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Phase IV-Development Partners Support to the Growth and Transformation Plan Implementation Process in Ethiopia

TERMINAL REPORT

July 2012- March 2016

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Acronyms

AAAA	Addis Ababa Action Agenda
AMP	Aid Management Platform
APR	Annual Progress Report
AWP	Annual Work Plan
CR	Conference Room
CRGE	Climate Resilient Green Economy
CSSG	Civil Society Sector Working Group
DAG	Development Assistant Group
DG	Development Gateway
DGGE	Donor Group for Gender Equality
DP	Development Partners
E.C.	Ethiopian Calendar
EDCTF	Effective Development Co-operation Task Force
EHCT	Ethiopian Humanitarian Country Team
Ex-com	Executive Committee
GoE	Government of Ethiopia
GTP	Growth and Transformation Plan
GTWG	Governance Technical Working Group
HCT	Humanitarian Country Team
HLF	High Level Forum
HRF	Humanitarian Relief Fund
HoA	Head of Agency
ICT	Information and Communication Technology
IP	Implementing Partner
KOICA	Korea International Cooperation Agency
LDCs	Least Developed Countries
LICs	Low Income Countries
LMICs	Lower Middle Income Countries
MDF	Macro-economic Discussion Forum
MDGs	Millennium Development Goals
MoFEC	Ministry of Finance and Economic Cooperation
MTEF	Mid-Term Expenditure Framework
M&E	Monitoring and Evaluation
NPC	National Planning Commission
OECD	Organization for Economic Co-operation and Development
PFM	Public Financial Management
PM	Prime Minister
PPP	Public Private Partnership
PSTD	Private Sector Development and Trade
RAM	Resettlement Assessment Mission
SDGs	Sustainable Development Goals
SIDs	Small Island Developing States
SWGs	Sector Working Groups
TAs	Technical Assistants
TWGs	Technical Working Groups
UNDP	United Nations Development Programme

1. Project Description

PROJECT TITLE	Phase IV – Development Partners' Support to the Growth and Transformation Plan (GTP) Implementation Process in Ethiopia
COUNTRY: LOCATION	Ethiopia: Federal level
PROJECT ID	Award No: 00068131 Project No: 00083509
PROJECT DURATION	July 2012 – March 2016
UNDAF OUTCOME(S)	Outcome 11: By 2015, capacities of national, local and community institutions strengthened for participatory and evidence-based planning, implementation, monitoring and evaluation, leadership and decision-making.
TOTAL BUDGET **(ACTUAL EXPENDITURE)**	*USD 3,380,000 USD 2,986,685
IMPLEMENTING PARTNER AND **RESPONSIBLE PARTY**	Ministry of Finance and Economic Cooperation (MoFEC) and National Planning Commission (NPC).

*The budget reflected is as per the project document

2. Background and Context

The purpose of Phase IV – Development Partners' Support to the Growth and Transformation Plan (GTP) Implementation Process in Ethiopia (hereafter referred to as "the DAG Project") was to provide support to the Government in its effort to reduce poverty and improve the impact of development assistance through enhanced dialogue with development partners, including those represented in the Development Assistance Group (DAG). The project was initially established in 2001 to provide support to the Ethiopian Government under the theme "Development partner support to the formulation of the Poverty Reduction Strategy Paper (PRSP)". This is the fourth phase of the Project through which development partners continue to support the national five-year development plan, the Growth and Transformation Plan (GTP), as well as the partnership and dialogue structures for harmonized donor support. The Project also supported the Government and DAG in meeting the aid effectiveness and harmonization objectives.

The DAG Project provided support to the Government of Ethiopia in its effort towards achieving its national development plan (the Growth and Transformation Plan - GTP) and the Millennium Development Goals (MDGs) by (1) building the development planning capacity of the Government and funding strategic analytical studies; (2) enhancing dialogue among development partners and Government; and (3) supporting the aid effectiveness agenda, including the national aid coordination platform.

The design of the DAG Project was informed by the previous three phases and focused on ensuring that the MDGs are mainstreamed into the national development policy and that Government's capacity for national development planning was strengthened. In an effort to focus on results, the DAG Project supported the Government in implementing its Growth and Transformation Plan through the provision of institutional capacity development, support to the development assistance coordination system, and high quality DAG-government dialogue.

