



Project Document

United Nations Development Programme Ethiopia



*Empowered lives.
Resilient nations.*

Project Title: Phase V –Development Partners’ Support to the implementation of 2nd Growth and Transformation Plan (GTP II)

UNDAF Pillar: Pillar 4: Governance, Participation, and Capacity Development

UNDAF Outcome:

13: By 2020, national and sub-national institutions apply evidence-based, result-oriented and equity-focused decision-making, policy formulation, programme design, monitoring, evaluation and reporting.

UNDAF Output(s):

13.2: Enhanced capacity of government institutions and national/regional actors to collect, analyse and utilize socio-economic, gender, environmental, governance and other disaggregated data to formulate equity and evidence-based development policies, strategies and programmes.

Expected Project Output(s):

Output 1: Effective support to the implementation of GTP II and the SDGs provided.

Output 2: Dialogue between DAG and Government of Ethiopia is Effective.

Output 3: Aid Effectiveness and Harmonization Targets Achieved.

Implementing Partner: Ministry of Finance and Economic Co-operation (MoFEC)

Responsible Parties: National Planning Commission (NPC), Ministry of Finance and Economic Cooperation (MoFEC) and UNDP (DAG Secretariat).

Brief Description of the Project

The purpose of this Project is to provide support to the Government in its effort to reduce poverty and improve the impact of development assistance through enhanced dialogue between the Government and development partners, represented in the Development Assistance Group (DAG). Originally designed in 2001 to support the Government’s implementation of the first Poverty Reduction Strategy Paper (PRSP), the Project is now in its fifth phase and partners have aligned their programming to support the realisation of the current development plan, the 2nd Growth and Transformation Plan (GTP II), which is also solidly constructed around the recent internationally-agreed sustainable development goals (SDGs). The DAG Pooled Fund is one mechanism to promote partnership dialogue and harmonise donor support. As well, the Project supports the Government and DAG to meet their aid effectiveness and harmonisation objectives.

UNDAF Programme Period: <u>July 2016 - June 2020</u>	EFY 2008/9 AWP budget: USD 943,042
Key Result Area (Strategic Plan): <u>National development planning and policy reforms to transform productive capacities.</u>	Total resources required USD 4,665,029
Atlas Award ID: <u>00094867</u>	Total allocated resources: USD 120,938
Start date: <u>January 2016</u>	Regular (TRAC) <u>N/A</u>
End Date: <u>June 2020</u>	Other: Italy USD 46,638
PAC Meeting Date _____	Spain USD 12,847
Management Arrangement: <u>NIM – National implementation</u>	Sweden USD 55,302
	Switzerland USD 6,151
	Government <u>N/A</u>
	Unfunded budget: USD 4,544,091
	In-kind contributions from UNDP: Office rent

Agreed by MoFEC:



Abdullahi Mubarek
Director, UN Agencies & Regional
Economic Cooperation Directorate

Date:



Agreed by UNDP:



Date:

28/03/2016



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I. List of Acronyms

AfDB	African Development Bank
AGP	Agricultural Growth Programme
AMP	Aid Management Platform
APR	Annual Progress Review (of GTP II)
AWP	Annual Work Plan
CDR	Combined Delivery Report
CSA	Central Statistical Agency
CSOs	Civil Society Organisations
DAC	Development Assistance Committee (OECD)
DAG	Development Assistance Group (in Ethiopia)
DFID	Department for International Development (UKAID)
DP	Development Partner
EDCTF	Effective Development Cooperation Task Force
EDRI	Ethiopian Development Research Institute
EFY	Ethiopian Fiscal Year
ETB	Ethiopian Birr
ExCom	Executive Committee (of the DAG)
FACE	Funding Authorization and Certificate of Expenditure
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEQuIP	General Education Quality Improvement Programme
GNI	Gross National Income
GoE	Government of Ethiopia
GPEDC	Global Partnership for Effective Development Cooperation
GTP	Growth and Transformation Plan
GTP II	2 nd Growth and Transformation Plan
HACT	Harmonised Approach to Cash Transfers
HICES	Household, Income, Consumption and Expenditure Survey
HoA	(DAG) Heads of Agency
HLF	High-Level Forum
IP	Implementing Partner
JICA	Japanese International Cooperation Agency
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MoFEC	Ministry of Finance and Economic Cooperation
NGO	Non-governmental Organisation
NIM	National Implementation Modality
NPC	National Planning Commission
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PBS	Promotion of Basic Services
PFM	Public Financial Management

PIM	Programme Implementation Manual
PSNP	Productive Safety Net Programme
RCO	Resident Coordinators' Office
RED&FS	Rural Economic Development and Food Security
SDGs	Sustainable Development Goals
SDPRP	Sustainable Development and Poverty Reduction Program
SWGs	Sector Working Groups
TA	Technical Assistance
ToR	Terms of Reference
TWGs	Technical Working Groups
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UN RC	United Nations Resident Coordinator
USAID	United States Agency for International Development
WaSH	Water, Sanitation and Hygiene
WMS	Welfare Monitoring Survey

II. Situation Analysis

During the past decade, Ethiopia has experienced broad-based, country-driven growth, which has averaged 10% annually. Being one of the fastest growing economies globally, the country aims to achieve low middle-income Country (MIC) status by 2025, and its current national development plan envisages significant expansion in the manufacturing and agricultural sectors as the bases for realizing this vision.

Despite its rapid rate of growth over the last ten years, Ethiopia still faces significant development challenges. For example, it is estimated that 23.4% of the country's population still lives below the national poverty line.¹ Moreover, although unemployment has decreased from 8.2% in 2005/2006 to 4.5% in 2012/2013², the rates of joblessness remain high in urban areas, particularly among women and youth³. Furthermore, government revenues are not yet adequate to provide all essential services, consequently the health and education sectors benefit to a large extent from donor funding under the Protection of Basic Services (PBS) aid mechanism⁴.

Ethiopia is still classified as a "low human development" category, with HDI value of 0.442 ranking 174th out of 188 countries according to the 2015 UNDP Human Development Report.⁵ A key challenge for the country to achieve MIC status will therefore be to ensure that the economic growth is sustainable and equitable across all income groups and all regions.

The Government of Ethiopia (GOE) has over the last decade implemented robust development strategies aimed at accelerating economic growth and reducing poverty. These strategies were initially implemented in 2002 with the Sustainable Development and Poverty Reduction Programme (SDPRP) – one of the first Poverty Reduction Strategy Papers to incorporate the MDGs – and later the Programme for Accelerated and Sustainable Development to End Poverty (PASDEP) that spanned the period between 2005/6 and 2009/10. This was followed by the Growth and Transformation Plan (2010/11-2014/15), which was marked by large investments in mega infrastructure projects (dams, roads, railroads), agricultural growth, and expanded access to education and health services.

The 2nd Growth and Transformation Plan

The Second Growth and Transformation Plan (GTP II – 2015/16 to 2019/2020) aims to transform the economy from one based on subsistence agriculture to one, where Ethiopia will become a leader in light manufacturing, while maintaining macroeconomic stability, and achieving carbon neutral, lower middle-income status by 2025.

¹ National Planning Commission and United Nations (2015), *MDG Report 2014 Ethiopia*. Addis Ababa. <http://www.et.undp.org/content/dam/ethiopia/docs/EthiopiaMDG%202014%20Final%20final.pdf>

² United Nations Development Programme, *Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience - Human Development Report 2014*, p. 63, citing the 2012/2013 National Labour Survey.

³ Ibid.

⁴ For example, under the Protection of Basic Services aid mechanism, which is a \$20.4 million grant from a multi-donor trust fund administered by the World Bank (<http://www.worldbank.org/projects/P129534/ethiopia-protection-basic-services-social-accountability-program?lang=en>), some 90% of the funds are used to cover civil servants' salaries: A. Prizzon and A. Rogerson, *The Age of Choice: Ethiopia in the New Aid Landscape*, Overseas Development Institute Research Report, January 2013, p. 17.

⁵ United Nations Development Programme, *Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience - Human Development Report 2014*, Table 1: <http://hdr.undp.org/en/content/table-1-human-development-index-and-its-components>

GTP II includes the following nine pillars, which are aligned to the globally-agreed sustainable development goals (SDGs):

1. Sustain the rapid, broad based and equitable economic growth and development witnessed during the last decade;
2. Increase productive capacity and efficiency to reach the economy's productive possibility frontier through rapidly improving quality, productivity and competitiveness of productive sectors (agriculture and manufacturing industries);
3. Enhance the transformation of the domestic private sector to enable them to become capable development force;
4. Build the capacity of the domestic construction industry and bridge critical infrastructure gaps, with a particular focus on ensuring quality provision of infrastructure services;
5. Proactively manage the on-going rapid urbanization to unlock its potential for sustained rapid growth and structural transformation of the economy;
6. Accelerate human development and technological capacity building and ensure its sustainability;
7. Continue to build democratic and developmental good governance by enhancing implementation capacity of public institution and actively engaging the citizens;
8. Promote women and youth empowerment, ensure their effective participation in the development and democratization process and enable them to equitably benefit from the outcomes of development; and
9. Build a climate resilient green economy.

