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The Federal Democratic Republic of Ethiopia
Ministry of Finance and Economic Development

ቁጥር ML-9/4.1.1/90/06
Ref.No

ቀን 18 AUG 2006
Date

UNDP
Resident Representative
Addis Ababa

Dear Sir,

Subject: Strengthening local capacity for the achievement of the MDGs

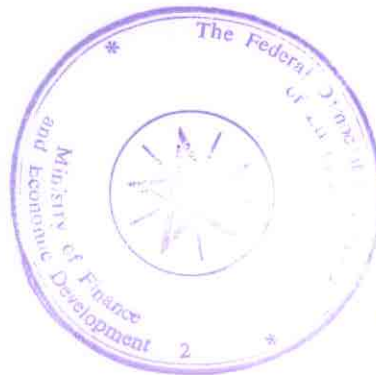
We would like to express our appreciation to the support UNDP is providing to Ethiopia. Given that the resources under this project will be available until end of 2007 only, it will require strong effort on all sides to define and implement agreed activities.

Towards this end, MoFED will proactively work to support the implementing agencies. We hereby attached on fully signed copy of the above captioned project for your subsequent actions.

Sincerely,

Fisseha Aberra
Head, Multilateral Cooperation
Department

RECEIVED 18 AUG 2006	
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Government of Ethiopia

United Nations Development Programme

Enhanced TRAC II Project

Strengthening local capacity for the achievement of the MDGs

The Government of Ethiopia is committed to achieving the Millennium Development Goals (MDGs). Based on MDG sectoral needs assessments, a ten-year MDG strategy has been developed, which is national in scope. Building on this strategy, a five-year MDG-based PRSP, called "A Plan for Accelerated and Sustainable Development to End Poverty" (PASDEP), has been prepared. Thus, development plans and strategies are fully MDG consistent at national level. The PASDEP has been formulated in consultation with regional states. Discussion was held at the Cabinet level in the presence of presidents of regional states to ensure that PASDEP targets are consistent with regional targets. Finally, the House of Peoples Representatives, Ethiopia's Parliament, reviewed, debated and approved the PASDEP.

Under the project "Strengthening local capacity for the achievement of the MDGs", UNDP will provide support to the country (Government, Civil Society Organizations and the private sector) to: (i) strengthen national research capabilities to undertake policy oriented research to identify and fill capacity needs at local levels for planning that is fully consistent with the MDGs, the delivery of basic social services and for monitoring the achievement of the MDGs, (ii) strengthen national capacity to deliver basic social services in the four Emerging Regions, and (iii) strengthen the monitoring and evaluation system - based on and able to feed into the above-mentioned research component - to track the attainment of the MDGs.

UNDP will not be directly involved in delivering basic social services. Nevertheless, the project will benefit from and create synergies with other programmes carried out by other partners, including the United Nations Country Team (UNCT) Agencies that are directly involved in these areas. The project is expected to contribute to the comprehensive public sector and capacity development programme (which targets national and sub-national institutions and systems) of the Government of Ethiopia. The results are expected to contribute to the overall progress of the PASDEP and the achievement of the MDGs.



SIGNATURE PAGE

Country: Ethiopia

UNDAF Outcomes:

By 2011, contribute to the achievement of Millennium Declaration principles through enhanced democratic empowerment and participation at the grassroots level through justice sector reform, civil service and civil society capacity building and promotion of decentralization at all levels, including upholding of human rights principles, transparency and accountability.

By 2011, UN agencies will have significantly supported national efforts to achieve MDGs relating to improved and equitable access and utilization of decentralized social services, including those for health, nutrition, education, water, sanitation and hygiene, by developing capacities of both those responsible for service delivery, and those who demand and use such services, while giving special focus to the most vulnerable and marginalized groups.

Expected Outcome(s)/Indicator (s):

Augmented local capacity in: development planning and policy analysis at regional levels, based on applied research; basic social services delivery; and the monitoring and evaluation of the attainment of the MDGs.

Programme Period: 2006-2007
Programme Component:
Project Title: Strengthening local capacity for the achievement of the MDGs
Project Code: _____
Project Duration: 2 Years

Total budget:	\$ 8,000,000
Allocated resources:	_____
• Government	_____
• Regular	\$ 8,000,000
(Enhanced TRAC 2)	
• Other: (including in-kind contributions)	
○ Donor	_____
○ Donor	_____
○ Donor	_____
Unfunded budget:	0

Agreed by (Government):

Mekonnen Manyazewal
Mekonnen Manyazewal
State Minister

Agreed by (UNDP):

Fidele Sarassoro
Fidele Sarassoro,
UNDP Resident Representative



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Section I

Analysis of the Country Situation, Project Components and Rationale

1. 1 Situation Analysis

Ethiopia has placed the Millennium Declaration and the related Millennium Development Goals (MDGs) at the core of its development agenda, thereby creating a common platform with its development partners in terms of accelerating growth and fighting poverty in the country. The MDGs Needs Assessments (NA) was a nationally led exercise, carried out in 2004/05 with the support of UNDP, World Bank, UNCT, and the wider donor community. Based on MDGs sectoral needs assessments, a ten-year MDGs investment plan was developed, which is national in scope. The MDGs NA provided evidence that a 'business-as-usual' approach by development actors would not result in the achievement of the MDGs. Thus, Ethiopia's second generation Poverty Reduction Strategy (PRS), renamed "A Plan for Accelerated and Sustainable Development to End Poverty" (PASDEP), builds on the NA and is fully MDG consistent.

