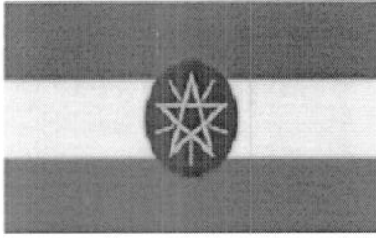


Proposal ID : 417345
Proposal Project : 56830

Final



Government of the Federal Democratic Republic of Ethiopia

United Nations Development Programme

Capacity Development for Effective Delivery

The Government of Ethiopia and UNDP are now commencing the new programme cycle from 2007 to 2011. This will be implemented in line with PASDEP, NEX, UNDP strategy of Capacity Development for Pro-Poor Growth and Accountability as outlined by the Regional Bureau for Africa along with the government's efforts to build the capacity of national institutions to increase service delivery throughout the country. Alongside this is the changing aid environment which demands that UNDP transforms into a knowledge organization that brings cutting edge solutions to the development needs of people in the country.

Under the project "Capacity Building for Effective Delivery", UNDP will provide project management support and other targeted services to enable Government overcome barriers to implementation and effective execution of projects aimed at supporting the achievement of the MDGs. In addition, MoFED, as coordinating Ministry, will strengthen its UN Team coordination, monitoring and evaluation capacity; undertake annual assurance exercises including auditing and assessments, etc with the support of this project.

SIGNATURE PAGE

Country: Ethiopia

UNDAF Outcome(s)/Indicator(s): 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.

Expected Outcome(s)/Indicator (s): Devolution of power significantly enhanced and the civil service reform implemented, resulting in more effective response to community driven needs and better and more equitable access to quality public services and utilities in particular by the vulnerable, poor and marginalized

Expected Output(s)/Annual Targets:

Implementing partner: Ministry of Finance and Economic Development

Responsible parties: MoFED, UNDP

Programme Period: 2007/2008
Programme Component:
Project Title: Capacity Development for Effective Delivery
Project ID: _____
Project Duration: 5 years
Management Arrangement: NEX

Budget	3.64 Million USD
General Management Support Fee	
Total budget:	_____
Allocated resources:	_____
• Government	_____
• Regular	_____
• Other:	
○ Donor	_____
○ Donor	_____
○ Donor	_____
• In kind contributions	_____
• Unfunded budget:	_____

Agreed by Government and Implementing Partner: _____

Agreed by (UNDP): Fidele Sarassoro 22 MAY 2007 McKonney Manyazewal
Resident Representative State Minister

Fidele Sarassoro
Resident Representative



I. Situation Analysis

Despite all the efforts to address poverty in Ethiopia the Plan for Accelerated and Sustained Development to End Poverty [PASDEP] notes that the challenges facing Ethiopia are daunting: the dynamics of population growth; very low productivity; structural bottlenecks; and dependence of unreliable rainfall. These combine to pose challenges almost unequaled anywhere in the world. The government has made considerable efforts to accelerate progress as rapidly as possible - including a big push on education, expanding infrastructure, opening up the economy, building institutions and devolving administration. However income poverty continues to be widespread and deep, with some 31 million people living below the poverty line of 45 cents per day.

The government is determined to reduce poverty with an emphasis on economic growth increasing access to basic services and building capacity of government delivery systems. The strategy is to promote rapid economic growth by focusing on rural development; physical and human capital by deepening the devolution process to empower people at the local level and enable them and take control over their lives.

The UNDAF [2007 to 2011] has identified five areas for development cooperation over the coming five years. These were designed to contribute to the Government's primary objectives of achieving poverty reduction targets as outlined in the PASDEP. Although these five areas of UN comparative advantage do not cover all the inter-related MDGs, they aim to have strategic and catalytic impact on Ethiopia's development. These are *Humanitarian Response, Recovery and Food Security; Basic Social Services and Human Resources; HIV/AIDS; Good Governance; and Enhanced Economic Growth.*

To help the government and its international partners achieve the goals of the PASDEP, it is essential to address the institutional capacity constraints, which exist throughout the country. This is particularly necessary in the context of the government's efforts to increase service delivery as it strives to achieve the MDGs. The lack of the necessary capacity to increase service delivery has been recognized as a crucial issue, which needs to be addressed if the outputs of the UNDAF are to be achieved. UNDP, as the capacity building agency of the United Nations System must assist with the development of institutional capacity to enable the country address the poverty in a sustainable manner.