The DAG structure is now comprised of 29[1] multilateral and bilateral partners that provide assistance to Ethiopia. Four thematic working groups are officially part of the DAG architecture. These include the GTP working group (including the Macroeconomic Discussion Forum and Public Financial Management - PFM sub-groups); Governance (including Civil Society and Justice, Safety and Conflict subgroups); the Donor Group on Gender Equality (DGGE); and the Private Sector Development and Trade working group. A few technical working groups have evolved into sector working groups under the leadership of the Government-chaired Effective Development Co-operation Task Force.

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[1] KOICA was the last DAG member to join in February 2016. Members include: African Development Bank (AfDB), Austria, Belgium, Canada, Denmark, DFID, European Union, Finland, France, Germany, IMF, India, Ireland, Israel, Italy, Japan, KOICA, the Netherlands, Norway, Spain, Sweden, Switzerland, Turkey, the UN, USAID, WFP, and the World Bank. Apart from the RC, the UNCT is currently represented by UN Women and WHO.

The DAG has monthly Executive Committee and Heads of Agency meetings as well as annual Government-DAG High-Level Forums (HLFs). The Effective Development Co-operation Task Force, chaired by MoFEC, was established to follow-up on High Level Forum action points; implement aid effectiveness and harmonization targets as well as to strengthen and align sector working groups.

The DAG Project is nationally-executed by the Ministry of Finance and Economic Cooperation (MoFEC) and National Planning Commission (NPC) as a responsible party, guided by the National Implementation Manual (NIM) and Project Implementation Manual (PIM). The two responsible parties that work directly with the Development Assistance Group (DAG) are the UN Agencies and Regional Economic Cooperation Directorate in MoFEC and the Bureau of Monitoring and Evaluation of the National Planning Commission (NPC).

The project is overseen by the DAG Pooled Fund Steering Committee (SC) composed of the responsible parties (MoFEC and NPC Directors), the DAG Ex-Com (represented by the two DAG co-chairs) and a senior representative from UNDP. The Steering Committee approves the annual work plans and makes management decisions by consensus. UNDP provides in-kind assistance in the form of office space and hosts the DAG Secretariat, which manages the day-to-day activities of the DAG Project. The DAG secretariat provides aid effectiveness, governance and policy advisory support, as well as project management, communication, coordination, administrative, and financial services to the project.

This terminal report looks at the results and lessons learned of Phase IV of the DAG Project (July 2012-March 2016) as the project was extended for additional three monthly until March 31st 2016 by DAG Pooled Fund Steering Committee.

3. Results Framework

Intended Outcome as stated in the Country Programme Results and Resource Framework:

UNDAF Outcome 11: By 2015, capacities of national, local and community institutions strengthened for participatory and evidence-based planning, implementation, monitoring and evaluation, leadership and decision making

UNDAF AP Output 11.2: National leadership and institutional capacities strengthened including capacity for planning, implementation, monitoring, evaluation and coordination of national development plans

UNDAF AP Output 11.3: Systems strengthened at all levels to monitor, evaluate and report on the GTP based on RBM and human right principles.

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Indicators: Level of satisfaction of communities in provision of public services; participatory evidence based development planning, monitoring, evaluation and decision making

Baseline: Low human resource capacity and low capacity to absorb funds

Target: 'Core' organizations meet capacity benchmarks; 50% or more of annual budgets expended

Applicable Key Result Area (from UNDP 2008-12 Strategic Plan): Poverty eradication and achievement of internationally agreed development goals, including the MDGs

Partnership Strategy: UNDP will continue in its capacity as manager of the DAG Pooled Fund to facilitate support to GTP implementation process towards achieving the MDGs

Project title and ID (ATLAS Award ID): Phase IV - Development Partner's Support to the GTP and MDG Process in Ethiopia

