



Empowered lives.
Resilient nations.

13 November, 2017

Dear DAG Members,

Subject: DAG 3rd Quarter Progress Report 2017

It is with great pleasure that I send you the 3rd quarter progress report of the DAG project-Phase V –Development Partners' Support to the implementation of 2nd Growth and Transformation Plan (GTP II) for 2017. I am also attaching the donor feed-back form as we would very much appreciate and value your feed-back on the report.

Please allow me to reiterate our appreciation for your continuous support and cooperation.

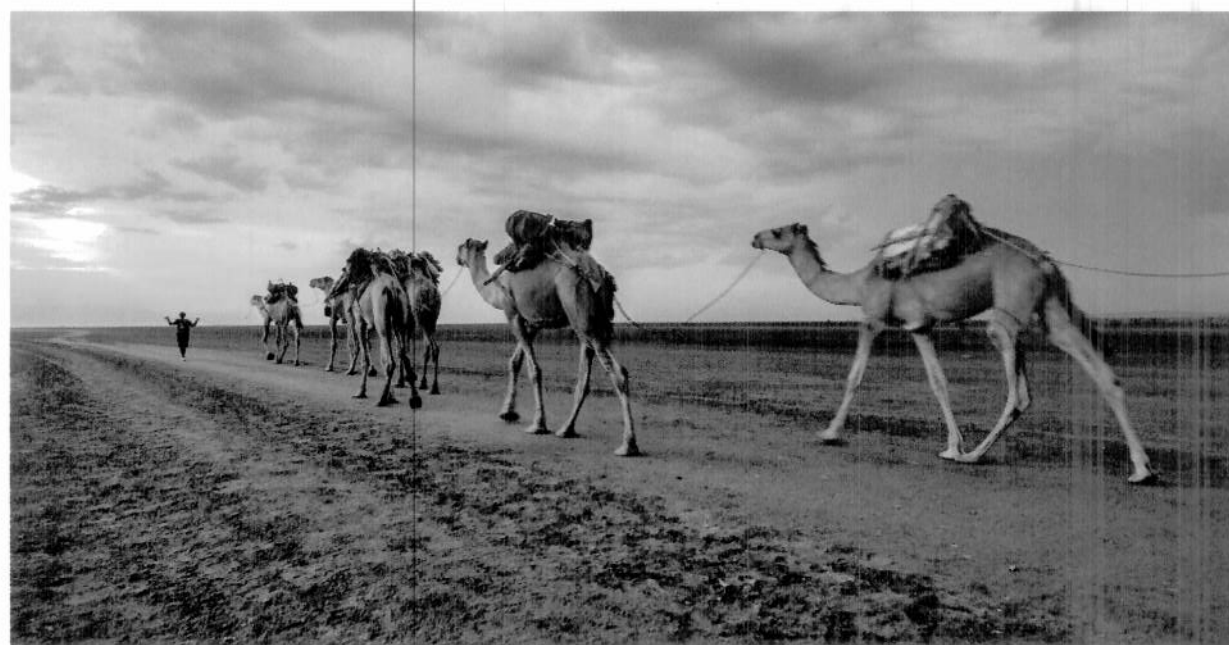


Yours Sincerely

A handwritten signature in black ink, which appears to read 'Louise', is written over the typed name.

Louise Chamberlain
Country Director

Phase V - Development Partners' Support to the Implementation of the 2nd Growth and Transformation Plan (GTP II).