In line with the ongoing devolution process, regions and woredas have become important socio-economic development centres that are responsible for formulating their own development plans. However, it is well recognized that planning capacity, particularly at woreda (district) level is limited.

1.1.1 Other current complementary initiatives

- (i) SNV/UNDP joint programme, in collaboration with the Poverty Action Network of Civil Society in Ethiopia (PANE), a network of Civil Society Organizations (CSOs) established to facilitate the engagement of the civil society in the PRSP process, is currently attempting to localize the MDGs. A range of individual CSOs are also involved in increasing awareness on the MDGs and PRSs at local levels.
- (ii) The Development Assistance Group of Donors (DAG) is currently supporting a project entitled "Strengthening M&E System of SDPRP", which, among other things, aims at improving the statistical capacity for monitoring and evaluation of PRSs and the MDGs at national level. The project also supports the strengthening of national research capacity through providing technical assistance for undertaking applied research.
- (iii) The comprehensive national- and sector-wide Public Sector Capacity Building Programme (PSCAP), launched by the Government in 2005, rests on six pillars: civil service reform, district-level decentralized service delivery, information and communication technology, justice system reform, tax system reform and urban management. The 5-year programme aims to: strengthen and build capacity in the core public sector; interface with the private sector; confront the challenges of globalization by playing a pivotal role in terms of competence, efficiency, transparency and accountability; provide strategic support to regional focal points involved in capacity building; and strengthening the Ministry of Capacity Building as a centre of excellence with an appropriate mix of professional skills to enhance the



focus of its intervention in capacity building at the national, regional and sectoral levels.

- (iv) The Protection of Basic Services (PBS) project is a new aid instrument, developed initially by the World Bank, the United Kingdom's Department for International Development (DFID), and the Canadian International Development Agency (CIDA) to provide financial support, through sub-national Government structures, to the delivery of services utilised by the poor, principally, basic health, education, water supply and sanitation and agricultural extension. Covering fiscal years 2006 and 2007, the PBS represents a response to the suspension of Direct Budget Support by maintaining the delivery of basic social services to the poor. PBS has four components: a) sub-national basic services, under which financing will be provided at sub-national levels in the sectors of education, health, agriculture and natural resources, including water, b) Health MDGs Performance Facility, with which critical health services (impact health items like vaccines, vitamins, contraceptives, etc and capacity building activities for health service providers) will be financed at woreda levels, c) financial transparency and accountability, which aims to significantly enhance transparency and accountability with regards to budget preparation, expenditure and audits, fostering broad engagement and strengthening the voices/client power of citizens and citizen representative groups, and d) social accountability, which aims to strengthen the use of social accountability by citizens and CSOs as a means to make basic social service delivery more effective, efficient, responsive and accountable.

1.2. Strategy

1.2.1 Project components

The project is designed to address the capacity gaps for planning and monitoring and evaluation (M&E) in all regional states, with specific focus on building the capacity for basic social service delivery in the four Emerging Regional States and strengthening the M&E framework in the Ministry of Agriculture and Rural Development and the overall reliability of the data and information system within the Central Statistical Agency (CSA) and MoFED. Based on lessons learned, the results are expected to be scaled-up in the broader Capacity Building, Governance and Decentralization programme of the Government of Ethiopia. To this effect, all interventions under this project will be designed and implemented under the framework of the PASDEP. In addition, all capacity building interventions under this project will be guided by the National Capacity Building Program of the country.

The project will have the following three components:

- (i) Strengthened national research capabilities to undertake policy oriented research to identify and fill capacity needs at local levels for planning that is consistent with the MDGs, delivery of basic social services and for monitoring the achievement of the MDGs. Due to continued deepening of decentralization within Ethiopia, the policy-making and planning roles of the regional governments are increasing. These capacities need to be further strengthened. Capacity needs are not static phenomena. As a result it is important to continually assess what kind of capacity is needed, for whom it is needed, when it is needed, etc. Assessment of capacity at local level is also



important to develop evidence-based decision-making processes. The Ministry of Finance and Economic Development (MoFED), the Regional Bureaus of Finance and Economic Development (BoFEDs), the Public Financial Enterprises Agency (PFEA), think tanks, local research institutions, and local and foreign universities will carry out the policy-oriented research. This component aims to: (a) facilitate federal and regional institutions' access to global expertise; (b) strengthen national and regional research capabilities; and (c) strengthen policy analysis and planning capacities at regional levels.

- (ii) Strengthened national capacity to deliver basic social services, especially in the four Emerging Regions. Areas of support include:
- a) Strengthening local capacity to deliver basic social services in the emerging regions by providing assistance to local governments to rapidly access the required technical expertise, and training local personnel.
 - b) Strengthening the capacity of the private sector and CSO players, which are linked to the expansion of service delivery institutions (e.g. those involved in the construction sector) and boosting the regulatory capacity of the public sector.