INTENDED OUTPUTS	OUTPUT TARGETS (2012-2015)	INDICATIVE ACTIVITIES 2012-2015	RES. PARTIES	INPUTS
Output 1: **Effective support to the GTP and MDG consultative processes provided** **Baseline:** • one APR meetings during PASDEP 5 year implementation; • One Poverty Analysis Report	**Year 1:** • APR Consultation Meeting • APR Reports • 2 HLF meetings **Year 2:** • One Strategic study report • One poverty analysis report produced on GTP and MDGs • APR Consultation Meeting • APR Report	**Activity Result 1:** Strategic studies and progress reports on the GTP and MDGs to inform government policy and development cooperation **Action:** • Commission Studies, disseminate **Activity Result 2:** Effective Monitoring and Evaluation of GTP **Action:**	UNDP in consultation with MoFED	• Short Term TA/Consultants • Poverty Analysis Experts **Sub-TOTAL RESOURCES:** USD 400,000

• 2 MDG Reports **Indicators:** • Number of Annual Progress Review Reports • Number of APR Meetings, • Number of HLF Meetings, • Poverty Analysis Report	• 2 HLF meetings **Year 3:** • APR Consultation Meeting • APR Report • 2 HLF meetings **Year 4:** • APR Consultation Meeting • APR Report • 2 HLF meetings	• Provide Technical Assistance to support Monitoring and Evaluation of GTP (for MOFED) • Recruit Consultant for Poverty Analysis **Activity Result 3:** Progress Review of GTP and MDG assessed in a consultative way. **Action:** • Organize consultations and meetings between the Government, development partners **Activity Result 4:** High Level Government-Donor Policy discussions **Action:** • High Level Forum Meetings Organized • Annual Progress review Meetings organized • Documentation Prepared (annual progress reports) • Provision of administrative and logistical support for effective functioning of HLF secretariat		
Output 2: **DAG and the Government dialogue structure function effectively** **Baseline:** • HLF and monthly DAG HoA meetings held annually; • DAG pooled funds effectively managed **Indicators:** • Policy and Development Cooperation issues discussed; • DAG Project/pooled funds effectively managed	**Year 1:** • Monthly DAG HoA and Ex-Com meetings held annually; • TA provided to the DAG on Governance, Safeguards for multi-donor programmes Targets (multi-year) **Year 2:** • Mid-term review report • Monthly DAG HoA and Ex-Com meetings held annually; • TA provided to the DAG on Governance, Safeguards for multi-donor programmes Targets (multi-year) **Year 3:** • Monthly DAG HoA and Ex-Com meetings held annually;	**Activity Result1:** Effective technical, operational, institutional and administrative support to the DAG and the DAG Secretariat provided with regard to its core functions (incl. staffing, facilities, training, and travel) core functions: **Actions:** • Provision of Policy and Aid Effectiveness TA support • Provision of Communication support • Provision of Project Management support (General Pooled Fund), • Provision of Coordination and Admin support. **Activity Result 2:** Technical and Analytical support provided to the DAG for policy engagement with government **Actions:**	UNDP	• DAG Staff • Technical Advisors • Short-term Experts • Nat. and International Consultants **Sub-TOTAL RESOURCES:** USD 2,600,000

