and prosecute corrupt practices without intervention from the government. As mentioned earlier, the only restriction on the Commission is the requirement to request the Parliament to lift immunity to investigate Parliament members. However, according to the Deputy Commissioner, if a Parliament member is caught committing a corruption crime, there is no need to lift immunity, and the Parliament member in question will be arrested and charged for his/her crime. In the context of this discussion, it is also worth mentioning that according to Global Integrity’s assessment, the Commission has very little power to independently prosecute high-ranking officials. The rationale behind this stems from the fact the FEACC has, to date, only investigated and prosecuted a few high-ranking officials, including a former prime minister and defense minister. Nevertheless, the recent successful prosecution of the CEO of Ethiopian Telecommunications is seen as a positive sign.

As mentioned earlier, the commissioner and deputy commissioner report directly to the Prime Minister. In addition, the FEACC as a whole is accountable to the Prime Minister as well. The main reason for this requirement has to do with the critical element of time in investigating corruption cases. While Parliament often takes a longer time to make decisions, a Prime Minister is capable of expedited decision-making. Moreover, since corruption occurs at the executive level of government departments, the Commission has a better chance of obtaining approval to pursue a case from the Prime Minister than it does from the entire parliament. Of course, this arrangement may be criticized on the grounds that solely relying on the Prime Minister makes the whole process less democratic. However, by limiting decision-making to one person—in this case, the Prime Minister—the time frame for decision-making is minimized, which often leads to a shorter response time and tangible

achievements. Furthermore, although the FEACC is only accountable to the Prime Minister, the Commission has an obligation to report its activities to the entire parliament.

As mentioned earlier, the commissioner is appointed by the House of Peoples' Representatives upon nomination by the Prime Minister. Consequently, the president is not authorized to appoint these posts while the parliament is not authorized to nominate. This system integrates checks and balances in the appointment of the commission's high-level delegates.

Objective and expectations of the ACA – As mentioned in the section on the Commission's functions (see Section 4.4), the FEACC has adopted Hong Kong approach's to fighting corruption. As such, the Commission performs the functions of investigation, education, and prevention. The main challenge that the FEACC faces in carrying out its mandate is how to adapt the organization's features to Ethiopia's political, social and economic context. A clear indication of this challenge is the appreciable gap between expected results and achievements. Based on interviews with the Commission's directors, it is clear that achievements have not matched expectations. The reasons for this include a lack of human capacity, limited resources, poverty, and unfavorable economic conditions. Another consideration is the gap between the high expectations of the general public and actual FEACC achievements.

From 2005 to 2007, a major reorganization was carried out in the FEACC given that expected results were not achieved. The reorganization contributed to the revision of the Commission's objectives and amended special procedures and rules in order to create a more effective system. The amendments redefined the FEACC's powers and duties and resulted in greater transparency and accountability in its operations and activities. These improvements have contributed to the creation of new laws that define grand corruption and have intensified the focus on grand corruption. Moreover, these changes have led to positive results as indicated by an increase in 33 % of total cases investigated and referred to prosecutors (see Section 5. 1) in 2009 compared to 2008. Also, the number of cases outsourced to the police investigation department decreased from 9 % in 2008 to 5 % in 2009.

Furthermore, cases investigated and successfully prosecuted increased by 8% from 2007 to 2008, and by 1.9 % from 2007 to 2009, which shows a great deal of promise (see Section 5.1 for detailed figures). In addition, total damages due to corrupt practices in terms of monetary value decreased by 38% in 2009 compared to 2008. Regarding prevention, ethics and anti-corruption education, the reengineering process led to a 36% increase in the total amount of civil servants trained in awareness-raising ethics and anti-corruption education in 2009 compared to 2008. Finally, the total number of "train-the-trainers" trained in various civil society organizations increased by 67% in 2009 compared to 2008.

In general, the FEACC made notable progress from 2007 to 2009, with 2009 being its most successful year since the organization’s establishment. However, although the reorganization has contributed to major improvements in the organizational effectiveness of the Commission, weaknesses in the design and implementation process of the BPR remain. The reengineering process was conducted with minimal participation of employees, and inadequate numbers of people were included in the BPR working team. Furthermore, the study team of the BPR did not obtain the necessary training prior to the start of the study, and the management team was not consulted by the study team, which contributed to a lack of ideas from technical experts within each Directorate.