Third quarter report-2017



Table of Contents

Acronyms	2
Project Description	3
Background	4
I. EFFECTIVE SUPPORT TO THE IMPLEMENTATION OF GTP II AND SDGs.	5
1.1. Poverty Analysis Study	5
1.2. NPC staff training on balanced score card	5
1.3. Logistical Support to NPC	6
II. EFFECTIVE DIALOGUE BETWEEN THE GOVERNMENT OF ETHIOPIA AND THE DAG.	7
2.1. Policy Advisory and Technical support.	7
2.2. Meeting with the Deputy Prime minister	7
III. AID EFFECTIVENESS AND HARMONIZATION TARGETS ACHIEVED.	9
3.1. Aid Management Platform (AMP)	9
3.2. Effective Development Cooperation Taskforce (edctf)	9
3.3. Addis Ababa Action Agenda (AAAA)	10
IV. CHALLENGES AND WAY FORWARD.	11
V. Financial Summary	12
5.1. TOTAL CONTRIBUTION	12
5.2. SUMMARY OF EXPENDITURE BY OUTPUT (JULY-SEPTEMBER 2017)	13
5.3. DETAILED EXPENDITURE BY OUTPUT (JULY-SEPTEMBER 2017)	14

Acronyms

AAAA	Addis Ababa Action Agenda
AMP	Aid Management Platform
AWD	Acute watery Diarrhoea
CSA	Central Statistical Authority
CSO	Civil Society Organization
DFID	Department for International Development
DG	Development Gateway
DPs	Development Partners
EDCTF	Effective Development Cooperation Taskforce
EHCT	Ethiopian Humanitarian Country Team
ExCom	Executive Committee
FDRE	Federal Democratic Republic of Ethiopia
GPEDC	Global Partnership on Effective Development Cooperation
GPI	Global partnership Initiatives
GTP II	Second Growth and Transformation Plan
GTWG	Governance Technical Working Group
HICES	Household Income Consumption Expenditure Survey
HLF	High Level Forum
HoA	Heads of Agency
M&E	Monitoring and Evaluation
MoFEC	Ministry of Finance and Economic Cooperation
MTEF	Medium Term Expenditure Framework
NDRMCC	National Disaster Risk Reduction Coordination Commission
NPC	National Planning Commission
ODA	Official Development Assistance
PFM	Public Financial Management
PRSP	Poverty Reduction Strategy Paper
PSTD	Private Sector and Trade Development
SC	Steering Committee
SDGs	Sustainable Development Goals
VNR	Voluntary National Review
WASH	Water, Sanitation and Health
WMS	Welfare Monitoring Survey
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNDP	United Nation Development Programme

Project Description

PROJECT TITLE	Phase V – Development Partners’ Support to the implementation of the Second Growth and Transformation Plan (GTP II).
COUNTRY: LOCATION	Ethiopia: Federal level
PROJECT ID	Award: 00094867 Project: 00098939
PROJECT DURATION	March 2016 – June 2020
UNDAF OUTCOME(S)	<p>Outcome 13: By 2020, national and sub-national institutions apply evidence based result oriented and equity focused decision making, policy formulation, programming design, monitoring, evaluation and reporting.</p> <p>Output 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.</p>
TOTAL BUDGET	USD 4,665,029.
(ACTUAL EXPENDITURE)	USD 1,230,402.
IMPLEMENTING PARTNER AND RESPONSIBLE PARTY	Ministry of Finance and Economic Cooperation (MoFEC) and National Planning Commission (NPC).

Background

DAG phase V project- Development Partners' Support to the implementation of the second Growth and Transformation Plan (GTP II) contributes towards strengthening the capacity of national institutions to make informed decisions and play strategic roles in evidence based planning, implementation, monitoring and evaluation of national as well as international development plans. Towards this end, the DAG project provides technical and financial support to the National Planning Commission (NPC) and Ministry of Finance and Economic Cooperation (MoFEC) in order to enable these institutions fulfil their goals and mandates effectively.

The Development Assistant Group (DAG) has 30 bilateral and multilateral members supporting the Government in implementing the second Growth and Transformation Plan (GTP II) and Sustainable Development Goals (SDGs). DAG coordinates and aligns development partners' programming support towards the implementation of the second Growth and Transformation plan in order to eradicate poverty and bring the desired structural transformation. The Project supports the Government and development partners to comply with the Global Aid Effectiveness agenda and meet aid effectiveness commitments and targets of Ethiopia.