II. Strategy

The Regional Bureau for Africa now recognizes Capacity Development as key for effective service delivery throughout the continent. During the previous programming period, UNDP in Ethiopia found it difficult to deliver on programme activities and at times delivery targets were not met. Programme reviews indicate that capacity at the regional level was weak or sometimes UNDP failed to use existing capacity effectively. It has been recognized in the CPAP [2007 to 2011] and a strategy must be put in place to address this. While the CPAP recognizes that the capacity development should be mainstreamed across all interventions, it is considered important to have a stand alone capacity development intervention which will assist the government-- in particular the Ministry of Finance and Economic Development -- with carrying out its role in supporting an environment for improving service delivery.

The project guided by the RBA strategy for capacity development and the government's commitment to developing institutional capacity in the country will contribute to development

efforts by enhancing institutional capacity to coordinate, implement and manage development activities. This will be achieved through the provision of strategic assistance in the preparation and implementation phase of projects and will primarily involve targeted support services for effective and efficient implementation of outputs. Specifically, UNDP aims to provide four support service lines: 1) Support to coordination, M&E and assurances 2) Support to Execution (project management, procurement, contracts administration and fund administration), 3) Building Knowledge at national and local level (training, technical assistance and exchange of experiences to strengthen national institutions) and 4) Advocacy (facilitation of dialogue, consensus building and policy advisory as required for project implementation).

UNDP's comparative advantage makes it well suited to provide these support services. They include: immediate access to specialized technical expertise worldwide; culture of ethics, integrity, and confidentiality supported by operational control mechanisms; capacity building focus; ability to facilitate participation as a neutral partner through forums and advocacy between central and local governments, private sector, and civil society; and savings and efficiency in terms of cost and time from global economies of scale.

The project will have a two-pronged approach, providing both a short term and a medium-term strategy equally customized towards reaching the prime objective: a strong and sustainable increase in the absorption capacity of the Government.

In the short term, relevant Government stakeholders are supported in finding solutions, which can bring immediate results. Typically, the short-term approach will focus on new projects and those that warrant particular attention due to their strategic prominence in terms on moving towards achieving the MDGs.

In the medium term, this project aims at improving the capacity of Government, in particular the staff of the departments who are involved in the design, implementation and evaluation of development projects especially at the regional level. This will be achieved through a capacity building programme in areas including: project management, financial administration assistance, monitoring and evaluation, and the procurement and contract management for goods, services and equipment.

The capacity building and knowledge transfer to project and government counterpart staff will occur through both on-the-job training as well as follow up with formal and informal meetings. In the former situation, UNDP will provide project support in-situ through a tailored support structure as well as through experts and Country Office staff as required. Through a "coaching" approach, project staff will, at different levels, constantly interact with highly experienced UNDP advisors. In addition, formal training will be provided at the Government's request.

III. Management Arrangements

MOFED as the designated institution will have the overall responsibility for the project while UNDP will be responsible for implementation under the NEX modality. MoFED will also be responsible for implementation of part of the components of the project. UNDP will work closely with MOFED to ensure that there are speedy disbursement arrangements enabling the project to be implemented in an efficient manner.

The project will enable the CO and the Government to respond promptly to opportunities to achieve its development priorities in reducing poverty, increasing growth and accelerating the achievement of the MDGs. Maintaining an agile disbursement system constitutes the major strategy in the management of this project. The Government will stay at the forefront of the decision-making and take the lead in the process while UNDP will focus on strengthening existing national structures and systems. UNDP will also ensure that development resources and implementation strategies are strongly linked to the country's broader development agenda, priorities and policy dialogue.