In October 2015, development partners and the Government held consultations on GTP II, chaired by the Prime Minister. The consultations looked at areas of convergence, where they could work together in the next five years. Development partners also identified challenges in development financing and vulnerability to both domestic and external shocks. During the first GTP period the gap between domestic savings and investment need has widened significantly. Partners hope GTP II would ensure that drivers of sustainable growth take into account external shocks such as the global economic, environment and climate change effects.

Development Finance in Ethiopia

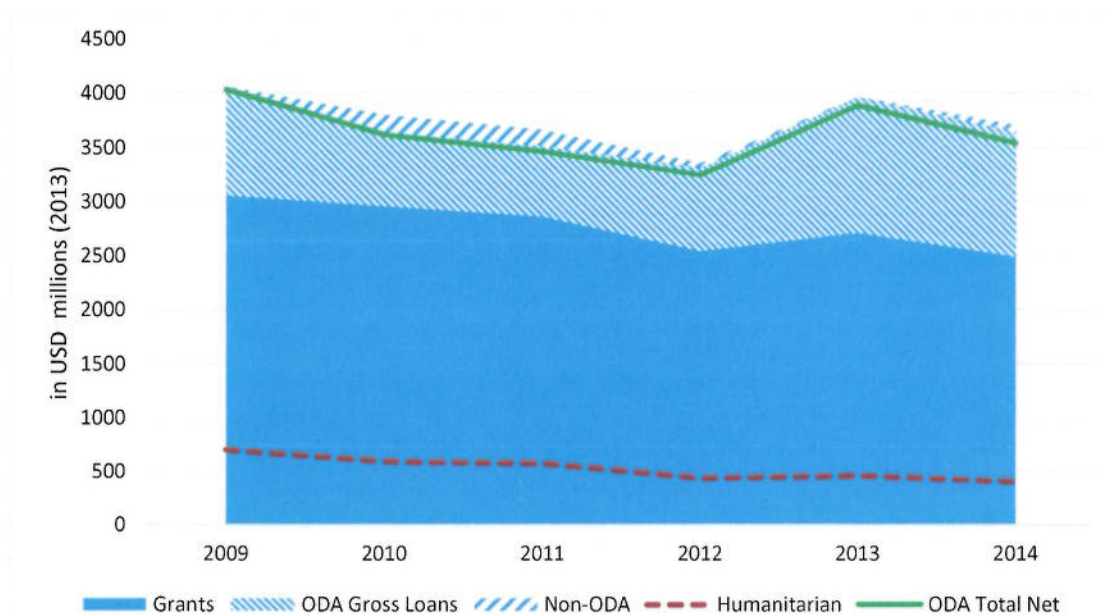
Ethiopia received a total of USD 3.6 billion in official development assistance (ODA) in 2014 (the latest year for which OECD/DAC data is available). Since 2005, ODA to Ethiopia has increased by 76.4% in real terms. Although Ethiopia receives a considerable volume of ODA, this translates into USD 37 per capita, which is below the Sub-Saharan Africa average of USD 50. In 2012-13, the five largest providers of development assistance to Ethiopia are IDA (the World Bank's concessional lending arm), the United States, the United Kingdom, the African Development Fund (The African Development Bank's concessional window), and the Global Fund.

In the past decade, two main trends in development co-operation to Ethiopia can be observed. The first is the marked decrease in the share of humanitarian aid. Although humanitarian aid accounted for 20% of gross ODA in 2005 and 17% in 2009, it represented only 11% in 2014. This corresponds to a decline in the absolute volume of humanitarian assistance from around USD 700 million in 2009 to USD 415 million in 2014. The decreased ratio of humanitarian to development assistance reflects the resilience built largely due to its safety net programmes, which have assisted the most vulnerable segment of the population. Nonetheless, the humanitarian caseload is still significant, and often recurs in the same regional hotspots from year to year, as the 2015-16 drought emergency makes clear.

The second trend observed is the increased share of ODA provided in the form of concessional loans compared to grants. In 2004, loans made up only 14% of total ODA, in 2009 it constituted 25%, and in 2014 the share of loans reached 31%. According to the World Bank/IMF debt

sustainability exercise conducted in 2015, Ethiopia is able to assume external public debt at moderate risk of external debt distress. Concessional loans from multilateral partners – and increasingly from bilateral partners – offer a way for partners to increase development assistance to Ethiopia (in the short-run) at a relatively low cost for providers of development assistance. As the country moves towards lower-middle income country status and accesses international financial markets (as demonstrated by Ethiopia’s sale of Eurobonds in 2014 and its plans to start an equities and secondary debt market), one would expect the ratio of ODA loans to grants to continue to increase.

Figure 1 Development Assistance Trends 2009-2014 (constant 2014 prices)



Source: OECD DAC Aggregates and Creditor Reporting System.

Although Government is increasingly looking to increase domestic resource mobilization, ODA will continue to play an important role in the coming years in the realization of the GTP II targets.

Restructuring the DAG - 2011

In 2011, the DAG went through a series of reforms in order to enhance its engagement with the GoE and ensure that the structure was responsive to the country’s emerging development imperatives and strategies outlined in the GTP. Some of the key changes to the structures of the DAG included the expansion of the Executive Committee, opening the DAG to emerging partners⁶, including two additional members of the UNCT to the Heads of Agency meeting and the streamlining of the technical working groups of the DAG. During this process, the Education, Gender, and M&E Pooled Funds were done away with and one single DAG Pooled Fund supported the work of a smaller Secretariat. The rationale behind this was that working groups centred on specific multi-donor programmes (PBS, PSNP, GeQUIP, and AGP) achieved good results and important policy progress (critically, these were areas of mutual interest to Government and development partners), although they operate independently of the DAG structure. It was believed that the existence of an increasing

⁶ Membership in Phase IV was extended to Israel and Switzerland and there was an important effort made to share experiences with the Ambassador for China. Outreach efforts to the Republic of Korea and the Czech Republic were noteworthy, but have so far not yielded results.

number of effective, spontaneous, and program-based coordination structures served to reinforce the importance of the DAG as a network and forum where lessons learned from the various programmes could be shared.

On the other hand, there were some areas less likely to be discussed by Government and where policy progress was more uneven. These included governance, macroeconomic issues, gender and private sector development. It was determined that these could form the core technical working groups to which the DAG could lend more direct support. In Phase IV, these technical working groups were thus officially under the remit of the DAG.

DAG Review - 2015

In September 2015, a review of Phase IV of the DAG Project was conducted to draw lessons and inform Phase V of the DAG Project. The review also coincided with the launch of GTP II. The following are selected recommendations from the Review:

Relevance: To strengthen the relevance of the new Project to the current context:

- Reference and integrate the issues arising from the Post-2015 Development Agenda discussions, as well as the SDGs and important emerging cross-portfolio themes such as social accountability in its outcome levels;
- Review the working group themes, and reconsider their relevance and alignment to the national priorities articulated in the GTP II; it may be necessary to add extra themes, and to consolidate others;
- Conduct a study on current development-related activities by non-DAC donors and other non-traditional funders for more inclusive information on aid flows, and to inform DAG decisions on how to engage with these actors.

Aid Effectiveness and Harmonization

- To further institutionalize the use of the AMP, encourage DPs to include AMP data related tasks in the TORs of relevant staff, and encourage the Ministry of Finance and Economic Cooperation (MoFEC) to offer trainings in the use of the AMP to DPs on a semi-annual basis;
- Re-engage with the MoFEC on the EDCTF and the Action Plan. This will also complement the High-Level Forum (HLF) dialogue;
- Initiate semi-annual information sharing workshops with grassroots partners with the aim of developing more effective and inclusive partnerships with CSOs, the private sector and other non-state actors; this will also help to ensure that high level policy dialogue is informed by realities at the micro level;
- Continue to advocate with MoFEC for the harmonization of per diems as per the policy submitted in July 2014.

DAG-GoE Dialogue Structure

- To provide a more structured way for working groups to send their messages, beyond the annual HLF presentation, the working group co-Chairs should meet regularly with the DAG Ex-Com;
- Initiate semi-annual half-day information sharing workshops for the WGs to share lessons learned and best practices from those WGs that have productive relations with Government.

Resource Mobilization

- For the DAG Pooled Fund, lower transaction costs by accepting only multi-year pledges; and explore other funding modalities, such as the One UN Fund which is administered through the Resident Coordinators Office (RCO);
- Consider the introduction of an annual membership fee, noting that a minimum of \$40,000 per annum would be the “break even” charge required to reduce UNDP transaction costs.

Sustainability

- In the next Project, articulate a sustainability strategy with details on sustainability, risks and assumptions to further ensure that outcomes are maintained after project completion.

Capacity Assessment of National Planning Commission - 2015

In late 2015, UNDP commissioned an assessment of the National Planning Commission's capacity needs and gaps in order to best design a UNDP programme to strengthen and develop the capacity of NPC to deliver on its mandates. The following recommendations were made and are taken into consideration when looking at Outputs 1 and 4 of Phase V of the DAG Project.