In addition, the project contributes to harmonizing development assistance through various policy dialogues such as the High Level Forums (HLF) as well as Sector and Technical working groups. The Effective Development Cooperation Taskforce (EDCTF), chaired by MoFEC, follows-up on the implementation of the High Level Forum action points; oversees the functionality of sector working groups; ensures the implementation of aid effectiveness action plans and support to Global Partnership on Effective Development Cooperation (GPEDC) monitoring surveys. Furthermore, the DAG project supports the Aid Management Platform (AMP) to track Official Development Assistance (ODA) flows for well-informed planning and decision making.

This progress report covers the period from **1st July to 30th September 2017** describing the progress made under each output as follows.

I. EFFECTIVE SUPPORT TO THE IMPLEMENTATION OF GTP II AND SDGs.

1.1. POVERTY ANALYSIS STUDY

The interim report on the 2015/16 Poverty Analysis study was launched in September. The interim report details the Ethiopian Government's aim to reduce poverty mainly via economic growth and equitable distribution of public spending as well as (redistribution in times of crisis). The interim report reveals that in an effort to achieve economic gains and reduce poverty, Government spending has increased steadily from 94 billion birr in 2010/11 to 149 billion birr in 2015/16. The interim report highlights poverty as one of the resulting impact of various shocks the country has faced including drought and inflation. Poverty analysis is an integral part of the overall monitoring and evaluation system in Ethiopia and is an important tool in guiding policy for targeting poverty reduction in national households in the country. Data is based on the Household Consumption Expenditure (HCE) Survey and Welfare Monitoring Survey (WMS) conducted every five years. The main objective of the interim report is to share key findings of the study with the public, the final report will be released upon completion of verified data from Central Statistics Authority (CSA) in the fourth quarter.

The Poverty Analysis report is a flagship report for the National Planning Commission (NPC). It aims to inform policy making and the design of appropriate interventions in order to enhance effectiveness of on-going programmes on poverty reduction.

1.2. NPC STAFF TRAINING ON BALANCED SCORE CARD

National Planning Commission has embarked on a five-year strategic institutional plan within the framework of its mandate and the wider public service reform programme. In line with this the Ethiopian Civil Service University provided a training to NPC's staff on balanced score card to cascade the strategic plan to divisions, sub-divisions, work unites and individuals. Since NPC prepares national development plans and conducts monitoring and evaluation on the implementation of GTP II, a three weeks on-job training was provided to experts in order to ensure relevance and practical application of the day-to-day work of the NPC. In this training a total of 42 staff members participated. Out of which 14 were female (1 Director, 1 Team leader, 2 senior experts and 10 junior experts).



1.3. LOGISTICAL SUPPORT TO NPC

The DAG pooled fund supports the National Planning Commission in its mandate to monitor progress of implementation of the second Growth and Transformational Plan (GTP II). The pooled fund finances costs related to project personnel, operational expenses including office supplies, equipment maintenance and vehicle running costs. Support also extends to the GTP II Annual Progress Review meetings that take place throughout the country. NPC followed up with regional and city administrative offices in different parts of the country to gather post-workshop information for reporting purposes at the national APR normally held in Addis Ababa.

II. EFFECTIVE DIALOGUE BETWEEN THE GOVERNMENT OF ETHIOPIA AND THE DAG.

2.1. POLICY ADVISORY AND TECHNICAL SUPPORT.

During the reporting period, one extra-ordinary and two regular DAG Heads of Agency meetings were held. The extra-ordinary meeting was held on 2nd August 2017 at the request of DAG members to get an update on the extent of humanitarian needs. The drought and nutrition crisis coupled with the deportation of Ethiopians from Saudi Arabia exacerbated the humanitarian situation in the country. The crisis affected the low land area particularly the Somali region, where investments have been low. During the monthly DAG HoA meetings UNOCHA, Water, Sanitation and Health Sector Working Group (WASH SWG) and Rural Economic Development and Food Security (RED FS) sector working groups gave briefings on the current situation and prevailing challenges. Significant funding gaps, lack of local and federal capacity as well as weak participation of the private sector were flagged as major concerns. Additionally, UNFPA informed DAG members about the upcoming population census that will be conducted in February 2018.