• Project Mid-term review and final evaluation conducted	• TA provided to the DAG on Governance, Safeguards for multi-donor programmes Targets (multi-year) **Year 4:** • 11 Monthly DAG HoA and Ex-Com meetings held annually; • Final Project Report and evaluation • TA provided to the DAG on Governance, Safeguards for multi-donor programmes Targets (multi-year)	• TA support for TWGs provided **Activity Result 3:** Review and Evaluation Reports produced to ensure continued relevance and effectiveness of the support provided **Actions:** • TORs for Review and Evaluation formulated • MTR and final Evaluation commissioned • Participatory review of findings and recommendations • Adjustment of project design based on MTR		
Output 3: **Capacity of Government and DPs to Achieve of Aid Effectiveness and Harmonization targets enhanced** **Baseline:** o OECD Survey Results for Ethiopia [Table 1] **Indicators:** • Number of GoE partners trained in aid management and coordination; • Number of GoE exposed to international aid effectiveness fora; • Number of fully functioning SWG under GoE leadership; • % gap in government and DPs aid data reduced; • Aid management platform fully functional and maintained	**Year 1:** • AMP Rolled out at Federal level (2012) • Three GoE staff trained in aid management per annum • Provide IT equipment and data maintenance support • Four government officials attending aid effectiveness fora per annum **Year 2:** • AMP rolled out at the regional level (2013) • Three GoE staff trained in aid management per annum • Provide IT equipment and data maintenance support • Four government officials attending aid effectiveness fora per annum **Year 3:** • Three GoE staff trained in aid management per annum • Provide IT equipment and data maintenance support • Four government officials attending aid effectiveness fora per annum **Year 4:**	**Activity Result 1:** Aid Management and Coordination of MOFED enhanced **Action:** • Provide training/capacity development on aid coordination, resource allocation, planning and management to policymakers **Activity Result 2:** Aid Management Platform fully functional **Actions:** • Support the operationalization of the Aid Management Platform through IT assessment, TA and training for users • Ongoing training and maintenance **Activity Result 3:** Aid Effectiveness Action Plan Implemented **Action:** • Implement and monitor the aid effectiveness and harmonization action plan **Activity Result 4:** Enhanced capacity of policymakers on aid effectiveness/harmonization. **Action:** • Participation in fora, conferences and seminars on aid effectiveness	UNDP in consultation with MoFED	o International Expert, Aid Effectiveness o ICT Experts **TOTAL RESOURCES:** USD 380,000

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• Aid effectiveness plan including its targets implemented	• Three GoE staff trained in aid management per annum • Provide IT equipment and data maintenance support • Four government officials attending aid effectiveness fora per annum	**Activity Result 5:** Analytical works on aid effectiveness, harmonization, new aid instruments & harmonized sector-financing modalities **Action:** • Commission Analytical Work		
			TOTAL RESOURCES	**3,380,000**

4. Results by Output

4.1 Output 1: Effective Support to the GTP and MDG Consultative Processes

4.1.1 Support to Strategic Studies

The DAG Project provided support to the Ministry of Finance and Economic Cooperation (MoFEC) and National Planning Commission (NPC) to reinforce their institutional capacities, including by undertaking strategic studies that contribute to the achievement of the Growth and Transformation Plan (GTP); MDGs, and the fulfillment of global aid effectiveness agenda.

In line with this output, the DAG project supported the publication and dissemination of two analytical studies by the National Planning Commission (NPC); *Poverty Analysis* and *The Assessment of Ethiopia's Macro Economic Performance (1994-2004 E.C.)*. Both studies were commissioned in 2012 and finalized in 2013. The Poverty Analysis concluded that high economic growth has meant poverty reduction in Ethiopia; however, the poorest of the poor, have not yet drawn benefits from the overall economic growth recorded during this period. It is thus imperative to devise mechanisms to reach the poorest section of the population through strategic targeting that bolsters their human capital. The Assessment of Ethiopia's Macro-economic performance indicated that since 1994, the fiscal policy in place has increased revenue, attracted foreign development assistance/loans, and increased pro-poor investments. The study pointed to efforts that were made to control inflation by integrating fiscal measures with monetary policies and covering national expenditure using internal sources of revenue as much as possible.

The DAG phase IV project also commissioned a study on aid utilization that looked at a few development programmes: the Productive Safety Net Programme (PSNP); Basic Services Programme (PBS); Relief Programme; Enhanced Outreach Strategy for TSF; Public Sector Capacity Building Program Support Project (PSCAP-SP); and the General Education Quality Improvement Program (GEQIP) to assess that systems and safeguards designed to ensure development effectiveness are thoroughly implemented. The findings and recommendations of these studies were discussed with respective programme managers and the Government to monitor implementation of the recommendations.

In late 2013, DAG pooled fund supported MoFEC to commission local consultants to identify problems and opportunities in Ethiopian export competitiveness and diversification. The report identified critical challenges in the export sector and suggested to develop coherent and comprehensive trade policy; improve supply of inputs and linkages with domestic producers and industries; develop a comprehensive capacity development program that targets both producers and exporters; risk mitigation during international price fall and support institutions to be efficient and competitive; assess

export incentive schemes; provide preferential access and uninterruptable power, telecom, water, transportation, port, finance, information, logistics services and trade facilitation. The study also suggested that establishment of an autonomous Export Development Promotion Agency which will help to follow-up and implement incentives.