- **Additional qualified and experienced experts** are required for policy analysis, monitoring and evaluation (M & E), planning, modeling, project management, database development and management, and information technology experts.
- **Enhance analytical capacity** with a focus on the use and application of policy analysis/planning tools and software for data analysis through on-job and short-term training as well as tailored-made advanced training on policy analysis, planning tools, result-based M&E, rigorous research, data management, application of statistical and management information system (MIS) software, project management, etc.
- **Robust M&E system** should be established. This involves developing M&E policy, a monitoring plan, process monitoring, stakeholder analysis, outcome mapping, and developing impact assessment methodologies including qualitative tools and quantitative methods (experimental, quasi-experimental design, etc.). There is also a need for a structured and systematic M&E and knowledge management system in sector ministries for periodic assessment of implementation of plans and programmes.
- **Physical resources and infrastructure:** There is a need for a complementary investment in infrastructure to equip NPC to assume its responsibilities (e.g. computers, printers, information technology, vehicles, and statistical and MIS software.)
- **Investments in networking and information sharing need to be part NPC's core work** to interface the various institutions and stakeholders such as AAU, EEA, and EDRI. This could also require online accessibility of information in sector ministries including at the regional level.
- There is a need for **incentive schemes and further career opportunities** in order to motivate staff. It is also important to allocate budget for professional development to motivate and retain competent workers. This needs to be accompanied by a well-designed and transparent staff evaluation and monitoring system.

Lessons Learned from Phase IV (2012-2015)

In Phase IV, the best results were achieved when both the DAG Secretariat and Government interlocutors were fully-staffed and meeting regularly. Dedicated finance and aid management platform (AMP) focal points in NPC and MoFEC, respectively, helped accelerate the liquidation of advances and invest in the better functioning of the AMP. At least monthly regular face-to-face meetings with the IP and responsible parties were key to moving activities forward.

The establishment of the DAG Pooled Fund Steering Committee composed of Government, DAG and UNDP was instrumental in guiding the Project along, rationalizing interventions and lending legitimacy to the Project. Setting up regular meetings on a monthly basis between the Secretariat and the IP or responsible party also facilitated knowledge sharing and analysis, including on the 1st round of monitoring post-Busan.

In the final year of the Project (2015), a number of events unfolded, including federal and regional elections, the drafting and launch of GTP II, and the hosting and preparations for the Third International Conference on Financing for Development. This meant that limited human resources were diverted towards those activities and the activities that the DAG and Government anticipated would take place were either delayed (e.g. the GTP II consultations and integration of work on GTP II indicators commissioned by the DAG at the end of 2014), or never took place (High-Level Forum). The DAG Pooled Fund Steering Committee was able to make adjustments and re-programme some activities to maintain expenditure close to expected levels. The change in some high-level officials also delayed a decision on the harmonized per diem policy submitted by the DAG to MoFEC in 2014. Maintaining flexibility and devising creative ways to move the project forward were critical.

III. Strategy

The project for 'Development partners support to the PRSP' was established in 2001 to support the formulation and implementation of national development strategies, MDGs processes and the partnership structure of government and the Development Assistance Group (DAG) in the areas of aid effectiveness, coordination and harmonization of development results.

During the previous four phases, the project has demonstrated results in coordinating support to the preparation, monitoring and evaluation of the national development plans, and mainstreaming the MDGs within national development policy and planning frameworks, including in the GTP. Major initiatives undertaken since the establishment of the Pooled Fund in 2001 include the strengthening of the M&E system; initiation of work on the MDGs Needs Assessment and alignment with the national development plans, as well as the formulation of new development plans. It has supported regional PRSP/MDGs sensitization and planning workshops to promote broad consultation and consensus on the country's development agenda.

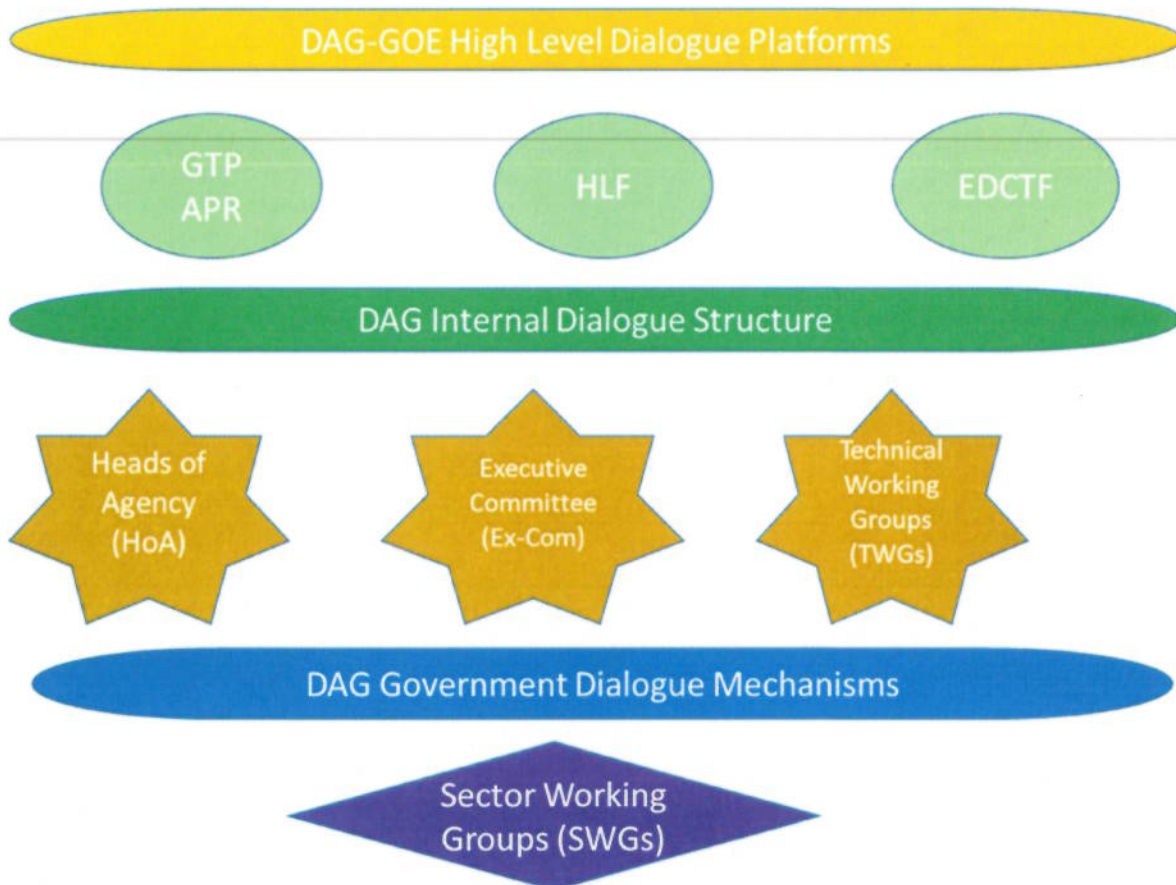
This project document constitutes Phase V of the project and aims to build on successes and lessons learned in the previous phases of the project and to develop a framework of support to the country's development agenda within the DAG framework, and provide additional resources for capacity development in aid management and coordination for MoFEC and the National Planning Commission (NPC).

Aid Architecture

The aid architecture in Ethiopia has overarching implications on the quality and development impact of development aid resources provided, and in this context how these resources complement public domestic resources to support the implementation of the country's development agenda. The aid infrastructure in Ethiopia has evolved through processes and stages. Today, the DAG structure comprises 29 multilateral and bilateral partners that provide development assistance to Ethiopia.⁷ The DAG dialogues with the Government of Ethiopia on development programming, policies and processes using formal government-donor dialogue structures, illustrated in Figure 2 below.

⁷ African Development Bank, Austrian Development Agency, Australia, Belgium, Canada, Denmark, DFID, European Union Delegation, Finland, France, Germany, IMF, India, Ireland, Israel, Italy, Japan (and JICA), the Netherlands, Norway, Spanish Agency for International Development Cooperation (AECID), Sweden, Switzerland, Turkish International Cooperation Agency (TIKA), UN Women (2015), WHO (2015), UNRC, USAID, and the World Bank.

Figure 2: DAG Dialogue Structure.



Source: DAG Secretariat.

The **Annual Progress Reviews** of the Growth and Transformation Plan take place annually for one full day and consist of a plenary co-chaired by the Minister of Finance and Economic Development Cooperation (MoFEC) and Commissioner of National Planning Commission (NPC). Here, progress is presented and the DAG has an opportunity to react and issue a statement on behalf of all partners. More detailed and specific discussions then take place in the break-out groups organized by GTP pillar.

High-Level Forums are chaired by the Minister of Finance and Economic Cooperation (and may involve ministers from relevant sectoral ministries) and convene all DAG members. These Forums usually focus on 1-2 topics linked to the implementation of the GTP, SDGs, and aid effectiveness. The last HLF took place in 2014 and focused on trade logistics and Ethiopia's export competitiveness.

The **Effective Development Cooperation Taskforce** is chaired by a senior representative of MoFEC and comprised of five representatives from the DAG and representatives from the various MoFEC directorates. The Taskforce has oversight over the sector working groups, the implementation of the post-Busan action plan, and the aid effectiveness monitoring rounds.