UNDP will not be directly involved in delivering basic social services, instead, the project will benefit from and create synergies with other programmes carried out by other partners, including UNCT Agencies, that are directly involved in these areas.

- (iii) Strengthened monitoring and evaluation (M&E) system to track the achievement of the MDGs, with emphasis on the National Census and systems at local levels: Ongoing assessment of the extent to which the MDGs targets are being achieved will depend on an M&E system that is operational at both national and local levels. While a comprehensive M&E system exist at the national level, Ethiopia has not conducted a national population census since 1994, and therefore current and comprehensive information to effectively track progress in the MDGs is not readily available. Furthermore, the comprehensive national M&E system is not sufficiently decentralised and is in need of additional support at all levels of the Ministry of Agriculture and Rural Development (MoARD), which has responsibility for key initiatives linked to the realization of PASDEP and the MDGs. To fill these gaps, this component of the project will contribute towards the preparatory work started by the Central Statistical Agency (CSA) in 2006 and the conduct of the full census in 2007, as well as strengthen M&E systems within MoARD and the various Regional Bureaux. These activities will feed into and build on the policy research and the MDG-based regional plans referred to above.

1.2.2 Rationale

The choice of the above three components is based on the following considerations:

- a. The decentralized approach is fully consistent with PASDEP. According to the PASDEP, decentralization is a centerpiece of Ethiopia's strategy for ending poverty, both to improve responsiveness and flexibility in services delivery, as well as to increase local participation and democratization of decision-making.



- b. The project represents an extension, at regional levels, of successful ongoing MDGs-based and/or capacity building activities at the federal level, and is complementary to DAG, PANE and PSCAP activities above-mentioned.
- c. GoE and MoFED in particular, are very keen to access global expertise and to strengthen national research capacity for the achievement of the MDGs.
- d. PASDEP identifies sustainable growth, together with reducing volatility, as essential medium term-strategies to have an impact on poverty. The private sector is identified as key to achieving sustainable growth in PASDEP, and is of major importance in the United Nations Development Assistance Framework (UNDAF) and UNDP's corporate priorities.

1.2.3 Outcomes

Augmented local capacity in the preparation of regional development plans and strategies that are based on applied research and consistent with the MDGs, basic social services delivery in the Emerging Regions, and in the monitoring and evaluation of the attainment of the MDGs.

1.2.4 Beneficiaries

The primary beneficiaries will be the Regional Bureaus of Finance and Economic Development (BoFEDs), the Central Statistical Agency (CSA), the Ministry of Agriculture and Rural Development (MoARD), the Public Financial Enterprises Agency (PFEA), relevant universities, technical and vocational institutions, the involved woreda's institutions, private sector actors and CSOs involved with basic service delivery.

The secondary beneficiaries will be MoFED, Ministry of Federal Affairs (MoFeA) and Ethiopia's poor, living in the selected four regions, who will benefit from the enhanced capacity of their local governments to formulate regional plans that are consistent with the MDGs and to deliver basic services.

1.3 Execution Arrangements and Institutional Framework

1.3.1 Execution arrangements

The project will be executed using the National Execution (NEX) modality. The Ministry of Finance and Economic Development will act as Executing Agent. Assisted by the Programme Coordinator (see responsibilities outlined in section 1.3.2), the Executing Agent will coordinate the activities of the various Implementing Agents, including the Regional BoFEDs, line ministries and other government institutions. The Implementing Agents will be responsible for the day-to-day management and implementation of project activities and will assign a senior official/focal point for such tasks. The project shall be implemented flexibly so that each component or activity thereof can be modified as implementation experience informs decision-making on the execution of the remaining tasks. Decisions on implementation and changes in the way forward shall be made in a more decentralized framework such that Implementing Agents can directly contact/consult UNDP in matters related to the management of their activities.



In addition to the normal administrative and substantive support to the Executing Agency and the Implementing agents, provided by the NEX guidelines, it has been agreed that some project activities will be implemented by UNDP under a Support to NEX implementation arrangement (see Resource Matrix for details of activities to be implemented by UNDP). The detailed budget lines for each activity will be outlined in the Annual Work Plan (AWP).

UNDP financial resources

UNDP will allocate an initial amount of \$ 8,000,000 of its Enhanced TRAC 2 resources to this project to start this initiative. The final amount of the budget will be determined according to the needs of the assistance and the final content of the capacity building programme.

UNDP non-financial resources

The UNDP Ethiopia Country Office will assign one Programme Officer to monitor the activities of the project. Furthermore, the existing capacities of the UNDP Ethiopia office, together with ongoing assistance from UNDP Headquarters, will provide support services for the recruitment and administration of personnel, the procurement of goods and services, arrangements for in-country and international training activities, arrangements for official travel, and processing payments, accounting, and financial reporting.

In addition, UNDP will provide access to its global network (roster of consultants, 166 Country Offices, Regional Service Centres, Sub-Regional Resource Facility and electronic practice networks) to rapidly access high-level technical experts as required (revision of technical specification, project consultancies, etc.).