The DAG Executive Committee (ExCom) reflected on the areas of focus for in the remainder of 2017 and agreed to concentrate on the humanitarian/development agenda; social accountability and/or corruption; population growth (in view of upcoming census); data quality and the national economy. The ExCom also agreed on the importance of formulating positions in time to take issues forward collectively or individually; sharing information on thematic areas using technical expertise from the sector working groups and monitoring progress against the GTP and SDG goals were issues highlighted as useful for the DAG. It was agreed that shared understanding among DAG members is crucial for strategic engagement with the Government. Furthermore, in order to prepare for the high level forum, the DAG agreed to hold biannual retreats and invite guest speakers to get abroad reading of external views.

Furthermore, the DAG ExCom agreed to closely collaborate with EHCT ExCom. Accordingly, the EHCT ExCom will meet jointly with the DAG ExCom on a monthly basis to enable exchange of ideas and better coordination. One outcome of this collaboration so far has been agreement that going forward, the New Way of Working (NWOW) and investment in the lowlands areas are envisaged to reduce humanitarian needs, specifically in the water, health, agriculture, nutrition and livestock sectors.

2.2. MEETING WITH THE DEPUTY PRIME MINISTER

The DAG Executive Committee met with the Deputy Prime Minister, H.E. Demeke Mekonnen on August 9th 2017 to engage with GoE on the humanitarian situation; The following highlighted issues were central to the discussion; synergy between Humanitarian Requirement Document (HRD) and Productive Safety Net Programme (PSNP); The crisis in Somali region; Resilience building to mitigate the climate induced humanitarian crisis and development partners response to the crisis.

In view of overwhelming global crises, development partners urged the Government of Ethiopia to have a plan in place in order to meet the resource gap, given the fact that donors will unlikely meet the financing shortfall. Additionally the Government was encouraged to be tactical in prioritization and addressing immediate/urgent needs.

Regarding the HRD & PSNP, partners proposed to have a one plan-one system with improved efficiency in procurement and distribution of food and non-relief items. The DPM agreed to improve efficiency in the system, however on the issue of one system-one plan, the GoE informed that this needs further consultations with the regional governments. It was suggested that PSNP should be flexible enough to accommodate emerging needs in the future, since PSNP beneficiaries are susceptible to being more adversely affected by the drought compared to non-PSNP beneficiaries.

The critical nature of the humanitarian situation in Somali region was highlighted, particularly in relation to the health crisis caused by the drought. The DPM informed DAG ExCom that the Government had mobilised not only resources but also health personnel, specifically to Jijiga. It was emphasised that the kind of mechanism adopted should depend on the needs of the target group. It was agreed that building long term capacity is crucial to handle climate driven humanitarian crisis in the future. To this end it was agreed that co-operation between development partners and government in the area of resilience building specifically in agriculture, water and irrigation will be prioritised in the future.

The GoE informed that the Ministry of Information is working on a communications strategy that will provide additional information and support on messaging in terms of the humanitarian crisis. Additionally a recovery plan was in the process of being drafted and would be annexed to the HRD. Government also informed of a road map being drafted to assess the root causes of recurring crises and the plan to call on development partners to assist in addressing these issues. Additionally, the Government established a National prevention and coordination steering committee comprising of critical line Ministries, chaired by the DPM and is also mandated to follow up on drought related issues and recommend timely actions.