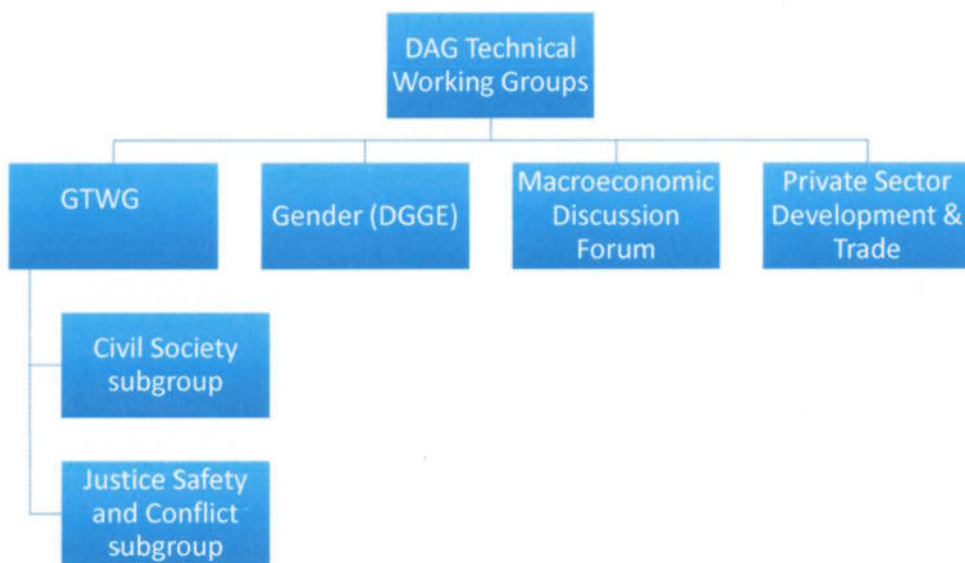
The **DAG Executive Committee (ExCom)** is composed of nine DAG Heads of Agency. These include multilateral partners (UN RC, African Development Bank, World Bank); the largest providers of development finance in terms of volume (aside from the World Bank, currently USAID, DFID, and

the EU); and three bilateral members that rotate on a bi-annual basis (currently Ireland, the Netherlands, and Sweden). The ExCom meets nine days ahead of the Heads of Agency meeting to make any decisions on pressing matters and to set the agenda for the Heads of Agency meetings.

Heads of Agency meetings typically have one core topic of discussion, either focused on the results and challenges in various sectors; research relevant to the development community; or updates on the current political/humanitarian situation.

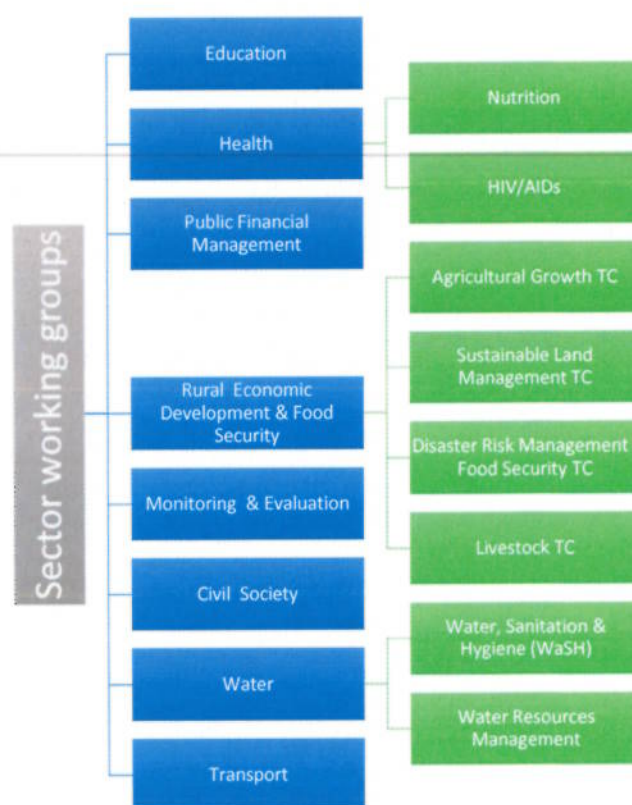
Sector working groups are where technical discussions take place. Active sector working groups in Ethiopia are represented in the two diagrams below. Figure 3 illustrates the technical working groups that fall under the remit of the DAG, while Figure 4 shows all the other working groups. With the exception of the Governance and the Gender working groups, membership is open to both Government and DAG members.

Figure 3: DAG Technical Working Groups



Source: DAG Secretariat.

Figure 4: Sector Working Groups



Source: DAG Secretariat. TC = Technical Committee

Aid Effectiveness

Ethiopia is well known for its strong country ownership and the Government plays a leading role in promoting the alignment of partners' development assistance to the country's priorities. Compared to 2010, the 2013 monitoring round found that annual predictability of official development assistance was more or less the same in Ethiopia, while the percentage of aid on budget and untied aid increased (see Figure 5). Ethiopia has also been recognized for its strong guidelines on gender-responsive budgeting guidelines, which were finalized in November 2012. These are not yet fully implemented, although important progress has recently been made. While the quality of the country's PFM and procurement system stayed the same according to the CPIA score⁸, the use of those systems decreased quite significantly.

It is not surprising, therefore, that aid predictability and the use of the country's PFM (national budget execution; financial reporting; national auditing) and procurement systems are the two areas, where Government would like to see partners' make progress in the 2nd round of monitoring scheduled for early 2016, as also reflected in the Aid Effectiveness Action Plan developed by the Effective Development Cooperation Taskforce

⁸ CPIA Africa: Assessing Africa's Policies and Institutions. June 2015.

Figure 5. Comparing aid effectiveness indicators measured at the country level, 2010-2013

Indicator	2010	2013	Status
5a. Annual predictability	88%	89%	↑
5b. Medium-term predictability		85%	(new in 2013)
6. Aid on budget	49%	66%	↑
7. Mutual accountability	Yes	Yes	→
9a. Quality of PFM and procurement systems	3.5	3.5	→
9b. Use of country PFM and procurement systems	66%	51%	↓
10. Aid untied	70%	87%	↑

Source: Post-Busan monitoring results for Ethiopia (2014). Available online at http://dagethiopia.org/new/images/DAG_DOCS/Ethiopia_Monitoring_Brief_4JUN.pdf

Project Components

The DAG Pooled Fund Steering Committee met in early November 2015 to discuss the 2016 annual work plan and determine the outputs for Phase V of the Project. It has been agreed that Phase V of the Project will continue to focus on issues related to harmonised support to GTP II and Sustainable Development Goals (SDGs) with the aim of reducing transaction costs for both Government and development partners. It is a five-year project, which aims to provide support to the government in its effort to reduce poverty through enhanced dialogue between the government and development partners and the provision of institutional capacity development support, policy research and strategic studies which will contribute to the achievement of the development goals of GTP II. Specifically, the project will employ the following core strategies:

- **DAG-Government Dialogue and Coordination System:** the dialogue forum is an instrument that brings DAG members and Government together to discuss the implementation and monitoring of GTP and SDGs, monitor progress in the Harmonization Agenda and high-level policy issues;
- **Institutional Capacity Development support:** Provision of short-term technical assistance, training on aid coordination, resources allocation, and technical facilities envisaged under institutional capacity development.

Building on the successes and lessons learned from previous phases (I, II, III, and IV) of the project, as well as the various reviews and assessments conducted recently as described previously, Phase

V will focus on three broad project components. These are aligned with the GTP II priorities, which are in turn aligned to the 17 SDGs.⁹

The implementation of the project will be guided by the principles of the 2030 Agenda for Sustainable Development, which includes the principles of national ownership, inclusive and participatory approaches, universality, leaving no one behind, integration of the principles of sustainable development and human rights based approach. Implementation of SDGs is being driven by new global partnership characterized by shared responsibility, mutual accountability and engagement of non-State actors, including CSOs and private sector.

Output 1: Effective Support to the Implementation of GTP II and the SDGs Provided.

The pursuit of dialogue and engagement on the design, implementation and monitoring of national development strategies is essential to effective development cooperation. The government and development partners want to ensure that there is continuous interaction between the stakeholders to discuss issues of mutual concern and to make certain that development objectives outlined in the GTP II are realised. In this regard, the project will support the implementation of GTP II and SDGs, including the Annual Progress Reviews (APRs), as follows:

- Support to consultative processes (Federal Government, Regions, Civil Society, private sector and other stakeholders);
- Technical assistance for strategic studies, planning, monitoring and evaluation as well as progress reporting on the GTP II and SDGs;
- Support the preparation of APRs and respective consultative meetings.
- Strengthen the capacity of NPC on data compilation and usage for policy analysis and monitoring of GTP II and SDGs, through trainings (e.g. on poverty analysis) and commissioning of various studies.

The support to the implementation of the GTP II and SDGs, anchored in the National Planning Commission involve investing in technical support staff (one Finance technical assistant; personal assistant to the Director-General for Monitoring and Evaluation; and a driver); and other logistical costs for regular monitoring of projects in the field.

The relatively recent creation of the NPC and the fact that it has a number of newly-recruited experts coupled with the fact that GTP II requires more “on-the-ground” monitoring of mega projects requires building skills of planning officials both at the NPC and in sector ministries. This output would also focus on building the capacity of NPC officials on project management and results-based management, Household Income and Consumption Economic Survey (HICES) data, as well as the Welfare Monitoring Survey (WMS) to produce analytical pieces, through trainings (e.g. on poverty analysis) and the commissioning of various studies.

Output 2: Dialogue between DAG and Government of Ethiopia is Effective.