1.3.2 Management arrangements

Oversight of, and guidance to project activities will be the responsibility of a Project Steering Committee, comprised of senior representatives from MoFED, MoFeA, CSA, and UNDP. Co-chaired by UNDP and MoFED, the Committee will meet twice per year to review and approve the project workplan. More specifically, the Committee will:

- Approve the work programme and budget, making adjustments as necessary,
- Review progress and outcomes of the project components,
- Review implementation experience and lessons learned,
- Provide strategic guidance for future direction and Programme development, and
- Ensure transparency and adequate public communication regarding implementation of the Project.

Due to the limited life of the project (a maximum of two years) and to best ensure rapid delivery of project results, it has been agreed to establish a Programme Management Secretariat in UNDP to assist in day to day project implementation. The Programme Management Secretariat will be headed by a Programme Coordinator and among his/her main responsibilities (see details below) will be to serve as the secretary to the Project Steering Committee. Reporting to the UNDP Resident Representative, through the Economic Advisor, and in consultation with MoFED, the Programme Coordinator will be responsible for:



- The overall coordination and day to day management of programme activities as well as ensuring the delivery of the project results in accordance with the time frame, which will be set out in the Project workplan,
- Draft annual work plans (with bi-annual updates), in consultation with Technical Head and or focal officer within the respective Ministries, Departments and or Regional Bureaux, setting out in precise detail the activities, inputs (including financial resources), targets and expected outputs for the systematic and effective implementation of the project,
- Through regular monitoring, compile and analyse quality quarterly substantive and financial reports of Implementing Agents to guide, MoFED, UNDP and the programme Steering Committee on progress in project implementation and the achievement of set targets,
- Develop and maintain close working relations with key project beneficiaries and programme expertise. Specifically, he/she will create synergies with key partners such as MoFED and MoFeA and their respective Regional Bureaux, as well as relevant international partners and other non-state actors,
- Assist in coordinating project implementation, ensuring that inputs are secured and delivered on a timely basis, and working closely with implementing partners, including respective line ministries, regional bureaux, the private sector and civil society; clear bottlenecks and ensure timely project delivery in substantive and financial terms,
- Facilitate institutional linkages with related initiatives to assure coordinated data gathering and dissemination of relevant information,
- Support regional advocacy efforts, including the development of a communication strategy, related to the planning, delivery of basic services and M&E systems within the regions,
- Supervise and coach staff in the Programme Management Secretariat and ensure their optimal performance,
- Contribute substantively to capacity building activities in the regions, especially the emerging ones, to better harmonise regional plans with PASDEP/MDGs and so assist in the realization of the Goals,
- Develop recommendations on and assist in the implementation of collaborative approaches to support planning, delivery of basic social services and M&E systems within the regions,
- Assist in determining the capacity gaps in relevant planning departments and provide guidance, thematic expertise, and when necessary, capacity building to direct beneficiaries (Regional Planning Bureaux, CSOs, private sector groups) on pro-poor planning related to the MDGs,
- Assist in linking up the data system in the Ministry of Agriculture and Rural Development with the databases in MoFED, Regional Counterparts and the Central Statistical Agency, including major inputs to the national population census, and
- Facilitate at least one evaluation of all components of the project.

The Programme Coordinator will be assisted by supporting staff, among them, a Procurement Officer and a Finance Officer. In addition, the need for supplementary expertise will be determined in the process of project implementation.



These staff and expertise will be accountable to the Technical Head and or focal officer within the respective Ministries, Departments, Regional Bureaux and other Implementing Agents. However, staff holding UNDP contracts will also be accountable to the Programme Coordinator. Where possible, all such experts will be recruited under the National United Nations Volunteers (NUNV) modality.

Activities will be planned, agreed and guided by the respective local ministries/agencies. Activities to be implemented by UNDP under the support to NEX arrangements will be planned in close consultation with the respective federal, regional and local ministries/agencies. Furthermore, Annual Work Plans will be agreed upon by UNDP and the Executing Agent at the beginning of each year.

A workshop will be organised prior to the start of project activities to help clarify any outstanding issues.

1.3.3 Monitoring and evaluation arrangements

This project is intended to help build capacity, especially at the local levels, for the achievement of the MDGs. Monitoring and evaluation of project activities is essential to track progress. Financial and qualitative results based reports shall be prepared on a quarterly basis by the Implementing Agents and subsequently compiled and presented by the Executing Agency and the Programme Coordinator to the UNDP. These will be the basis for further dialogue and joint reviews between MoFED, UNDP and the broader project Steering Committee on project execution and the realization of intended results as well as regular progress reports to UNDP Head Quarters, as required under TRAC II arrangements.

Monitoring visits will also be undertaken at different levels. The Programme Coordinator and other concerned staff of MoFED and UNDP as well as the technical heads/focal officers within the respective Ministries, Departments and or Regional Bureaux that are Executing Agents shall undertake joint monitoring visits to project implementation sites at least twice per year on the basis of which MoFED, with the assistance of the Programme Coordinator, is expected to ensure that M&E overall, and monitoring visit reports in particular are high qualitative results-based narrative, that take gender and other dis-aggregated information into account and are prepared in the format prescribed in the NEX Guidelines and are consistent with UNDP requirements.