IV. Monitoring and Evaluation

The programmes under the current CPD and UNDAF have a wide converge with a considerable amount of resources being spend at regional level. At present there is extensive contact with the projects in the field through regular visits and consultations with partners. There are quarterly and annual reviews along with joint visits carried out by both government and UNDP personnel

V. 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 26/02/19881.

The following types of revisions to the project document can be made with the sole signature of the Resident Representative of UNDP, provided MOFED 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.

Section 2. Matrix of Results

PROJECT RESULTS AND RESOURCES FRAMEWORK

Intended Outputs	Output Targets for (years)	Activities	Inputs
<p>2.1 Applicable MYFF Service Line:</p> <p>2.1.1 Service Line 2.6: Decentralization, local governance and urban/rural development</p> <p>2.1.2 Service Line 2.7: Public administration reform and anti-corruption</p> <ul style="list-style-type: none"> • Support provided to selected priority development projects in order to ensure that they are effectively implemented with the greatest possible impact, especially on the achievement of the MDGs. • Capacity of the CO enhanced so that it is able to design and implement development projects efficiently. • Enhanced capacity of MoFED for coordination, Monitoring and evaluation 	<p>2007 – 2008</p> <p>Result: Increased delivery and projects implementation rates.</p> <p>Improved program coordination and management</p> <p>Improved adherence to agreed procedures</p>	<ul style="list-style-type: none"> • Identify specific knowledge and processes, which have to be built for increasing CO capacity in the management of projects. • Design a suitable capacity building programme. • Implement the capacity building programme in project management; financial management; procurement practices and result-based management. 	<p>Needs / capacity assessment, Training, Technical & procurement assistance, Travel, Monitoring</p> <p>Audit report</p> <p>Review meeting report</p>

A3. Knowledge sharing
1. Technis

<ul style="list-style-type: none"> • Improved Compliance 	<p>& financial management</p>	<ul style="list-style-type: none"> • Undertake monitoring and evaluation activities • Build the capacity of the MoFED, UN Team in the areas of coordination, M&E and program management • Undertake NEX audit • Improve and strengthen coordination of the program 	
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Section 3. Resource Matrix of the Project

Details	UNDP	2007	2008	Total
Staffing	(Contractual Service - Individual)	60,000	140,000	200,000
Office Rent (Pro. Ratio)	Rental & Maint - Premises	20,000	40,000	60,000
Stationery; telephone and fax	Supplies	5,000	10,000	15,000
Office furniture and IT equipment	Equipment & Furniture	45,000	15,000	60,000
Vehicle	- Transport, shipping handle	45,000	-	45,000
Vehicle running cost (maintenance & fuel)	Transport, shipping handle	3,000	5,000	8,000
Monitoring and Evaluation	MOFFED Travel	35,000	35,000	70,000
Technical Support (consultants)	Professional Service	(65,000)	50,000	115,000
Training/Learning	Learning Cost	90,000	30,000	120,000
Contribution to coordination of UN activities	Act 1	30,000	30,000	60,000
Total Amount		398,000	355,000	753,000

Details	MoFED	2007	2008	Total
Monitoring Visit		19,100	25,000	44,100
Review Meetings		35,000	40,000	75,000
Procurement of office equipment for the new multilateral & bilateral cooperation departments offices		50,000	50,000	100,000
M&E for BoFEDs		110,000	120,000	230,000
NEX Audit		90,000	87,000	177,000
Short term training/seminars/workshops		30,000	45,000	75,000
Retreat on program coordination, synergy etc.		5,900	15,500	21,400
Operational costs		15,000	15,000	30,000
Total Amount		355,000	397,500	752,500
Grand Total		785,000	720,000	1,505,500

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MoFED

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ANNUAL WORK PLAN FOR CAPACITY DEVELOPMENT FOR EFFECTIVE DELIVERY PROJECT