Facilitating dialogue: This project component is required to facilitate and maintain the DAG dialogue structure, which includes the Heads of Agency, Executive Committee and Technical Working Groups.

High Level Forum (HLF): The High Level Forum (HLF) is the primary dialogue structure that brings DAG members and Government at policy level. It is designed to be a semi-annual forum chaired by

⁹ No poverty; Zero hunger; Good health and well-being; Quality education; Gender equality; Clean water and sanitation; Affordable and clean energy; Decent work and economic growth; Industry, innovation and infrastructure; Reduced inequalities; Sustainable cities and communities; Responsible consumption and production; Climate action; Life below water; Life on land; Peace, justice and strong institutions; Partnerships for the goals.

the Minister of Finance and Economic Cooperation and co-chaired by DAG. The UN Agencies and Regional Economic Cooperation Directorate of MoFEC is the Secretariat of the HLF and the Head of Department serves as the Head of the Secretariat. The HLF has three main aims:

- a. Facilitating government-donor dialogue on the implementation and monitoring of the national development plan;
- b. Facilitate dialogue on overall government-donor relations and monitor progress in the Harmonization Agenda;
- c. Provide a forum for regular discussion of high-level policy issues.

As the HLF is the key structure for enabling mutual accountability and policy dialogue, the DAG is committed to providing the resources to enhance capacity support as required. This role is supported by a functional DAG Secretariat and the set up comprises of a Policy Specialist on Aid Effectiveness/Head of the Secretariat, Governance Technical Adviser, Aid Effectiveness Policy Analyst, Administrative and Finance Associate, and a project driver. Other parts of the dialogue structure, including the GTP APR and Effective Development Cooperation Taskforce are supported in the other outputs, but involve the DAG Secretariat.

Financial management and administrative support: The DAG secretariat together with UNDP provides partners with quarterly progress reports on the activities of the DAG Pooled Fund based on progress reports submitted by MoFEC and NPC.

Retreat and communications: Output 2 covers the costs of the annual DAG Heads of Agency retreat, miscellaneous communications expenses, and maintenance of the DAG Ethiopia website.

Output 3: Aid Effectiveness and Harmonization Targets Achieved.

Aid management platform. Regular maintenance and upgrades of the aid management platform (AMP) are covered under this output, as well as the salary of a MoFEC AMP focal point. The aid management platform has operated in Ethiopia, since 2007 and was recently upgraded to version 2.11. Development partners enter disbursement and commitment information in the platform, which allow users to generate reports on aid by sector, region, and implementing partner. Partners also have the possibility of entering information on medium-term expenditure, pledges, and aid effectiveness indicators. MoFEC has agreed to provide semi-annual and *ad hoc* trainings to partners and government officials to improve the timeliness and quality of data.

Capacity development for aid management. Further strengthening the capacity of the External Resources Mobilization Department of MOFEC; its various specific directorates are required to enable MoFEC to assume and assert its leadership and ownership and to function effectively in all matters related to aid management and coordination. This includes leading policy discussions with bilateral and multilateral development partners on their country strategies and program priorities; directing and aligning external assistance to established or emerging priorities that are consistent with national development goals; providing leadership and taking ownership of the various working groups; maintaining regular contact with development partner representatives, as well as with members of the SWG from other line ministries and agencies. The Project also supports the training of government officials in aid management and coordination, as well as their participation at meetings and conferences on aid effectiveness and harmonization.

Aid Effectiveness Action Plan. Recognizing the importance of the aid effectiveness agenda, the GoE-DAG High Level Forum (HLF) at its meeting of November 18, 2009 decided to revitalize the Aid Effectiveness Taskforce, now referred to as the Effective Development Cooperation Taskforce. After the First post-Busan country-level monitoring round (2013-14), the taskforce developed a

country-level action plan, which is in effect for EFY 2008. The action plan prioritises areas such as improving aid predictability; aid on budget; mutual accountability; gender responsive budgeting; the use of the country's systems; public-private dialogue; and the use of a common results framework. Implementation of this plan including revamping of SWGs requires cross-Government, and cross-DAG cooperation and coordination – overseen by the Effective Development Cooperation Taskforce (EDCTF). Building the capacity of the taskforce to support and monitor closer cooperation and to enhance the efficiency and effectiveness of DAG Sector working groups that are not functional is part of this output.

IV. Results and Resources Framework

<p>Intended Outcome as stated in the Country Programme/UNDAF Results and Resource Framework:</p> <p>13: By 2020, national and sub-national institutions capacity is strengthened for participatory evidence-based, result-oriented and equity-focused decision-making, policy formulation, programme design, monitoring, evaluation and reporting.</p> <p>National leadership and institutional capacities strengthened including capacity for planning, implementation, monitoring, evaluation and coordination of national development plans.</p> <p>Outcome indicators as stated in the UNDAF Results and Resources Framework,</p> <p>13.2.3. Enhanced capacity of government institutions and national/regional actors to collect, analyse and utilize socio-economic, gender, environmental, governance and other disaggregated data to formulate equity and evidence-based development policies, strategies and programmes.</p>			
<p>Applicable Key Result Area (from 2014-2017 Strategic Plan):</p> <p>Output 1.1: National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment and livelihoods intensive.</p> <p>Partnership Strategy: UNDP will continue in its capacity as manager of the DAG Pooled Fund to facilitate support to GTP II implementation process towards achieving the SDGs.</p> <p>Project title and ID (ATLAS Award ID): Phase V: Development Partners' Support to GTP II and SDG Process in Ethiopia</p>			
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES
<p>Specify each output that is planned to help achieve the outcome.</p> <p>For each output, include a baseline with associated indicators and targets to facilitate monitoring of change over time.</p> <p>Each output shall ultimately become a Project ID in Atlas.</p>	<p>Use this column for more complex projects where an output takes more than one year to produce.</p>	<p>List activity results and associated actions needed to produce each output or annual output targets.</p> <p>Each activity result shall ultimately become an Activity ID in Atlas.</p>	<p>Specify the nature and total costs of the UNDP inputs needed to produce each output.</p>

<p>Output 1: Effective Support to the Implementation of GTP II and the SDGs provided.</p> <p>Baseline: NPC is newly established institution with a limited capacity to monitor GTP II.</p> <p>Indicators:</p> <ul style="list-style-type: none"> -Number of IP progress reports; -Annual GTP Progress Review report and annual consultations; -Monitoring of GTP II indicators, including SDGs, -Number of disseminated GTP II main documents and policy matrix documents; -Availability of study reports on selected strategic themes. 	<p>Targets (year 1)</p> <ul style="list-style-type: none"> - Four (4) quarterly IP progress reports; - One (1) annual GTP II consultation and progress review report that includes disaggregated data; - GTP II policy matrix includes more disaggregated data and is monitored annually; -Dissemination of 15,000 copies of GTP II main document (Amharic 10,000 and English 5,000); 5,000 copies of the GTP II policy matrix documents (Amharic 3,000 and English 2,000); -Summary of one (1) study report on selected theme available. <p>Targets (year 2)</p> <ul style="list-style-type: none"> -Four (4) quarterly IP progress reports; -One (1) annual GTP II consultation and progress review report that includes disaggregated data; -GTP II policy matrix includes more disaggregated data and is monitored annually; -Summary of one (1) study report on selected theme available. -At least one (1) analytical work produced by NPC using HICES or WMS data. <p>Targets (year 3)</p> <ul style="list-style-type: none"> -Four (4) quarterly IP progress reports; 	<ol style="list-style-type: none"> 1 Annual review of GTP II is consultative and participatory. <ul style="list-style-type: none"> ▪ 9 regional + 2 city administration consultations take place. ▪ Annual review with development partner's takes place; assistance with administrative and logistical support. 2 Effective monitoring and evaluation of GTP II and SDGs <ul style="list-style-type: none"> ▪ Provide technical assistance to support monitoring and evaluation of GTP II and SDGs. 3 Analytical capacity of NPC is enhanced so as to be able to use evidence-based policy analysis tools such as HICES/WMS for monitoring of GTP II and SDGs and report regularly. 4 Support logistics for Bureau of M&E. <ul style="list-style-type: none"> ▪ TA and capacity development in coordination with other government agencies to build analytical skills of experts (RBM training). 	<p>National Planning Commission (NPC) & UNDP/DAG secretariat</p> <p>NPC</p>	<ul style="list-style-type: none"> - Facilitating annual progress reviews - Procurement of equipment. - Quarterly logistics advances. - Procurement of conference room. - NPC Finance Technical Assistant. <p>Total financial resources January 2016</p> <ul style="list-style-type: none"> - June 2020 (<i>estimated</i>): USD1,900,000
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	<p>-One (1) annual GTP II consultation and progress review report that includes disaggregated data; -GTP II policy matrix includes more disaggregated data and is monitored annually; -Summary of one (1) study report on selected theme available. -At least one (1) analytical work produced by NPC using HICES or WMS data.</p> <p>Targets (year 4)</p> <p>-Four (4) quarterly IP progress reports; -One (1) annual GTP II consultation and progress review report that includes disaggregated data; -GTP II policy matrix includes more disaggregated data and is monitored annually; -Summary of one (1) report on selected theme available. -At least one (1) analytical work produced by NPC using HICES or WMS data.</p> <p>Targets (Year 5)</p> <p>Four (4) quarterly IP progress reports; -One (1) annual GTP II consultation and progress review report that includes disaggregated data; -GTP II policy matrix includes more disaggregated data and is monitored annually.</p>			
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	<p>-Summary of one (1) report on selected theme available.</p> <p>-At least one (1) analytical work produced by NPC using HICES or WMS data.</p>			
<p>Output 2: Dialogue between DAG and Government of Ethiopia is Effective.</p> <p>Baseline:</p> <ul style="list-style-type: none"> - Annual (one) High Level Forum (HLF) - Monthly DAG ExCom and HoA meetings held; - Regular policy advice provided to Government and DPs. - DAG secretariat follow-up implementation of approved AWP and track resources. <p>Indicators:</p> <ul style="list-style-type: none"> - High-level forums organised twice a year. - Follow-up to DAG ExCom, HoA, and Retreat action points. - Level of DAG Pooled Fund resource utilization; - DAG secretariat team meets own performance plan targets. 	<p>Targets (year 1)</p> <ul style="list-style-type: none"> - Two DAG-GoE High Level Forums (HLF) held. - Eleven (11) DAG HoA and ExCom meetings facilitated and action points implemented; -DAG budget utilized for intended project objectives and at least 80% delivery is attained (note that delivery depends equally on Outputs 1 and 3); -Quarterly and annual progress reports provided to partners; - DAG pooled funds managed in accordance with official financial management guidelines; -One (1) DAG HoA retreat organised. -DAG members are satisfied with the overall response and performance of the Secretariat and GTWG TA as reflected in performance reviews; -Aid effectiveness policy issues are elevated at country-level and brought to global attention. <p>Targets (year 2)</p> <ul style="list-style-type: none"> -Two DAG-GoE high level forums held Eleven (11) DAG HoA and ExCom meetings facilitated and action points implemented; -DAG budget utilized for intended project objectives and at least 80% 	<ol style="list-style-type: none"> 1. High-level Government-Development Partner Policy discussions. <ul style="list-style-type: none"> ▪ Two (2) HLFs organized per year on selected themes. 2 Effective technical, operational, institutional and administrative support to the DAG is provided with regards to its core functions. <ul style="list-style-type: none"> ▪ Provision of Policy / aid effectiveness technical support; ▪ Provision of Governance technical support; ▪ Provision of project management support; ▪ Provision of coordination and administrative support. 3 Technical and analytical support provided to the DAG for policy engagement with Government. <ul style="list-style-type: none"> ▪ One (1) annual DAG HoA retreat organized per year. 	<p>UNDP/DAG Secretariat</p> <p>UNDP/DAG Secretariat</p> <p>UNDP/DAG Secretariat</p>	<ul style="list-style-type: none"> - DAG staff salaries. - Technical advisers. - Short-term experts/consultants. - Procurement of conference rooms <p>Total financial resources January 2016 – June 2020 (estimated): USD2,358,140</p>

