Phase IV - Development Partners Support to the GTP

Implementation Process in Ethiopia

Six Months Progress Report

1st July – 31st December 2012

March 2013

I. Background and Context

Quantitative data suggests that over the past years, solid gains have been made towards meeting the 12 aid effectives indicators enshrined in the Paris Declaration on Aid effectiveness. There has been consistent improvement in ownership, increased quality and use of country public finance management and procurement Systems, untying of aid, increased aid predictability, and increased aid transparency[1].

However, development effectiveness is not only about efficiency of resource application, or the management of aid processes; rather, it is about improvements in the lives of poor people as opposed to only looking at improved efficiency of development systems themselves.

Ethiopia is making positive steps on effective development cooperation considering the encouraging results indicated in the 2011 OECD survey described above. However, according to the Busan Partnership for Effective Development Cooperation, improved efficiency of development systems should be matched with improvements in the quality of policy and enhancing the role of critical stakeholders like civil society and private sector.

It is against this backdrop that Phase IV of the DAG General Pooled Fund was established as a platform aiming at identifying, developing, and supporting the implementation of strategies that address systemic issues that are barriers to development results. This pooled fund is a product of the 2011 DAG structure review that was commissioned with the view to enhancing the engagement of the DAG in light of the Paris Principles, Accra Action Plan and the Busan Partnership for Effective Development Cooperation. Pursuant to the recommendation of the review, the DAG decided to discontinue three of the DAG thematic funds and maintain the General Pooled Fund, which

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[1] http://www.oecd.org/development/effectiveness/48742718.pdf

is broader in scope to provide more harmonized and consolidated support. The central expectation of this pooled fund is to provide harmonized technical and financial support to the preparation, monitoring and evaluation of Ethiopia's national development plan (GTP), the progress towards the achievement of the MDGs, as well as national implementation of the global aid effectiveness agenda.

II.   Progress Highlights

During the period July - Dec 2012 the Project provided harmonized support to reinforcing institutional capacities, policy research and strategic studies that contribute to the achievement of the development goals set in the GTP and the global aid effectiveness agenda. During the six-month period under review, the DAG Pooled Fund has supported the realization of the following key results:

Facilitation of broad consultations on the GTP and MDG processes

The 2013 UNDP Human Development Report[2] indicates that Ethiopia is the 3rd fastest mover having an average of 3.1 percent gain in the Human Development Index[3] rank since 2000. This is the result of strong ownership and commitment of the government to implement its ambitious development plan, which is pro-poor in its orientation. The General Pooled Fund fostered Ethiopia's ownership of its development process by providing harmonized technical and financial support to the formulation, implementation and monitoring of the national development plan and poverty reduction strategy (Growth and Transformation Plan). Building on the previously achieved gains, the Fund facilitated the annual review of the plan in 2012 at the federal level. The consultation, which was attended by 120 representatives from development partners, private sectors, CSOs, recommended various policy actions to accelerate implementation of the GTP.

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[2] http://hdr.undp.org/en/media/HDR2013_EN_Summary.pdf

[3] http://www.et.undp.org/content/ethiopia/en/home/presscenter/articles/2013/03/15

About 70% of government budget is channeled to pro-poor initiatives. As part of the government's efforts to track poverty to inform policy actions, poverty situation in the country was analyzed through the support of the DAG Pooled Fund, using the Fourth Household Income and Consumption (HICE) and Welfare Monitoring Surveys (WMS). Some of the information contributed to the content and some of the policy recommendations are embodied in the GTP Annual Progress Report[4].

As part of the capacity development support provided to the Government of Ethiopia, senior staff members of MoFED and Central Statistics Agency were trained on HICES, WMS data set and poverty analysis. Support was also provided to MoFED to undertake a macro-economic performance evaluation (1991/92-2011/12) and consultations with relevant stakeholders at different levels to enrich and finalize the draft report. The final report is expected to be released in 2013.

Support was also provided to the Welfare Monitoring Unit (WMU) of MoFED to strengthen its coordination role in Monitoring and Evaluation of the GTP/MDGs and information dissemination.

