

Ethiopian Study Tour on Fiscal Federalism
Ottawa/Edmonton/Mexico City – May 28 to June 6, 2003

Final Summary Report

In partnership with the Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH, the Forum of Federations organized a study tour of senior Ethiopian officials to Ottawa, Edmonton and Mexico City. The delegation was comprised of officials from both the federal and regional level who work specifically on issues of revenue allocation. The objective of the study tour, then, was to present the Canadian and Mexican systems of fiscal federalism, in particular transfer and equalization programmes.

Study Tour Participants

| | Name | Title |
|---|-------------------------------|---|
| 1 | H.E. Dr. Mulatu Teshome | Speaker of the House of Federation |
| 2 | H.E. Ato Hailemariam Desalegn | President of the SNNP Regional State |
| 3 | Horst Matthaeus | GTZ Programme Manager |
| 4 | H.E. Ato Kassa T/Mariam | Chairman, Revenue Committee |
| 5 | Ato Samuil Alemayehu | Head of the Secretariat, House of Federation |
| 6 | Ato Berhanu Legesse | Department Head, Ministry of Finance & Economic Development |
| 7 | Tom Pätz | GTZ Programme Manager |

OTTAWA

Beginning in Ottawa, the delegation was introduced and briefed on the Forum's work by Karl Nerenberg. This first meeting was followed up with a lunch, at which the group had a further chance to discuss areas of cooperation with Forum staff. From the Forum, the group also met with Bob Rae over breakfast, at which point Dr. Mulatu noted Ethiopia's interest in becoming more involved with the Forum of Federations.

Further meetings in Ottawa included substantive technical discussions with Russ Mellett from the Privy Council Office, and James Greene from the Federal-Provincial Relations Division at Finance Canada. Both sessions went into significant detail both on Canada's system of transfers and equalization. Both of these sessions successfully combined a

degree of technicality with a broad historical perspective, making them as useful as possible to the group.

Also in Ottawa, the group met with the Executive Director and Africa Director at the Parliamentary Centre, Bob Miller and Steven Langdon. This discussion was less technical and focused more on the role of parliament in Canada, with particular reference to regional representation. The Parliamentary Centre is quite active in Ethiopia (in particular with the House of Federation), and so this was a welcome opportunity to see the Centre's headquarters.

With respect to protocol and diplomatic meetings, the group met with the Department of Foreign Affairs, Senate Speaker Hays, as well as recognition by both houses of Parliament. The Ethiopian Ambassador to Canada also hosted a dinner, attended by high-level officials from CIDA and DFAIT.

EDMONTON

In Edmonton, the meetings were set up to mirror those held in Ottawa, with the assistance of the Alberta government's International Governance Office. To provide an academic angle, the group was given a presentation by Prof. Paul Boothe of the Department of Economics at the University of Alberta. The first afternoon was taken up with a session at Alberta Finance with Tony Morehen (Group Leader, Economics and Public Finance), looking at broad issues of fiscal intergovernmental relations from a provincial perspective. The issue of tax sharing was discussed in a meeting with Alberta Ministry of Revenue Deputy Minister Robert Bhatia.

The role of the provincial legislature was examined at the legislature through an afternoon-long session with the Clerk of the Alberta Legislature, Dr. David McNeil.

In addition to these substantive meetings, the group was also hosted at a luncheon by the Honourable Greg Melchin, Minister of Revenue.

MEXICO CITY

Due to time constraints, there was only time for meetings in Mexico City. Through the assistance of INAFED, these meetings were held with representatives from the Ministry of Finance, the Senate, as well the Centro de Investigación y Docencia Económicas (CIDE).

Specifically, the delegation met with the following people:

- Carlos Gadsden, Director-General of INAFED; gave an historical overview of the development of Mexico's federal structure.
- Juan Marcos Gutiérrez, Director-General of INDETEC; gave a more detailed account of the fiscal structure in place in Mexico.

- Senator César Camacho Quiroz, Chair of the Senate committee on federalism and municipal development; as a politician, the senator gave a more passionate account of the process of reforming Mexico's federal structure
- David Colmenares Páramo, Chief of Federal-Provincial Coordination, Ministry of Finance; as one would imagine, this was a fairly technical discussion on the process of allocating resources in the federation, as well as on tax sharing structures.
- Fausto Hernández Trillo, Researcher, Centro de Investigación y Docencia Económicas; in contrast to the more 'delicate' presentations of those in government/political spheres, Dr. Hernandez gave a more critical analysis of the federal reform process in Mexico. This in particular was eye-opening for the group, as this sort of (questioning) research is not done in Ethiopia.