In Thousands USD

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES List all activities including M & E to be undertaken during the year towards stated CP outputs	TIME FRAME								RESPONSIBLE PARTY	PLANNED BUDGET				
		Year 1				Year 2					Source of Fund	Budget Description	Amount		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
Improved Monitoring and Evaluation Activities	Monitoring Visit to project sites. To undertake monitoring visit to each of UNDP assisted programs/projects atleast once in a year.														31.6
	Prepare TOR for each of the field visits <i>Travel</i>			X	X	X	X	X	X						
	Undertake monitoring visit <i>MS</i>			X	X	X	X	X	X						
	Prepare report with recommendation on the field visit			X	X	X	X	X	X						
	Organize Annual Review Meetings with the federal and regional implementing bodies and IINDP.														55.00
	Identify & invite participants of the meetings <i>con. ses comp</i>					X	X	X	X						
	Organize and undertake review meetings <i>Travel</i>					X	X	X	X						
	Prepare report with recommendation <i>MS</i>					X	X	X	X						
	Monitoring and evaluation of activities performed at regional levels by BoFEDs														170.00
	Undertake monitoring visit to UNDP assisted project sites in their respective region			X	X	X	X	X	X						
	Prepare report with recommendation <i>Travel</i>			X	X	X	X	X	X						
	Organize regional review meetings for UNDP assisted projects in their respective regions <i>MS</i>			X	X	X	X	X	X						
	Prepare report with recommendation			X	X	X	X	X	X						
	Undertake capacity building activities for MoFED - UN staff in the areas of coordination, M&E and program management through training etc.														52.50
	Identify training institute <i>con. ses. com</i>			X	X	X	X	X	X						
	Identify trainees <i>Learning Cost</i>			X	X	X	X	X	X						

	Provide the training																					
	Prepare report									X	X											
	Procure office equipments for the new multilateral & bilateral cooperation department offices								X	X												75.00
Improved Compliance	Recruit audit firms to undertake 2006 & 2007 NEX Audit																					133.50
	Negotiate & sign agreement with auditors assigne by Auditors General	X													X							
	Organize Exit conference on the audit findings project by project							X														
	Effect payment to the audit firms							X														
	Organize retreat program on coordination, synergy, etc																					
	Prepare TOR for the program							X	X	X	X	X	X	X	X							
	Undertake retreat program							X	X	X	X	X	X	X	X							
	Operational Cost -							X	X	X	X	X	X	X	X							22.5
	TOTAL																					553.75

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ANNUAL WORK PLAN FOR CAPACITY DEVELOPMENT FOR EFFECTIVE DELIVERY PROJECT(UNDP)

In Thousands USD

EXPECTED OUTPUTS and indicators including	PLANNED ACTIVITIES List all activities including M & E to be undertaken during the year towards stated CP outputs	TIME FRAME						RESPONSIBLE PARTY	PLANNED BUDGET			
		Year 1			Year 2				Contribution of UNDP	Source of Fund	Budget Description	Amount
		Q1	Q2	Q3	Q4	Q1	Q2					
Act. 1	Staffing	X	X	X	X	X	UNDP				130	
	Office Rent (Pro. Ratio)	X	X	X	X	X					40	
	Stationary; telephone and fax - Supplies	X	X	X	X	X					10.00	
	Office furniture and IT equipment -		X	X	X						52.50	
	Vehicle -		X	X	X						45.00	
	Vehicle running cost (maintenance & fuel)		X	X	X	X					5.50	
Act. 2 - E	Monitoring and evaluation - <i>Travel</i>		X	X	X	X					52.50	
Act. 3 KS	Technical Support (Consultants) - <i>Travel</i>		X	X	X	X					90.00	
	Training / Learning <i>cost</i>	X	X	X	X	X					105.00	
Act. 1	Contribution to coordination of UN activities -	X	X	X	X	X					45.00	
	Total										575.50	
	GRAND TOTAL										1,129.25	

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