Major Decisions at any level in the execution and implementation structure that will lead to a change in output(s) shall not be done without prior consultation an written agreement of UNDP. UNDP shall be called to participate in major procurement and sub-contracting activities (amounts to be specified later).

This nationally executed project is subject to at least one audit during its life-span. The Executing Agent, with the support of the Programme Coordinator will be directly responsible for the audit and any evaluation of the project. Audits as well as M&E activities will be financed from project resources.



1.4 Legal Context

This project document shall be the instrument referred to as such in the Standard Basic Assistance Agreement signed between the Government of Ethiopia and UNDP, signed on 26/02/1981.

The following types of revisions to the project document can be made with the sole signature of the Resident Representative of UNDP, provided the other signatories have no objections:

- i. Revision to any of the annexes to the project document or additions to each;
- ii. Revisions that do not imply significant changes to the immediate objective or the results of the activities of the project provided that the changes are due to a redistribution of inputs previously agreed, an increment in expenses due to inflation; or other justified reasons
- iii. Obligatory annual revisions to modify the agreed inputs of the project, as a result of an increment in experts' costs, inflation or any other kind of justified cause.
- iv. Any change in the duration, amount of the project and/or provisions of the services to be rendered by the UNDP will also be subject to consultation of the parties, in order to reach a joint agreement.
- v. Revisions of the budget for activities of the project that are implemented under the support to NEX implementation arrangements, provided that these are within the range of the total resources allocated for such activities.



Section II
Project Results and Detailed Proposed Activities

Intended Outcome:

Augmented local capacity in: a) the preparation and implementation of Regional Plans that are consistent with PASDEP and the MDGs, based on applied research in all regions, b) basic social services delivery in the Emerging Regions, and c) the monitoring and evaluation of the attainment of the MDGs.

Outcome indicators, targets and baseline:

Refinement of the existing Regional Strategic 5-Year Plans to make them consistent with the MDGs and PASDEP and the preparation of development action plans, strategies and instruments that are consistent with the MDGs and PASDEP, where none currently exist. Trends in all MDGs and PASDEP targets improved within 2 years. Baselines for the regions to be defined through the research component of the project as well as the results of the 2007 population census and the fully operational M&E system in all the regions and within MoARD, that is well- coordinated/integrated with the national system

Partnership Strategy:

To provide support for capacity building in: a) the preparation and implementation of regional plans and strategies that are consistent with the MDGs and PASDEP in all regions, b) the delivery of basic social services by Government, CSOs and the private sector in the Emerging Regions, and c) the monitoring and evaluation of the attainment of the MDGs, in cooperation with Government (principally CSA, BoFEDs, PFEA and MoARD), CSOs, the private sector, donors and research institutions.

Guiding principles:

1) PASDEP framework, 2) national ownership, 3) capacity focused, 4) demand-based, 5) evidence based, 6) gender-sensitivity, 7) partnerships, 8) ICT as a tool for capacity building.



Project Component	Intended Outputs	Output Targets for (years – 2006 –2007)	Activities	Inputs
<p>1. Policy-oriented research to identify and fill capacity needs at local levels for MDG-ised planning, delivery of basic social services and for monitoring the achievement of the MDGs</p>	<p>1.1 Needs based research, focussing on PASDEP challenges and issues, undertaken and results made available to Government, other local research institutions, the private sector and CSOs, so as to strengthen their research capabilities in the domain of capacity needs assessment, MDG-ised planning and policy formulation and the implementation of regional plans/programmes which are consistent with the MDGs and PASDEP.</p>	<p>1.1.1 Ethiopian (government institutions, local academic institutions and think tanks) policy and planning research skills strengthened.</p>	<p>1.1.1 Needs identified and policy expertise sourced from global and regional organizations, universities, centres of excellence to assist national and sub-national institutions (universities, consultancy firms, professional organizations, TVETs, etc.) dealing with planning, research, public financial institutions, agriculture and rural development and pastoralist issues to carry out research focused on, but not limited to, identification of capacity needs/gaps within the framework of PSCAP, in relation to:</p>	<p>Needs assessment, personnel, training, technical & procurement assistance, travel, monitoring</p>
			<p>a) <u>Planning and financial management:</u></p> <ul style="list-style-type: none"> • Identify the research needs/priorities of the regions in relation to PASDEP • Based on identified needs, provide support to the Regions to build their planning capacity, including (i) refinement of existing Regional Strategic Plans to make them consistent with PASDEP and the MDGs (paying particular attention to HIV/AIDS, gender, governance and environmental 	



<p>issues), where the need exists ii) the preparation of such plans, where none exist, and iii) enhanced involvement of the private sector and CSOs in local planning.</p> <ul style="list-style-type: none"> Identify capacity gaps of state owned financial institutions to improve efficiency, competitiveness and financial viability and based on the research results, provide support for capacity building. Also, identify capacity gaps/needs related to improving delivery on and utilization of ODA by public institutions, especially at regional levels. 			
<p>b) <u>M&E</u></p> <ul style="list-style-type: none"> Identify capacity needs/gaps to strengthen the M&E system at local levels, with a view to ensuring full integration with the national system (staff, skills, institutions). Assess the M&E system of MoARD and its regional counterparts to identify bottlenecks, opportunities for improvement and capacity needs/gaps. 			
<p>c) <u>Implementation of regional plans in the four Emerging Regions, especially for initiatives linked to delivery of basic social services</u></p> <ul style="list-style-type: none"> Identify capacity gaps in state institutions for the delivery of basic social services in the four Emerging Regions. Evaluate the existence of and possibilities to remove legal barriers to the inclusion of 			