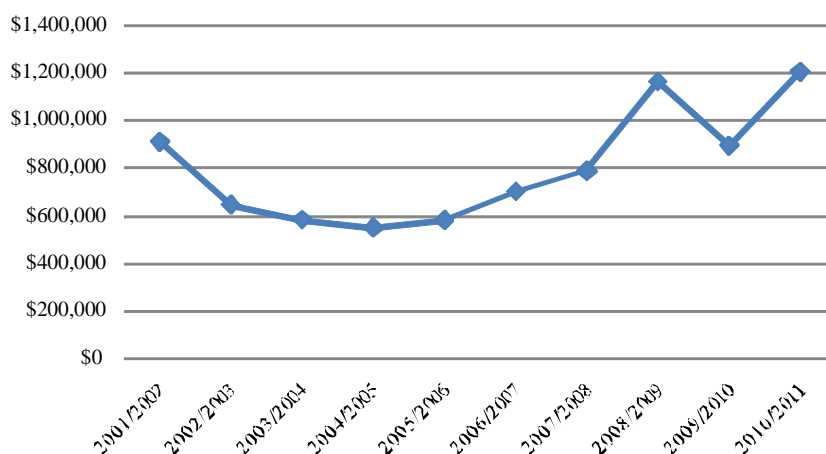
Resources –Given that there is strong political will, budgetary support has been consistent and should continue for the next five years since the government has included a budget for FEACC in its five-year budget plan. As shown in Table 10 below, compared to Kenya’s KACC, Singapore’s CPIB, and Uganda’s IGG and taking into account that all other conditions are held constant, with a per capita expenditure of \$0.03 and an expenditure of 0.003 % of GDP, the FEACC is the least funded of the ACAs, In addition, although Singapore’s CPIB has fewer employees, its per capita expenditure of \$3.63 and expenditure of 0.01% of GDP are considerably higher than those of the FEACC and other countries included in Table 10 below.

Table 10: Macroeconomic Indicators: Ethiopia, Kenya, Singapore, & Uganda						
	Country's Population	Country's Gross Domestic Product (purchasing power parity)	Permanent Staff	Budget	Per Capita Expenditure	Expenditure as % of GDP
Ethiopia	88,013,491	\$77.47 billion	272	\$2.2 million ¹⁹	\$ 0.03	0.003%
Kenya	39,002,772	\$62.56 billion	273	\$24.6 million	\$1.59	0.04%
Singapore	4,701,069	\$243 billion	88	\$17 million	\$ 3.63	0.70%
Uganda	33,398,682	\$43. 22 billion	320	9 million	\$ 0.27	0.02%

As shown in Figure 4 below, if the budget trend from 2001 - 2010 is further analyzed, it can also be seen that the Commission received the largest budget during fiscal year 2008-2009, 2010-2011, and 2001-2002. And it experienced the most significant budgetary decreases in fiscal years 2002-2003 and 2005-2006. After fiscal year 2006-2007, the annual budget increased significantly for a slight decrease in fiscal year 2009/2010. In fiscal year 2010-2011 the Commission received the largest budget since its establishment.

¹⁹ The Regional Ethics and Anti-corruption Commissions budget is included

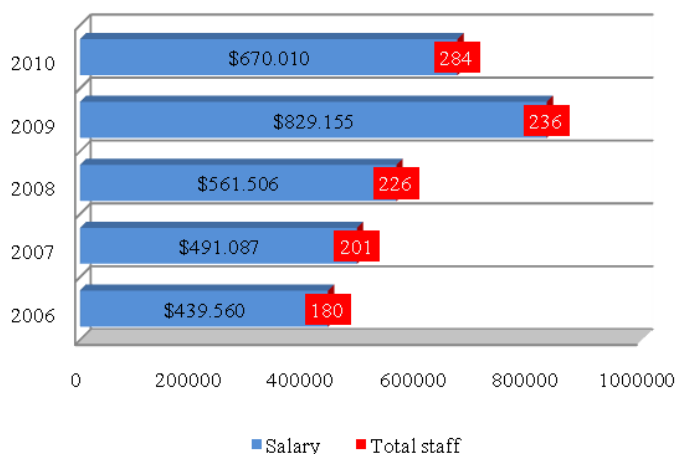
Figure 3: The FEACC’S Annual Budget in US Dollars (2001 – 2011)



Staff Capacity –Human resource constraints is the most serious issue that the Commission currently faces. During interviews, Department directors revealed that their units are under staffed and lack the necessary skills to perform at optimal levels. In particular, the Investigation and Prosecution Directorate’s staff do not have the necessary knowledge to successfully investigate and prosecute corruption offenses. To deal with the lack of capacity, the Directorate outsources some cases to the police investigation department. In addition, the Prevention Directorate’s staff lacks specialized knowledge on corruption detection and prevention, and the Ethics Education Directorate’s Director indicated that its staff lacks the technical capacity to design high-quality ethics and anti-corruption messages and training.

Concerning compensation, the Commission’s staff earn higher salaries compared to other government employees, and more than half of the Commission’s total budget (on average 57%) is allocated to salaries. As Figure 5 below illustrates, except for 2010, since 2006 staff salaries have been increasing in parallel with increases in newly hired staff.