	<p>delivery is attained (note that delivery depends equally on Outputs 1 and 3);</p> <ul style="list-style-type: none"> - Quarterly/annual progress reports provided to partners; DAG pooled funds managed in accordance with official financial management guidelines; -One (1) DAG HoA retreat organised. -DAG members are satisfied with the overall response and performance of the Secretariat and GTWG TA as reflected in performance reviews; -Aid effectiveness policy issues are elevated at country-level and brought to global attention. <p>Targets (year 3)</p> <ul style="list-style-type: none"> -Two DAG-GoE high level forums held Eleven (11) DAG HoA and ExCom meetings facilitated and action points implemented; -DAG budget utilized for intended project objectives and at least 80% delivery is attained (note that delivery depends equally on Outputs 1 and 3); - Quarterly/annual progress reports provided to partners; DAG pooled funds managed in accordance with official financial management guidelines; -One (1) DAG HoA retreat organised. -DAG members are satisfied with the overall response and performance of the Secretariat and GTWG TA as reflected in performance reviews; 	<p>4 Review and evaluation reports produced to ensure continued relevance and effectiveness of the support provided.</p> <ul style="list-style-type: none"> ▪ ToRs for review and evaluation formulated and final review commissioned. ▪ Participatory review of findings and recommendations. ▪ Adjustment of project design based on review. 	<p>MoFEC & UNDP/DAG Secretariat</p> <p>UNDP/DAG Secretariat</p>	
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	<p>-Aid effectiveness policy issues are elevated at country-level and brought to global attention.</p> <p>Targets (year 4)</p> <ul style="list-style-type: none"> -Two DAG-GoE high level forums held Eleven (11) DAG HoA and ExCom meetings facilitated and action points implemented; -DAG budget utilized for intended project objectives and at least 80% delivery is attained (note that delivery depends equally on Outputs 1 and 3); - Quarterly/annual progress reports provided to partners; DAG pooled funds managed in accordance with official financial management guidelines; -One (1) DAG HoA retreat organised. -DAG members are satisfied with the overall response and performance of the Secretariat and GTWG TA as reflected in performance reviews; -Aid effectiveness policy issues are elevated at country-level and brought to global attention. <p>Target (Year 5)</p> <ul style="list-style-type: none"> Two DAG-GoE high level forums held Eleven (11) DAG HoA and ExCom meetings facilitated and action points implemented; -DAG budget utilized for intended project objectives and at least 80% 		
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<p>delivery is attained (note that delivery depends equally on Outputs 1 and 3);</p> <ul style="list-style-type: none"> - Quarterly/annual progress reports provided to partners; DAG pooled funds managed in accordance with official financial management guidelines; -One (1) DAG HoA retreat organised. -DAG members are satisfied with the overall response and performance of the Secretariat and GTWG TA as reflected in performance reviews; -Aid effectiveness policy issues are elevated at country-level and brought to global attention. 	<p>Output 3: Aid Effectiveness and Harmonization Targets achieved.</p> <p>Baseline:</p> <ul style="list-style-type: none"> - AMP data not refined and up-to-date. - AMP upgrading to version 2.11 is not yet completed. - Aid effectiveness survey results for Ethiopia produced in 2013. -Some Sector Working Groups are not functional. <p>Indicators:</p> <ul style="list-style-type: none"> - Functional and accessible AMP used by Partners and GoE; Upgraded version/s of the AMP are user-friendly and sustainable. 	<p>Targets (year 1)</p> <ul style="list-style-type: none"> -AMP rolled out to ten (10) line ministries; -All DAG members directly enter data to AMP regularly; -Quality AMP trainings organized by MoFEC twice a year; -One (1) ODA bulletin and -One (1) other analytical piece is published using GPEDC survey and AMP data; -Eight (8) Sector working groups meet regularly and are viable. <p>Targets (year 2)</p> <ul style="list-style-type: none"> - AMP rolled out to ten (10) line ministries; -All DAG members directly enter data to AMP regularly; -Quality AMP trainings organized by MoFEC twice a year; 	<p>1 Aid management and coordination of MoFEC enhanced.</p> <ul style="list-style-type: none"> ▪ Project to support post of AMP coordinator in MoFEC ▪ MoFEC to provide quality trainings on AMP at least twice a year. <p>2 Aid management platform fully functional</p> <ul style="list-style-type: none"> ▪ Upgrades completed. ▪ Ongoing training and maintenance. <p>3 Aid effectiveness action plan implemented.</p> <ul style="list-style-type: none"> ▪ Effective Development Cooperation Taskforce to implement and monitor the aid effectiveness action plan. ▪ Participate in GPEDC and other global, regional and national development effectiveness monitoring surveys. <p>4 Capacity building to MoFEC's IT Experts to autonomously manage AMP</p> <p>5 Support to selected working groups to make them functional</p>	<p>Ministry of Finance and Economic Cooperation (MoFEC)</p> <p>MoFEC</p> <p>MoFEC & UNDP/DAG secretariat</p>	<ul style="list-style-type: none"> - MoFEC AMP coordinator. - Expenses for experience sharing workshops. - Procurement of halls/rooms. <p>Total financial resources January 2016 -- June 2020 (estimated): USD 406,889</p>
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<p>- Regular follow-up of Effective Development Cooperation</p> <p>- Follow-up EDC/TF action points on sector working groups performance</p> <p>- Sector working groups meet regularly for visible policy progress.</p>	<p>-One (1) ODA bulletin and one (1) other analytical piece is published using AMP data;</p> <p>-Eight (8) Sector working groups meet regularly and are viable.</p> <p>Targets (year 3)</p> <p>- AMP rolled out to ten (10) line ministries;</p> <p>-All DAG members directly enter data to AMP regularly;</p> <p>-Quality AMP trainings organized by MoFEC twice a year;</p> <p>-One (1) ODA bulletin and -One (1) other analytical piece is published using AMP data;</p> <p>-Eight (8) Sector working groups meet regularly and are viable.</p> <p>Targets (year 4)</p> <p>- AMP rolled out to ten (10) line ministries;</p> <p>-All DAG members directly enter data to AMP regularly;</p> <p>-Quality AMP trainings organized by MoFEC twice a year;</p> <p>-One (1) ODA bulletin and -One (1) other analytical piece is published using AMP data;</p> <p>-Eight (8) Sector working groups meet regularly and are viable.</p> <p>Targets (year 5)</p>	<p>* Assess sector working groups and provide dedicated support for selected groups as necessary.</p>	<p>MoFEC & UNDP/DAG secretariat</p>	
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<p>Total resources January 2016 – June 2020.</p>	<ul style="list-style-type: none"> - AMP rolled out to ten (10) line ministries; - All DAG members directly enter data to AMP regularly; - Quality AMP trainings organized by MoFEC twice a year; - One (1) ODA bulletin and One (1) other analytical piece is published using AMP data; - Eight (8) Sector working groups meet regularly and are viable. - MoFEC autonomously manages AMP 			<p style="text-align: right;">4,665,029</p>
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V. Annual Work Plan - EFY 2008-9 (UNDP FY 2016)