III. AID EFFECTIVENESS AND HARMONIZATION TARGETS ACHIEVED.

3.1. AID MANAGEMENT PLATFORM (AMP)

As per the agreement signed between Ministry of Finance and Economic Cooperation (MoFEC) and Development Gateway (DG) in December 2016, DG delivered Global Partnership Initiatives (GPI) indicators, data entry, reporting, filtration, automatic validation, freezing and displaying formats, in accordance with MoFEC's specifications. In addition, all the necessary documentation was provided with online technical support, which was reviewed and approved by MoFEC.

The AMP inflow/Out flow tracker was launched in August 2017. This was formally communicated to all development partner agencies. In accordance with the decision to freeze historic AMP data, the required data cleaning started on both Government and partners' side. However, due to challenges encountered in cleaning data, the timelines for freezing has been extended to December 30, 2017

Currently, AMP version 2.13 is available in testing server mode and it will be made available to all users in December 2017. In line with the plan, the exit Strategy has the objective of knowledge transfer from DG and capacity building of MoFEC's IT staff. To this effect, the first round of training was provided by Development Gateway in August 2017 for fifteen days, along with the required training documentations for MoFEC IT experts. Five IT experts, who took the prerequisite JAVA training in June, were trained on the basic architecture, development tools, testing and administration of the Aid Management Platform. Out of the five trained IT experts, two were women.

Additionally, two IT professionals- one IT developer and one Data-base manager, was recruited and deployed to MoFEC to support MoFEC's IT directorate in taking over the AMP software development and management from DG. Training will be provided to the newly recruited IT experts in the fourth quarter in order to bring them up to speed with implementation of the exit strategy.

During the reporting period, ten users from DPs and MoFEC were given access to AMP and two users were suspended from the work space as per the request from DPs. Technical support was provided to five existing AMP focal points that faced technical difficulties. AMP refresher training will be conducted to new focal points in the fourth quarter.

3.2. EFFECTIVE DEVELOPMENT COOPERATION TASKFORCE (EDCTF)

In an effort to better institutionalize and strengthen the GoE-DAG coordination structure, Terms of Reference (ToR) were prepared both for the Effective Development Cooperation Taskforce (EDCTF) and Sector Working Groups (SWGs). The SWGS ToR is a generic guide to the preparation of customized ToRs by each sector working group as appropriate. The new ToRs, aim to strengthen the link between the SWGs and the EDCTF as well as the coordination among the SWGs.

The ToRs were discussed at the EDCTF meeting held on 29th June 2017, the TORs were further adjusted to reflect the comments received from EDCTF members and development partners. . The

EDCTF is expected to meet in mid-November to approve the Annual Work Plan and the 19th HLF scheduled for December 2017.

With regard to following up of the 18th HLF action points, extensive discussions have taken place within MoFEC and with development partners on the topic of Humanitarian-Development nexus. A Consultant has been hired to support the efforts in analysing the situation on the ground and to outline efforts needed to build the resilience of vulnerable communities. Similarly MoFEC is making efforts to engage the relevant Government officials on the matter.

3.3. ADDIS ABABA ACTION AGENDA (AAAA)

The Addis Ababa Action Agenda (AAAA) taskforce decided to enhance the draft AAAA report. According to guidance received from MoFEC and the AAAA taskforce, the report will be further revised to include a clear Monitoring & Evaluation framework.

In line with this, a draft Terms of Reference has been prepared by MoFEC and is yet to be approved by the taskforce. The taskforce is expected to meet in November to approve the ToR and guide the Consultant on finalization of the report.

IV. CHALLENGES AND WAY FORWARD.

CHALLENGES:

- Not all DAG members have extended contributions to the DAG pooled fund. There is currently a funding gap of \$ 56,140. This has created a number of challenges in terms of financing some of the approved activities in the 2017 work plan.
- Data cleaning of AMP historical data is not completed as planned due to delays from both MoFEC and development partners side. This has affected the data freezing timeline on AMP.
- The DAG Secretariat is short staffed. The administrative and finance officer resigned to take up a different position in UNDP Regional Service Centre. Recruitment process to fill this position is ongoing.