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	<p>the poor and vulnerable groups in the development process at local levels. This includes the identification of ways to support vulnerable local constituencies, particularly women {within the framework of the National Action Plan for Gender Equality},</p> <ul style="list-style-type: none"> • Identify opportunities to involve local communities and CSOs in basic social services delivery, • Assess the prospects and challenges for enhancing accountability and good economic governance at lower levels of administration, • Identify the opportunities and challenges to involve the private sector in basic social services delivery (private public partnerships, strengthened community-based private sector institutions like grass-root SME and sectoral associations, enhanced role of private consultancies, creation of incentives to private social service providers, etc.). <p>d) <u>Special needs of pastoralists</u></p> <ul style="list-style-type: none"> • Identify resource management (water and pasture lands) modalities as means of conflict prevention and resolution and enhanced natural resource utilization. • Analyze the prospects for improving pastoral livelihoods through livestock quality upkeep and improved livestock marketing systems (linked to Pastoralist
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		<p>1.1.2. All the stakeholders at local levels (including beneficiaries of other project components) are informed of and or benefit from the research results.</p>	<p>Communication Initiative)</p> <p>1.1.2. Assist in the communication and dissemination of the research results (workshops; publications such as MDGRs, NHDRs, websites, etc).</p>	
	<p>1.2. Capacity built at regional levels for policy formulation and planning, including the refinement of the existing Regional Strategic Plans, where the need exists, with the aim of transforming them into full-fledged MDG-ized regional PASDEPs and the preparation of such plans, where none exist.</p>	<p>1.2.1 MDG consistent regional PASDEPs, prepared through participatory processes, and which take account of HIV/AIDS, gender, governance and environmental issues.</p>	<p>1.2.1 Provide support to relevant regional organs in the refinement and/or development (where they do not exist) of the Regional Strategic Plans that are consistent with the MDG consistent PASDEP (taking adequate consideration of HIV/AIDS, governance, gender and environment/energy issues), based on the research findings and on inclusive consultations with multiple stakeholders, including the private sector and CSOs.</p> <p>1.2.2 Based on identified capacity needs, assist Regional Governments in strengthening and or putting in place mechanisms (e.g. institutional support, ICT) that enhance retention of planning and service providing staff at regional/woreda levels. This will involve recruitment of required experts (including NUNVs) to train regional civil servants, selected woreda councils, executive organs and other stakeholders as well as prepare procedures, manuals and guidelines on MDG-ised (pro-poor) planning.</p>	<p>Research results, training, personnel technical & procurement assistance, travel, monitoring</p>



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			<p>accountability and transparency in local government.</p> <p>1.2.3. Support to improve the performance of state owned financial institutions and to enhance delivery on and utilization of ODA.</p> <p>1.2.4 Improve participation of stakeholders in planning and implementation for the attainment of the MDGs through support to the creation of public awareness on the MDGs, PASDEP and regionalization of the national development plan through workshops, publications, etc (2-way flow: i.e., dissemination of information and derivation of feedback).</p>	
<p>2. Strengthened state capacity to deliver basic social services in the four Emerging Regions, focussing on an enhanced role for the private sector, local administrations and community service delivery mechanisms</p>	<p>2.1. Regional State capacity to deliver basic social service strengthened in the four Emerging Regions.</p>	<p>2.1.1 Improved trends in MDGs targets related to basic social services.</p>	<p>2.1.1 Support to the modernization of existing institutional arrangements to achieve greater efficiency in the delivery of social services, especially access to water, to livestock health services and to improved livestock marketing systems (strengthened local procurement mechanisms, ICT solutions, merit based performance and quality standards) through synergies with other national initiatives, including PBS and PSCAP.</p> <p>2.1.2 Based on identified capacity needs, train local government personnel, (including in results based management) in collaboration with TVETs and other relevant training</p>	<p>Research results, training, personnel, technical & procurement assistance, travel, monitoring</p>



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			<p>institutes (e.g., Ethiopian Management Institute).</p> <p>2.1.3 Based on identified capacity needs, assist in addressing the special needs of pastoralists through, recruitment of required NUNVs and experts.</p> <p>2.1.4 Based on identified capacity needs, provision of equipment and logistic support</p> <p>2.1.5 Strengthening regulatory capacity of institutions involved at local level in delivery of basic social services (quality assurance).</p>	
	<p>2.2 Enhanced role for the private sector, CSOs and communities service delivery mechanisms in the delivery of basic social services, with particular emphasis on gearing their operations to the special needs of pastoralists.</p>	<p>2.2.1 New private sector and CSOs initiatives (including the poor and women) for the delivery of basic social services.</p>	<p>2.2.1 Facilitate local community and private sector access to information through the establishment of MDGs knowledge centres (ICT, access to internet, publications, teleconference facilities, etc.)</p> <p>2.2.2 Identify relevant private sector institutions at the local level. Woman empowerment and gender balance will be among the identification criteria.</p> <p>2.2.3 Train existing and potential micro and small businesses in: a) SME business administration, in collaboration with private colleges and training institutes, and b) best practices in contractual and supplier arrangements and operations with basic</p>	<p>Research results, training, personnel, technical & procurement assistance, travel, monitoring</p>