EXPECTED PROJECT OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	UNDP FY						RESP. PARTY	PLANNED BUDGET		
		2016 Budget (USD)			Ethiopian FY 2009				Fundin g Source	Budget Description	Amount (USD)
		Q1	Q2	Q3	Q4	Q1	Q2				
Output 1 - Effective Support to the implementation of GTP II and the SDGs provided (implemented by National Planning Commission - NPC) <i>Baseline:</i> NPC capacity to monitor GTP II. <i>Indicators:</i> -Number of IP progress reports; -Annual GTP Progress Review report and annual consultations; -Monitoring of GTP II indicators, including SDGs, available; -Number of disseminated GTP II main documents and policy matrix documents; -Availability of study reports on selected strategic themes. <i>Targets:</i> -Four (4) quarterly IP progress reports; -One (1) annual GTP II consultation and progress review	1.1 Consultation on GTP II APR, printing and dissemination of APR and GTP II documents - Annual Progress Review Consultation with development partners on GTP II - 9 regional + 2 city administration consultations with stakeholders - Printing of GTP APR/GTP II in Amharic and English (including policy matrix)										
						25,000		NPC	DAG PF		
									NPC	DAG PF	
			100,000					NPC	DAG PF		

<p>report that includes disaggregated data;</p> <p>-GTP II policy matrix includes more disaggregated data and is monitored annually;</p> <p>-Dissemination of 15,000 copies of GTP II main document (Amharic 10,000 and English 5,000); 5,000 copies of the GTP II policy matrix documents (Amharic 3,000 and English 2,000);</p> <p>-Summary of one (1) report on selected theme available.</p>	<p>1.2 Capacity Building</p> <p>Procurement of remaining IT equipment as per Plans on Inc. invoice</p> <p>49,619</p> <p>18,519</p> <p>- Logistical support for the smooth operation of the Bureau of M&E at NPC.</p>	<p>68,138</p> <p>18,519</p>	<p>118,519</p> <p>186,657</p>	<p>99,075</p> <p>18,519</p>	<p>18,519</p> <p>18,519</p>	<p>NPC</p> <p>NPC</p>	<p>DAG PF</p> <p>DAG PF</p>	
<p>Subtotal Output 1 (per quarter before GMS)</p>		<p>68,138</p>	<p>118,519</p>	<p>99,075</p>	<p>18,519</p>			
<p>Subtotal Output 1 (per half year before GMS)</p>		<p>186,657</p>		<p>117,594</p>				
<p>GMS</p>		<p>14,933</p>		<p>9,407</p>				
<p>Subtotal (UNDP FY 2016)</p>		<p>328,591</p>						

EXPECTED PROJECT OUTPUTS And baseline, associated indicators and annual targets	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	UNDP FY 2016 Budget (USD)				RESP. PARTY	PLANNED BUDGET		
		Ethiopian FY 2008		Ethiopian FY 2009			Funding Source	Budget Description	Amount (USD)
		Q1	Q2	Q3	Q4				
Output 2 - Dialogue between DAG and Government of Ethiopia is Effective. <i>(implemented by DAG Secretariat)</i> <u>Baseline:</u> Monthly DAG ExCom and HoA meetings held; regular policy advice provided to Government and DPs. <u>Indicators:</u> -Follow-up to DAG ExCom, HoA, and Retreat action points; -Level of DAG Pooled Fund resource utilization; -DAG secretariat team meets own performance plan targets. <u>Targets:</u> -Eleven (11) DAG HoA and ExCom meetings facilitated and action points implemented; -DAG budget utilized for intended project objectives and at least 80% delivery is attained (note that delivery depends equally on Outputs 1 and 3); -Quarterly progress reports provided to partners; -DAG pooled funds managed in accordance with official financial management guidelines;	2.1. GoE-Partner Dialogue - Organise High-Level Forum twice a year on selected themes. 2.2. DAG Secretariat - Communication, project management, coordination, financial and administrative support - Technical assistance related to governance, development effectiveness policy-making and co-ordination. 2.3 Communications - Miscellaneous communication expenses 2.4 Retreat - DAG HoA Retreat	500		500		MoFEC/ DAG secretariat	DAG PF		
		13,500	13,500	13,500	13,500	DAG Secretariat	DAG PF		
		106,481	106,481	107,226	107,226	DAG Secretariat	DAG PF		
		450	450	450	450	DAG Secretariat	DAG PF		
						DAG Secretariat	DAG PF	2,000	

<p>-One (1) DAG HoA retreat organised.</p> <p>- DAG members are satisfied with the overall response and performance of the Secretariat and GTWG TA as reflected in performance reviews;</p> <p>-Aid effectiveness policy issues are elevated at country-level and brought to global attention.</p>											
Subtotal output 2 (per quarter before GMS)	120,931	120,431	121,676	123,176							
Subtotal output 2 (per half year before GMS)	241,362		244,852								
GMS	19,309		19,588								
Subtotal (UNDP FY 2016)		525,111									

EXPECTED PROJECT OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	UNDP FY 2016 Budget (USD)				RESP. PARTY	PLANNED BUDGET		
		Ethiopian FY 2008		Ethiopian FY 2009			Funding Source	Budget Description	Amount (USD)
		Q1	Q2	Q3	Q4				
Output 3: Aid Effectiveness and Harmonization Targets Achieved. <i>(implemented by MoFEC)</i> Baseline: - Quality of AMP data as of January 2016; -2013 Aid effectiveness survey results for Ethiopia. Indicators: -Upgraded version/s of the AMP are user-friendly and sustainable; -Functional and accessible AMP used by Partners and GoE; -Effective Development Cooperation Taskforce (EDCTF) and sector working groups meet regularly; policy progress visible. -High-level forums organised twice a year. Targets: -AMP rolled out to ten (10) line ministries; all DAG members directly enter data to AMP; trainings led by MoFEC organised twice a year; -One (1) ODA bulletin and one (1) other analytical piece are published using AMP data; -Eight (8) sector working groups meet regularly and are viable.	3.1 Aid management platform (AMP) - Final payment for upgrade of Aid Management Platform 3.2. AMP coordinator - AMP coordinator in MoFEC 3.3. Experience Sharing training for AMP focal points - Training for 6 AMP focal points in Dakar or similar in Q2 2016. 3.4 Support to sector groups - Assess sector working groups and provide dedicated support for selected working groups as agreed by the EDCTF	60,000							
		1,900	1,900	1,900	1,900	MoFEC	DAG PF		
			9,722			MoFEC	DAG PF		
			1,350	1,350	1,350	MoFEC/ DAG Secretariat	DAG PF		

Subtotal output 3 (per quarter before GMS)	63,250	12,972	3,250	3,250
Subtotal output 3 (per half year before GMS)		76,222		6,500
GMS		6,098		520
Subtotal (UNDP FY 2008)		89,340		
Total Annual 2016 Budget				
Total (per quarter before GMS)	302,319	251,922	314,001	224,945
Total (per half year before GMS)		554,241		538,946
GMS		44,339		43,116
Total UNDP FY 2016 budget		943,042		

VI. Management arrangements

Implementation Modality

The Project will be nationally implemented with MoFEC as implementing partner and NPC, MoFEC and UNDP as responsible party. The National Implementation Modality (NIM) is guided by UNDP NIM rules and regulations, as well as the Ethiopia National Project Implementation manual (PIM). The project will be subject to UNDP National Implementation audit rules and regulations. The Harmonised Approach to Cash Transfers (HACT) micro-assessment of IP and responsible party is available as Annex 2 to of this document.