Support to DAG - Government Dialogue Structure

In response to allegations that some donor-supported programmes in Ethiopia were being used for political gain, the DAG commissioned a study on the Public Sector Capacity Building Program Support Project (PSCAP-SP); and General Education Quality Improvement Program Project (GEQIP), to assess the rigor of the programme systems and safeguards that are designed to ensure that aid is spent effectively. The findings and recommendation of the study have been communicated to the respective programmes and the DAG is monitoring their implementation on a bi-annual basis.

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[4] http://www.mofed.gov.et/English/Resources/Documents/GTP Annual progress Report (2010-11).pdf

During the reporting period, whilst CSOs continue to face challenges, some incremental gains have been made with regard to improving the role of civil society in supporting effective development cooperation. Some steps have been taken by government to adapt the directives for administrative and operational cost which is widely known as 30/70. For example, the Charities and Societies Agency (ChSA) has increased the number of clusters and changed the category of some salaries, which was considered as administrative cost, to operations. The Government of Ethiopia also committed to a consistent and constructive dialogue on matters of civil society. These gains are the direct result of the sustained dialogue between government development partners and civil society facilitated by the DAG Pooled Fund. The Governance Technical Working Group provided technical backstopping for the DAG Heads of Agencies' policy engagement with the GoE Civil Societies Sector Working Groups, High Level Forum and GTP APR) on civil society, through the development of briefs, policy position and common messages. Technical support was provided in the following areas: improved operations of the CSSWG; implementation of the Charities and Societies Proclamation (ChSA) guidelines; Disposition of frozen funds and other assets and CSOs contribution to GTP.

The DAG Secretariat provided technical, secretarial, administrative as well as advisory support services to the DAG Ex-Com and the DAG. The Secretariat also coordinated and ensured smooth communication and flow of information to Heads of Agencies and other DAG structures. UNDP supported the DAG Secretariat by providing logistical, administrative, financial management and procurement services.

DAG Pooled Fund management support was provided in close consultation with the government implementing partner (MoFED). The range of project management activities undertaken include financial management, annual work planning with respective ministries, managing contracts and agreements with contributing donors.

The secretariat also managed the implementation of the DAG Communication strategy including the management of the DAG website, preparation of reports, minutes and newsletters.

Enhancing the Capacity of Government and DPs to achieve aid effectiveness and harmonization targets:

In order to improve the quality of data and reporting on aid in Ethiopia the DAG General Pooled Fund provided support to the Aid Management Platform (AMP) in terms of training and software development.

Five senior staff members of MoFED, who are working on the Aid Management Platform, participated in an international training provided by Development Gateway in Senegal. The participants returned from the training having enhanced their skills in aid management and reporting; acquired new knowledge of tools that help to better manage the AMP through improved data storage, management and reporting, as well as a better understanding of international best practices in aid management platform administration and management.

Development Gateway, the developer of the software for AMP, was contracted to update the software that is currently in use in Ethiopia. The upgrade will be followed by an assessment to integrate the M&E in the AMP and training to enhance the operationalization of AMP and rollout to regional levels.

III.   Financial Overview

Contribution by donors and balances as at 31 Dec 2012 in USD*

Donor	Balance available for 2012	Expense	Balance as at Dec 31, 2012	Contribution for 2013	Total fund expected to be available for 2013
Spain	39,565	35185	4,380	307,453**	311,833
Ireland	243,092	0	243,092	0	243,092
Canada	174,813	59681	115,132	0	115,132
Norway	190,749	173661	17,088	0	17,088
Italy	56,639	0	56,639	0	56,639
Austria	90,674	55640	35,034	0	35,034
Total	**795,532**	**324,167**	**471,365**	**307,453**	**778,818**

**USD 131,062 is a contribution received in 2012 for the support of the by now closed PF (phase III) but transferred to the New General PF in 2013. The contribution received in 2013 is USD 176,391

Project Expenditures 1 July 2012 – 31 Dec 2012 in USD*

Description	Expenditure (USD)
Support to GTP consultative process	28,295
DPs and Government Dialogue structure	
Aid Management and Utilization Study	53,157
General Management Service	29,308
Procurement of Aid Management Platform Software	72,141
DAG secretariat (staffing, admin, etc.)	136,4165
Miscellaneous	1,763
General Management Service	3,088
Grand Total	**324,167**

* Financial data and figures included in this report are an extract from UNDP's financial records. All financial data is provisional and do not replace certified financial reports issued annually by 30 June to individual donors with regard to their contributions.