WAY FORWARD:

- Efforts are ongoing to mobilize contributions to the pooled fund from new and existing DAG members in order to meet the 2017 resource gap and finance the 2018 AWP that will be approved in December 2017.
- MoFEC is extending the deadline to clean historical AMP data until 31 December 2017. The historical data on AMP will be frozen in 2018. Partner agencies are strongly encouraged to ensure that their data is correct and up-to-date before 31st December.
- A new Administrative and Finance officer for the DAG secretariat is in the process of being recruited.

V. Financial Summary

5.1. TOTAL CONTRIBUTION

No	Contributing DAG members	Opening Balance 2017 (USD) (A)	2017 Contributions Received (USD) (B)	Total Available cash (USD) (C=A+B)	2017 Expected Contributions (USD) (D)	Total Resources (USD) (E)
1	AFDB	71	10	81		81
2	Austria	74,310	0	74,310		74,310
3	Australia	10,048	9	10,057		10,057
4	Canada	2				
5	DFID	3,371	64,652	68,023		68,023
6	EU		134,627	134,627		134,627
7	Finland	372	22,396	22,768		22,768
8	France	262	0	262		262
9	Germany	53,079	54,289	107,368		107,368
10	Ireland	1,319	53,707	55,026		55,026
11	Italy		53,028	53,022		53,022
12	Netherlands	1,791	50,000	51,791		51,791
13	Japan					
14	JICA					
15	Norway	41,816	168,141	209,958		209,958
16	Spain	39	1,814	1,853	58,962.26	60,815.26
17	Sweden	361	65,747	66,109		66,109
18	Switzerland	1	81,313	81,314		81,314
19	USAID	1,590	100,000	101,590		101,590
20	Denmark		106	106		106
21	World Bank	225		225		225
Total		188,657	849,839	1,038,496	58,962.26	1,097,458.26

5.2. SUMMARY OF EXPENDITURE BY OUTPUT (JULY-SEPTEMBER 2017)

Output	Budget (USD)	Expenditure (USD)				Balance (USD) compared to budget
		Q1	Q2	Q3	Total	
OUTPUT 1: Support to the implementation of GTP II and SDGs	374,132		118,581.93	24,300.95	142,882.88	231,249.12
OUTPUT 2: Effective DAG and Government Dialogue	512,160	161,554.89	164,153.35	120,732.92	446,441.16	65,718.84
OUTPUT 3: Improved AID effectiveness indicators	170,732	4,309.79	7,575.73	7,969.15	19,854.67	150,877.33
GMS (administrative overhead)	84,562	12,491	22,763	10,842.39	46,096.39	38,435.61
Unrealized Gain or Loss		-39	2,196	165.33	2322.33	-2,322.33
TOTAL	1,141,586	178,316.68	315,270	164,010.74	657,597.43	483,958.57

Disclaimer: Financial Data provided in this report is an extract from UNDP's financial system. All figures are provisional and do not replace certified annual financial statements issued by UNDP.

	Connectivity charges	1,243	384		1,627
	DAG HOA Retreat	1,600			1,600
	2 High level forums GOE-DAG on agreed themes				
OUTPUT 3: Aid Effectiveness and Harmonization	Improved aid effectiveness indicators	3,990	7,015		14,895
	AMP Upgrade-Payment for adding new module updating the existing one and exit strategy of AMP				
	Amp coordinator at MOFEC		3,125		3,125
	Java and other necessary raining for MOFEC IT staff				
	Consultant for the preparation of AAAA road map				
	AAAA implementation roadmap validation workshop				
	EDCTF action plan implementation -Policy analyst at MOFEC	3,990	3,890	3,890	11,770
	GPEDC monitoring findings assessment				
GMS		12,491	22,763	12,229.65	47,484
Unrealized gain or loss		(39)	2,196	165.33	2,322
Total		178,317	315,270	164,010.75	657,598

Disclaimer: Financial data provided in this report is an extract from UNDP's financial system. All figures are provisional and do not replace certified annual financial statements issued by UNDP.