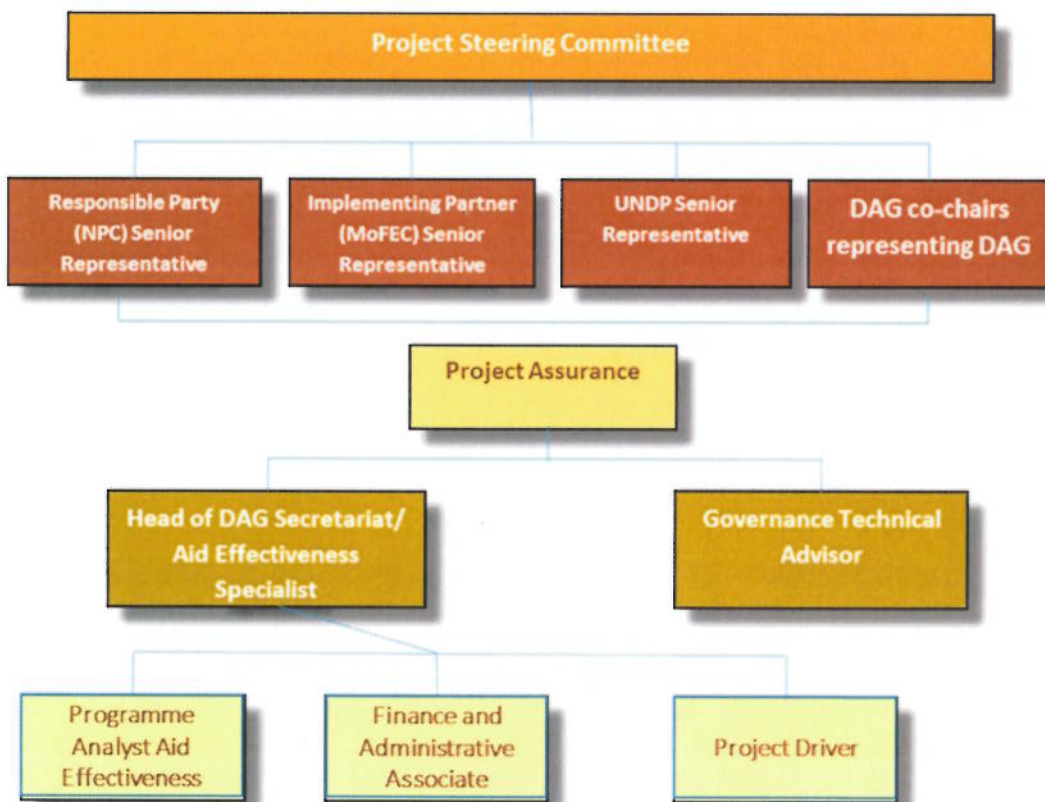
Responsible Party for implementation of project activities

Under the overall guidance of the Implementing Partner (MoFEC) UNDP will be designated to manage the day-to-day operations of the General Pooled Fund Project and to host the DAG secretariat.

UNDP is assigned to manage the contributions of development partners to the pooled fund facility. UNDP will also be responsible for completing all formalities related to co-financing arrangements/agreements with contributing development partners and for receiving and disbursing project resources, contracting consultants and procuring goods and services for project implementation. The UNDP Country Office will provide support services in the areas of recruitment, procurement, financial management and other technical services relevant to the project.

UNDP is responsible for the management of the day-to-day activities of the project, and as such will devise and implement management structures to ensure effective management of the pooled fund and the functioning of the DAG secretariat.

The following organogram refers to the organisation of the DAG Secretariat for the implementation of the project.



Project Steering Committee

The project will be overseen by a Steering Committee (SC), which is responsible for making consensus management decisions for the Project, including deciding the annual work plans.

Based on the approved annual work plan (AWP), the Steering Committee reviews and approves project quarterly plans when required and authorizes any major deviation from quarterly or annual workplans. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities. The Project Steering Committee will meet semi-annually.

Composition and organization: The Steering Committee will be composed as follows:

- An Executive (Chair): Senior representative from the Implementing Partner (MoFEC).
- Responsible Party Representative: Senior representative from the responsible party (NPC)
- DAG Ex-Com Representatives: Represented by the two (2) DAG co-chairs.
- UNDP Representative: Senior UNDP representative as designated responsible party for the implementation of the project and host of the DAG Secretariat.

Specific responsibilities of the Steering Committee include the following:

- Provide overall guidance and strategic direction to the project, ensuring it remains within any specified constraints;
- Review progress and outputs of the project components;
- Review implementation experiences and lessons learned and make adjustment as necessary;
- Ensure transparency and adequate communication regarding the implementation of the project.
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Conduct regular meetings (at least bi-annually) to review the Project Progress Reports and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Appraise the Project Annual Review Report, make recommendations for the next AWP;
- Review and approve the terminal project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions.

Project Assurance

Project Assurance is the responsibility of each Steering Committee member. However, the role can be delegated. The Project Assurance role supports the Steering Committee by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

Project Assurance has to be independent of the Project Management Analyst (i.e. the Project Manager); therefore the Steering Committee cannot delegate any of its assurance responsibilities to the Project Management Analyst. A relevant UNDP Programme team is delegated to exercise the Project Assurance role.

The assurance role includes:

- Maintenance of liaison throughout the project between the members of the Steering Committee
- Risks are being controlled
- Adherence to the Project Justification
- The project remains viable and acceptable solution is being developed for project issues
- Internal and external communications are working
- Applicable UNDP rules and regulations are being observed
- Adherence to monitoring and reporting requirements and standards
- Quality management procedures are properly followed
- Steering Committee's decisions are followed and revisions are managed in line with the required procedures
- Ensure that project outputs definitions and activity definition including description and quality criteria have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting;
- Ensure that funds are made available to the project;
- Ensure that risks and issues are properly managed, and that the logs in Atlas are regularly updated;
- Ensure that critical project information is monitored and updated in Atlas, using the Activity Quality log in particular;
- Ensure that Project Quarterly Progress Reports are prepared and submitted on time, and according to standards in terms of format and content quality;
- Ensure that CDRs and FACE are prepared and submitted to the Steering Committee;
- Perform oversight activities, such as periodic monitoring visits and "spot checks".

Core Functions supported by the Project

Terms of references covering the following functions are included in Annex 3.

Policy and Aid Effectiveness Advisory Services: A Policy and Aid Effectiveness Specialist will be assigned to provide: (i) policy and technical advisory support to the UNDP and the Development Assistance Group (DAG); (ii) advisory and technical support to MOFEC; (iii) programme management support for aid management and effectiveness portfolio; (iv) advisory support to UNDP Senior Management on aid effectiveness; and (v) contribute to UNDP's work on aid coordination and effectiveness matters.

Governance Technical Assistant: A Governance technical adviser will work closely with the co-chairs of the Governance Technical Working Group and the Civil Society and Justice, Safety and Conflict sub-groups. S/he supports the activities of the working groups and advises on how best to facilitate dialogue and make progress on policy issues, in close coordination with the DAG ExCom.

Project Management: A Project Management Analyst ("project manager") will be assigned by UNDP to oversee the day-to-day activities of the project, including implementation and monitoring of agreed upon activities according to the Annual Work Plan. The Project Management Analyst has the authority to run the project on a day-to-day basis on behalf of the Steering Committee within the constraints laid down by the Steering Committee. The Project Management Analyst is responsible for day-to-day management and decision-making for the project. The Project Management Analyst's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The assigned Project Management Analyst will work closely with the Policy and Aid Effectiveness Specialist and DAG Secretariat to ensure effective management and disbursement of pooled funds as well as to provide periodic updates on DAG supported activities. The Project Management Analyst will provide secretarial support to the Project Board of the DAG. Specific responsibilities are outlined in the annexed TOR.

DAG Coordination, Administration and Financial Support: A Coordination, Administrative and Finance Associate will provide programme coordination and administrative support to the DAG Secretariat and Technical Working Groups. Key functions include: (i) Support to knowledge building and knowledge sharing by provide effective research assistance on aid issues including data collection and analysis, (ii) Coordination of DAG programs, meetings, including workshops and facilitate meetings; (iii) Provision of effective communications support within DAG and DAG Secretariat; (iv) Provision of administrative and financial support to the DAG Secretariat and Pooled Fund and facilitate the strengthening of linkages between DAG and DAG TWG as well as across the various working groups.

VII. Monitoring framework and evaluation

This component should describe the monitoring framework to be applied during the project implementation. It should also indicate whether a project evaluation is required. Suggested text has been inserted below but should be adapted to the specific context:

Monitoring

The project will be monitored based on the Monitoring and Evaluation guidelines of UNDP and on the UNDAF M&E matrix and Programme Monitoring Framework, which provide detailed M&E information on UNDAF results.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will have clear information on quarterly/biannual monitoring through the following:

Within the annual cycle:

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see Annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Steering Committee and all DAG members through Project Assurance, using the standard report format available in the Executive Snapshot.
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events
- A project lessons learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Steering Committee and all DAG members. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual UNDAF Review.** The Annual Review is a regular joint monitoring activity in the UNDAF M&E plan which provides the opportunity to jointly assess the performance, identify challenges, and draw lessons learnt to inform the revision of the AWP.

VIII. Reporting

The UNDP Programme Manager assigned will prepare an annual narrative and financial report on the supported activities, which will be shared with the contributing development partners.

IX. Audit

The project will be audited according to UNDP rules and regulations for NIM/Nationally Implemented projects.

X. Quality Management for Project Activity Results

In addition, a quality management table should be provided to assist in the planning of monitoring actions needed to assess progress. The table has been designed to mirror the information that will be required in Atlas under the Award Summary page. At the time of the PAC submission, the Project Developer may or may not have all detailed information at the activities level. In this case, this information will be completed during the initiation phase of the project and also further refined when the Project Manager is hired.

Replicate the table for each activity result of the AWP to provide information on monitoring actions based on quality criteria:

OUTPUT 1:		
Activity Result 1 (Atlas Activity ID)	<i>Short title to be used for Atlas Activity ID</i>	Start Date: End Date:
Purpose	<i>What is the purpose of the activity?</i>	
Description	<i>Planned actions to produce the activity result.</i>	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. What method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
<i>e.g, monitoring visits, spot checks, HACT-assurance activities</i>		

XI. Legal Context

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Ethiopia and UNDP, signed on 6 February 1981.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999).

XII. ANNEXES

Any additional information required to make the project clearer is to be added as annex.