Figure 4: Salary Budget (In US\$) and Newly Hired Staff Trend from 2006 - 2010



In general, FEACC directors interviewed have indicated that there is a need for a comprehensive and long-term hands-on training in all areas. In addition and as noted earlier, there is clear evidence that the Commission is generally under-staffed and suffers from a lack of resources.

Strategy – The Commission’s approach to fighting corruption is based on the national anti-corruption strategy. The strategy’s main pillars in combating corruption nationwide are prevention, ethics, anti-corruption education, investigation, and prosecution. The prevention and ethics education approach has been designated as the principle instrument used to combat corruption both at the Commission and regional level. Given that the establishment of an ACA is a new phenomenon in the country, a focus on prevention and ethics education is the appropriate approach to changing the attitude of the general public towards combating corruption.

Coordination within the organization – Based on interviews with FEACC directors, it is clear that the Commission’s various directorates work in close collaboration. For instance, the Prevention Directorate works very closely with the Investigation Directorate to detect suspected corruption and evaluates the impact of ethics and anti-corruption education on areas where it conducted prevention activities previously by observing if any corrupt practices are taking place in those areas.

Leadership and Management Capacity– Most FEACC managers, including the Commissioner, are professional lawyers who lack management and leadership knowledge and skills. Given that there is a lack of technical capacity among the staff, directors review the quality of the final outputs of units. A disadvantage of this type of arrangement is that the management team lacks management knowledge and expertise, which may affect the effectiveness of the Commission as an ACA.

7. Conclusion

The FEACC has made significant progress since its establishment in 2001. To date, it has carried out several initiatives in order to implement an effective organizational system and has undergone a major reengineering process that has led to the establishment of an independent anti-corruption agency, which is the first of its kind in the country’s history.

The Commission operates independently without government intervention in its investigation and prosecution work, and has received strong political support from the government, as evidenced by consistent budgetary support, open access to government information and data, the creation of seven regional anti-corruption commissions, and the posting of ethics and anti-corruption staff in government offices.

The Commission has a clearly defined approach to combating corruption nationwide, which is consistent with Ethiopia's national draft anti-corruption strategy. This approach includes prevention, ethics, anti-corruption education, and investigation and prosecution. Prevention and ethics education are currently the two major instruments used to combat corruption both at the commission and national level. The rationale behind this strategy has to do with cost-effectiveness and an immediate need to change the mindset of the general public towards fighting corruption.

Although the Commission has achieved some important results since its inception, it continues to be under-staffed and lacks resources. Human capacity and resource constraints are the most serious challenges facing the Commission. In this regard, it lacks skilled staff in all areas, including ethics educations, corruption prevention, and investigation and prosecution. There is also a need for a comprehensive and long-term hands-on training for Commission personnel. Another important factor in the fight against corruption is the fact that the judicial system in general is not effective in handling corruption-related cases, which often leads to inadequate punishment for those guilty of corrupt acts.

Furthermore, it is also important to take into account the fact that the current relationship between the Commission and civil society organizations is quite limited. In particular, the national anti-corruption coalition established in 2009 needs to be open to all civic organizations. The national anti-corruption coalition should be more dynamic and serve as an open forum where civil society organizations can act as watchdogs in challenging the FEACC's performance of its functions. However, at the same time, the value of the current coalition should be recognized given that it is the first attempt ever in a country with no precedent for the participation of civil society organizations in the governmental arena.

The effect of the "Proclamation for the Registration and Regulation of Charities and Societies" law that places restrictions on the funding of civil societies working in the areas of human and democratic rights, gender and ethnic equality, conflict resolution, the strengthening of judicial practices, and law enforcement should also be noted. Without a doubt, the provisions of this law have negative repercussions for civil society organizations, which will, in turn, limit the public's voice on corruption-related issues and impact the Commission's operations in the long term. Finally, the Commission needs to make increased efforts to garner greater public support and trust as currently, the general public's level of confidence in the FEACC is not very high. As mentioned earlier, a mere 0.06 % of the population reports suspected acts of corruption, which may be due to ineffective whistle blower and witness protection laws.

As detailed in this report, it is evident that the FEACC has gradually improved the effectiveness of its operations and that it has the potential to become a successful ACA given the solid foundation that has

been established for its anti-corruption activities. However, while it has a clear vision regarding how to address a range of anti-corruption issues, it still faces a critical challenge concerning the implementation of key activities as Commission employees lack the necessary knowledge and skills to carry out its main anti-corruption functions, consisting of prevention, investigation, prosecution, and ethics and anti-corruption education. At this stage, it is essential that the Commission improve its staff capabilities through long-term hands-on training. In this regard, international actors and practitioners who seek to assist the FEACC should focus on building the capacity of FEACC personnel through technical assistance aimed at boosting anti-corruption functions and measures related to the design and implementation of effective, sustainable anti-corruption strategies, and activities.

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