			<p>social service providers.</p> <p>2.2.4. Create incentives for micro and small businesses (training, access to information, facilitate access to credit in collaboration with micro-finance institutions, CDF and other donors, advocacy, etc.) to provide basic social services in the Emerging Regions.</p> <p>2.2.5. Support to institutional development of the identified private sector institutions and CSOs involved in basic social service delivery - promote the organization and strengthen the capacity of community-based social service providing business associations, professional associations, women entrepreneurs' associations at grass-root levels, local NGOs etc. – including training, access to information, advocacy, resource mobilization strategies.</p>
<p>3. Strengthened Monitoring and Evaluation system to track the attainment of the MDGs at local levels</p>	<p>3.1 M&E system for the MDGs strengthened, including further institutionalization of dis-aggregated data feedback into the policy-making processes</p>	<p>3.1.1 National Population Census completed and general improvement in local data collection, analysis and dissemination, and a fully functional M&E system in MoARD that is well-coordinated with the national system</p>	<p>3.1.1 Support to Central Statistical Agency (CSA) in the conduct of the 2007 National Population Census, through: provision of expertise (hiring of CTA to manage the resources/pooled fund obtained for the census exercise, if need arises), equipment (procurement of scanners and related equipment) and training</p> <p>3.1.2 On the basis of the research findings</p>



<p>4. Programme Coordination and Management components</p>	<p>4.1 Programme management secretariat established for project implementation</p>	<p>4.1.1 Fully functional Secretariat, managing project inputs and resources and fostering the delivery of project outputs</p>	<p>(obtained through Component 1), assist in strengthening the M&E system at local levels, both in the sectoral and spatial dimension, ensuring that it is based on a broad participation of stakeholders and able to capture gender issues. Examples of strengthening actions are: training, recruitment of required staff and experts, procurement of equipment, and logistical support.</p> <p>3.1.3 Based on the research findings, support the strengthening of the M&E system in MoARD at all levels (national, regional and sub-regional).</p> <p>3.1.4 Assist in facilitating communication and information dissemination mechanisms, linked to activities 1.1.2, 1.2.4, and 2.1.1 above.</p> <p>4.1.1 Establish the Programme Management Secretariat to implement project activities by hiring the required programme staff, procuring equipment and furniture and organizing the project implementation office <i>apriori</i>.</p> <p>4.1.2 Manage the day-to-day operations of project implementation.</p>	<p>Personnel, procurement, travel</p>
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**Section III
Resource Matrix**

Outputs	Activities	Budget in 2006 (USD)	Budget in 2007 (USD)	Total	Implementing Agent
<p>1.1 Government, other local research institutions, the private sector and CSOs have access to knowledge and global expertise to strengthen their research capabilities in the domain of capacity needs assessment, MDG-based policy formulation, and the implementation of MDG consistent regional PASDEPs.</p>	<p>1.1.1. Needs identified and policy expertise sourced from global and regional organizations, universities, centres of excellence to assist national and sub-national institutions (universities, consultancy firms, professional organizations, TVETs, etc.) dealing with planning, research, public financial institutions, agriculture and rural development and pastoralist issues to carry out research focused on, but not limited to, identification of capacity needs/gaps within the framework of PSCAP, in relation to: a) planning and financial management, b) M&E, c) implementation of regional plans in the four emerging regions, especially for initiatives linked to delivery of basic social services, and d) special needs of pastoralists.</p>	197,000	246,250	443,250	UNDP
	<p>1.1.2. Assist in the communication and dissemination of the research results (workshops, publications such as MDGRs, NHDRs, websites, etc).</p>	49,250	147,750	197,000	UNDP



Outputs	Activities	Budget in 2006 (USD)	Budget in 2007 (USD)	Total	Implementing Agent
1.2. Capacity built at regional levels for policy formulation, including the refinement of the existing Regional Strategic Plans with the aim of transforming them into full-fledged MDG consistent regional PASDEPs and the preparation of such plans, where none exist.	<p>1.2.1 Provide support to relevant regional organs in the refinement and/or development (where they do not exist) of the Regional Strategic Plans that are consistent with the MDG consistent PASDEP (taking adequate consideration of HIV/AIDS, governance, gender and environment/energy issues), based on the research findings and on inclusive consultations with multiple stakeholders, including the private sector and CSOs.</p> <p>1.2.2 Based on identified capacity needs, assist Regional Governments in strengthening and or putting in place mechanisms (e.g. institutional support, ICT) that enhance retention of planning and service providing staff at regional/woreda levels. This will involve recruitment of required experts (including NUNVs) to train regional civil servants, selected woreda councils, executive organs and other stakeholders as well as prepare procedures, manuals and guidelines on MDG-ised (pro-poor) planning, accountability and transparency in local government.</p>	-	197,000	197,000	NEX ²
		-	197,000	197,000	NEX



