



Government of the Federal Democratic Republic of Ethiopia

United Nations Development Programme

**Capacity Development for Effective Coordination and Implementation
Concept Note**

This Concept Note provides details for outputs 6.c & 6.d of the current Country Programme Action Plan (2007-2011) and will serve as a bridge between the current CPAP and the next country programme cycle due to start in 2012.

I. Background

The Government of Ethiopia is in the process of implementing its Plan for Accelerated and Sustained Development to End Poverty (PASDEP 2004-2010). This is an MDG-based strategy that focuses on accelerating pro-poor economic growth; increasing investments in the social sector to improve human capital and enhancing food security. The Government has also launched and implemented sector-specific and nationwide capacity building initiatives.

Implementation of the national strategy has, in the past four years, resulted into visible improvements and marked progress towards PASDEP goals and MDG targets. The economy has registered real GDP growth rate of 11%; poverty headcount has declined from 44% in 2000 to 34.6% in 2006/7; access to primary education has improved at all levels with Gross Enrollment ratio for primary education reaching 91.6% in 2006/07; ratio of girls to boys in primary education increased to 93% in 2006/07 from 69% in 2000/07. The under-five mortality rate has gone down to 123/1000 in 2004/05; infant mortality rate has gone down to 77/1000 in 2004/05; maternal mortality rate has also declined to 673/100000 in 2005/06; the prevalence rate of HIV/AIDS has also declined to 2.1% in 2006/07; access to safe water has improved to 52.4% in 2006/07; and the rate of national TB treatment success rate increased to 85% in 2006/07 from 60% in 2000/01. For most of the targets the country began from very low levels.

Despite these achievements, significant challenges remain. Ethiopia's MDG progress report of 2008 indicates that the country will have difficulty in achieving some of the MDGs, more specifically MDG 1-eradicating extreme poverty, MDG 3- gender equality and women empowerment, MDG 5 -improve maternal health and MDG 7-ensure environmental sustainability, unless adequate measures are taken in time.

Among many challenges is the national capacity to maintain the growth momentum and development gains while at the same time addressing risks caused by the frequent natural and man-made crises.

Poverty remains high with some 31 million people living below the poverty line of 45 cents per day. Low levels of production and productivity in the agricultural and other sectors; significant humanitarian challenges and limited capacities at national and local levels to address them; and weak sub-national capacities to effectively plan and deliver public services are critical.

The Government has recognized the need to address weak capacities at all levels to: translate national policies into results-based programmes and interventions; improve public service delivery and to enable sub-national authorities to effectively fulfill their decentralized functions. These weak capacities also have an adverse effect on the development effectiveness of UNDP supported interventions. The previous programming period marked difficulties in delivering the country programme resulting into low rates of delivery and limited results. Lessons learned have pointed to the need for a more holistic approach toward developing capacities within government, other national partners and UNDP Country Office to ensure effective implementation of the Country Programme (CPD). The intervention will therefore be implemented covering the period 2010 to 2015.

Of critical importance is the need to build capacities in results-based planning and management; broaden the scope of capacity development interventions through effective capacity diagnostics; facilitate continuous dialogue and enhanced coordination and cooperation among key stakeholders, strengthen programme development and oversight capacities; foster effective monitoring and evaluation systems; support the development and implementation of sound communications, partnership building and resource mobilization strategies and support efficient management of financial resources, including the roll-out of the Harmonized Approach to Cash Transfers.

II. Strategies

The overall aim of this project is to strengthen the capacity of the Government and other partners at both national and sub-national levels to translate national policies and strategies into action and development results through effective design, implementation and monitoring of development activities. This project marks a deliberate move away from input-based project activity support which, once project or programme resources are exhausted leaves no capacity in place to sustain national actions. It seeks to promote and support a more demand-driven and holistic approach to strengthening national capacities for development management that would lead to concrete development results, and ultimately contributes to the achievement of the MDGs.