RESULTS SUMMARY (JULY-SEPTEMBER 2017)

Planned Activities	Detailed Activities	Planned	CFY 2017 /EFY2009-10		Objectively verifiable indicators	Comments
			Actual Jan-Sept 2017	%		
Output 1: Support to the implementation of GTP II and the SDGs						
1.1. Consultation on GTP II APR	Consultation with development partners on GTP II APR	25,000	8,450.60	34%		
	9 regional and 2 city administration consultations with stakeholders	70,556	70,111	99%	Annual GTP Progress Review Report and Annual consultations	
	Printing of GTP APR/ GTP II in Amharic and English	20,000				
1.2. GTP I Terminal report, printing & dissemination	Printing of GTP I Terminal report in Amharic and English	20,000			Number of disseminated documents	
1.3. Finalization of Poverty Analysis	Preliminary national poverty report & final Report of Poverty Analysis	79,500			Production of analytical work	Preliminary National poverty report has been submitted to NPC in September. Financial delivery related to the launch of the report will be reflected in the 4 th Quarter,
1.4. Poverty Analysis Quality Assurance	Quality Assured poverty analysis	25,000			Production of analytical work	

1.5.	Conduct studies on selected strategic themes	Leather & Garment industries and; Gold mining sector performance evaluation assessment. Irrigation Development projects performance assessment Government Loan supply for public development projects & private projects evaluation assessment Investment incentives performance evaluation assessment	20,000 20,000 20,000	7,378.84	12%	Production of at least 1 analytical work	
1.6	Logistics	Logistics	74,076	47,381.73	64%		Training of NPC staff on balanced score card has been effected using the logistics support.
Sub-total			374,132	133,322	36%		
OUTPUT 2: Dialogue between DAG and Government of Ethiopia							
2.1	DAG secretariat	Communication, project management, coordination, financial and administrative support	72,000	55,979.13	78%	DAG input to performance review	On Going
		Technical assistance related to governance, development effectiveness policy making and coordination	432,000	400,175.86	93%	DAG input to performance reviews.	On Going
2.2	Communication	DAG Web site upgrade and subscription fee Connectivity Charges	2,000 3,160	193 1,627	10% 51%		
2.3	Retreat	DAG HOA Retreat	2,000	1,600	80%	Retreat action points	
2.4	High Level Forum	2 high level forums GOE-DAG on agreed themes	1,000			HLF organized twice a year	In addition to the HLFs, the DAG ExCom met with

									DPM on the humanitarian situation of Ethiopia.
Sub-total			512,160	459,574.90	90%				
OUTPUT 3: Aid Effectiveness and Harmonization									
3.1 Aid Management platform (AMP) upgrade	Payment for adding new module updating the existing one and exit strategy of AMP		103,300			Functional and accessible AMP			
3.2 AMP roll out to line ministries and regions	Amp coordinator at MOFEC		9,852	3,125	32%	Functional and accessible AMP		Training of 10 new and existing AMP focal points.	
	Java and other necessary trainings for MOFEC IT staff		30,000			Functional and accessible AMP			
3.3 Preparation of joint GOE-DAG AAAAA implementation roadmap	Consultant for the preparation of AAAAA implementation road map		7,700						
	AAAAA implementation roadmap validation workshop		2,000						
3.4 EDCTF action plan implementation	Policy Analysts at MOFEC		17,880	11,770	66%	Regular follow up of EDCTF			
3.5 2016 GPEDC monitoring findings assessment									
Sub-total			170,732	14,895	9%				
GMS			84,562	47,484	56%				
Unrealized Gain or Loss				2,322					
Grand Total			1,141,586	657,598	58%				

Disclaimer: Financial data provided in this report is an extract from UNDP's financial system. All figures are provisional and do not replace certified annual financial statements issued by UNDP.