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² National Execution

Outputs	Activities	Budget in 2006 (USD)	Budget in 2007 (USD)	Total	Implementing Agent
	<p>1.2.3 In support of more efficient use of resources, assist PFEA and regional authorities in the preparation of resource mobilization strategies and build capacity to enhance ODA utilization, based on the research findings, with an emphasis on local revenue generation and utilization</p> <p>1.2.4 Improve participation of stakeholders in planning and implementation for the attainment of the MDGs through support to the creation of public awareness on the MDGs, PASDEP and regionalization of the national development plan through workshops, publications, etc (2-way flow: i.e., dissemination of information and derivation of feedback).</p>	73,875	197,000	270,875	UNDP
2.1. Regional State capacity to deliver basic social service strengthened in the four Emerging Regions.	2.1.1 Support to the modernization of existing institutional arrangements to achieve greater efficiency in the delivery of social services, especially access to water, to livestock health services and to improved livestock marketing systems (strengthened local procurement mechanisms, ICT solutions, merit based performance and quality standards) through synergies with other national initiatives, including PBS and PSCAP.	98,500	394,000	492,500	NEX



Outputs	Activities	Budget in 2006 (USD)	Budget in 2007 (USD)	Total	Implementing Agent
	2.1.2 Based on identified capacity needs, train local government personnel, (including in results based management) in collaboration with TVETs and other relevant training institutes (e.g., Ethiopian Management Institute).	-	197,000	197,000	NEX
	2.1.3 Based on identified capacity needs, assist in addressing the special needs of pastoralists through, recruitment of required NUNVs and experts.	98,500	394,000	492,500	NEX
	2.1.4 Based on identified capacity needs, provision of equipment and logistic support	197,000	221,625	418,625	NEX
	2.1.5 Strengthening regulatory capacity of institutions involved at local level in delivery of basic social services (quality assurance).	-	98,500	98,500	NEX
2.2 Enhanced role for the private sector, CSOs and communities' services delivery mechanisms in the delivery of social services, with particular emphasis on gearing their operations to the special needs of pastoralists	2.2.1 Facilitate local community and private sector access to information through the establishment of MGSs knowledge centres (ICT, access to internet, publications, teleconference facilities, etc)	-	98,500	98,500	UNDP
	2.2.2 Identify relevant private sector institutions at the local level/ Woman empowerment and gender balance will be among the identification criteria.	24,625	49,250	73,875	UNDP



Outputs	Activities	Budget in 2006 (USD)	Budget in 2007 (USD)	Total	Implementing Agent
	2.2.3 Train existing and potential micro and small businesses on: a) SME business administration in collaboration with private colleges and training institutes, and b) best practices in contractual and supplier arrangements and operations with basic social service providers	24,635	123,125	147,750	UNDP
	2.2.4. Create incentives for micro and small businesses (training, access to information, facilitate access to credit in collaboration with micro-finance institutions, CDF and other donors, advocacy, etc) to provide basic social services in the Emerging Regions.	24,625	98,500	123,125	UNDP
	2.2.5 Support to institutional development of the identified private sector institutions and CSOs involved in basic social service delivery- promote the organization and strengthen the capacity of community-based social service providing business associations, professional associations, women entrepreneurs' associations at grass-root levels, local NGOs etc.- including training, access to information, advocacy, resource mobilization strategies.	-	98,500	98,500	UNDP



Outputs	Activities	Budget in 2006 (USD)	Budget in 2007 (USD)	Total	Implementing Agent
3.1. M&E system for the MDGs strengthened, including further institutionalization of dis-aggregated data feedback into the policy-making processes	3.1.1 Support to Central Statistical Agency (CSA) in the conduction of the 2007 National Population Census, through: provision of expertise (hiring of CTA to manage the resources/pooled fund obtained for the census exercise), equipment (procurement of scanners and related equipment) and training.	1,477,500	788,000	2,265,500	UNDP
	3.1.2 On the basis of the research findings (obtained through Component 1), assist in strengthening the M&E system at local levels, both in the sectoral and spatial dimension, ensuring that it is based on a broad participation of stakeholders and able to capture gender issues. Examples of strengthening actions are: training, recruitment of required staff and experts, procurement of equipment, and logistical support.	-	295,500	295,500	NEX
	3.1.3 Based on the research findings, support the strengthening of the M&E system in MoARD at all levels (national, regional and sub-regional).	-	492,500	492,500	NEX
	3.1.4 Assist in facilitating communication and information dissemination mechanisms, linked to activities 1.1.2, 1.2.4, and 2.1.1 above.	-	197,000	197,000	UNDP



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Outputs	Activities	Budget in 2006 (USD)	Budget in 2007 (USD)	Total	Implementing Agent
4.1 Programme management secretariat established for project implementation	4.1.1 Establish the Programme Management Secretariat to implement project by hiring the required programme staff, procuring equipment and furniture and organizing the project implementation office from the onset.	221,625	418,625	640,250	UNDP
	4.1.2 Manage the day-to-day operations of project implementation.	49,250	197,000	246,250	UNDP
ISS (1.5% of total)		39,735	80,265	120,000	
Total		2,649,000	5,351,000	8,000,000	

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