This initiative is implemented within the framework of UNDP's corporate strategic plan which emphasizes capacity development as the overarching contribution of UNDP within the key focus areas of: poverty reduction and MDGs; Crisis Prevention and Recovery; Good Governance and Environment. The project is also guided by the UNDP Africa strategy for Capacity Development for Pro-Poor Growth and Accountability, which focuses on developing African countries' ability to **own, design and effectively implement and monitor policies which lead to clear human development outcomes.**

III. Proposed Areas of Interventions

The project will support the following broad result areas:

Result Area 1 : Increased capacity of MoFED and BoFEDs in macroeconomic modeling, planning, negotiating and enhanced system on aid management

- Provide training for MoFED staffs on budgeting, planning, reform implementation, negotiation and cooperation related areas and sponsor international conferences;
- Support to develop and upgrade of AMP (Aid Management Platform) data base and procure necessary equipment for the platform.

Result Area 2: Enhanced capacity of BoFEDs, WoFEDs and Regional sector bureaus to timely deliver the services entrusted to them including timely implementation of programs, reporting and full utilization of resources.

- Building capacities for absorption of external resources – ensuring effective planning, implementation, coordination, monitoring and evaluation - as well as capacities to effectively utilize domestic resources;
- Support to Execution (project management, procurement, contracts administration and fund administration);
- Strengthening results based management and integration of a more holistic capacity development approach into national development programmes and projects – both within the Government and UNDP CO.
- Provision of technical services to enhance the quality and timeliness of project implementation and reporting through training, technical assistance (substantive and financial in light of HACT) and exchange of experiences to strengthen national institutions.
- Capacity gaps filled through TA, placement of National UNV and support to National UNV Scheme.

Result area 3: Enhanced coordination, monitoring and reporting capacities of MoFED, BoFEDs and WoFEDs

- Support the effective coordination of monthly and quarterly joint monitoring and evaluations of UNDP supported programmes/projects in all regions
- Support result based effective monitoring and evaluation system
- Support review and consultative meetings of UNDP supported programmes/projects at all levels
- Provide technical and operational support to AID Coordination Department of MoFED to enhance its capacity for effective aid management

Result Area 4: Support to emerging and critical capacity development needs of the government and UNDP CO addressed for effective program management and implementation through HRD and enhanced M and E

- Building sustained national capacities to respond to emerging capacity needs of government and other stakeholders at national and sub-national levels. This component will seek to equip national institutions, UNDP CO and other stakeholders with knowledge and ability to mainstream capacity development into programmes and projects, and to apply capacity diagnostic and development approaches, methods and tools in training, technical assistance and programme management.

Efforts to harmonize capacity development approaches and tools will be supported by a Capacity Development Community of Practice in Ethiopia.

- Specific interventions to address urgent and critical emerging capacity needs of government and the UNDP CO. This project will respond to specific requests from government and UNDP to support emerging needs including: training, studies and research to inform policies and programmes; policy advice and technical support to enhance programme quality and results, procurement of equipment, furniture, ITC materials and vehicles.

Result Area 5: Support MDG related Strategic initiatives

- Advocacy – facilitation of dialogue, consensus building and policy advice as required for project implementation.
- Support to undertake strategic studies in the areas such as NHDR development, MDG Needs Assessment and other PASDEP related matters



IV. Management Arrangements

This project will be nationally executed with MOFED as the implementing partner and as the entity responsible and accountable for managing the project, including the monitoring and evaluation of project interventions, achieving project outputs and for the effective use of UNDP resources. The two parties further agree that UNDP will be responsible for the implementation of Result area 4 and Result area 5 as outlined above as they are intended to enable the CO to effectively support GoE in Programme implementation and address critical emerging needs in accordance with approved AWP. MoFED gives approval in principle for UNDP to decide on the utilization of these funds. UNDP will also work closely with MOFED to ensure timely disbursement of funds and provision of support services upon request.

Due to the nature and scope of the project, decisions and critical strategic directions will be made jointly by MOFED and UNDP through a consultative process in lieu of a project board




Alessandra Tisot
Country Director
UNDP Ethiopia

Admassu Nebebe
Director
UN Agencies and regional organization Directorate
MOFED

May 2010