In the beginning of 2014, NPC recruited two consultants (one national and one international) to develop GTP II indicators. The DAG Secretariat facilitated meetings for the consultants with various line ministries, DAG working groups, private sector, think-tanks and other relevant institutions to gather information on challenges faced during the implementation of GTP I and lessons learned to identify priorities for GTP II. Based on their initial findings with key stakeholders, the consultants prepared and submitted draft indicators to the National Planning Commission in December 2014. These indicators are being used as an input to develop GTP II policy matrix.

4.1.2 Physical Human and Institutional Capacity Development

In order to strengthen the human capital of the monitoring and evaluation capacity of MoFEC and the Central Statistics Agency (CSA), the DAG Project sponsored Government technical experts to attend a training on poverty mapping. A group of 13 experts, composed of 8 Government officials from the Development Planning and Research Directorate of MoFED and 5 officials from the Central Statistics Authority (CSA) participated in the tailor-made training on poverty mapping organised by the Asian Institute of Technology in Bangkok, Thailand. The training took place from 20 to 31 January 2014, while the logistical preparations were made towards the end of 2013. The DAG Project covered the tuition fees and travel costs of all participants.

The main objective of the training was to equip participants with necessary tools to carry out poverty mapping, economic growth and inequality assessments at sub-national levels using household census and representative survey data. In addition, the team visited the Mass Rapid Transit Authority of Thailand to learn about public-private partnerships and the impact of infrastructure on development. The purpose of this visit was to share experience on national policies that improve the living standard of citizens, increase revenue generation capacity as well as provide decent housing both in urban and rural areas with special emphasis on the poorest section of the society.

In terms of institutional capacity development, the DAG Project supported the recruitment of 106 new staff to the NPC by sub-contracting Addis Ababa Commercial College to undertake the process. In 2015, the project financed the induction training for the new staff on the vision and mission of the Commission. Further trainings on civil service structure, reform management, as well as human resource management was provided to NPC staff to help them execute their duties and responsibilities efficiently.

The DAG Project also supported NPC to hire dedicated programme and finance officers to follow-up on effective utilization of advances and timely submission of reports to the Secretariat. The technical assistants were recruited in September 2015 and received an intensive orientation from NPC and DAG secretariat on the mandate of NPC, national implementation modality (NIM) and the Project Implementation Manual (PIM) rules and

regulations. The recruitment of these technical experts resulted in an improved tracking of activities, higher quality and timely submission of financial as well as narrative reports by the Commission.

To further strengthen the capacity of Bureau of Monitoring and Evaluation, which later became the National Planning Commission, the DAG Project covered logistics costs such as office supplies, project administration expenses, salaries for contract workers (secretary/cashier, driver/messenger and part-time finance officer until technical assistants were recruited), and other operational expenses, such as vehicle maintenance and fuel cost for travel to the regions for the annual reviews.

In addition, in 2013 DAG supported NPC in information and communication technology (ICT) to purchase three printers and three laptops, color printers, uninterruptible power supply (UPS), mobile phones, EVDO flashes and other office and stationery supplies to enable NPC to function effectively following its establishment as an independent entity. Moreover in 2014, the DAG project together with UNDP's Climate Resilience Green Growth (CRGG) unit procured 68 desktop computers, 10 printers and 4 projectors ($20,000 from DAG project and $45,804 from CRGG unit). In the last quarter of 2015, a wireless LAN controller, integrated service router and power edge-networking devices worth $46,779 were procured for NPC to improve internet connectivity and ensure proper functioning of the commission. The ICT, human and institutional capacity development support by the DAG phase IV project enabled the two institutions (MoFEC and NPC) to strengthen their capacity to execute their mandates effectively.

4.1.3 Consultations on GTP and MDG processes

The DAG Project facilitated GTP Annual Progress Review (APR) meetings with various relevant stakeholders. The first GTP APR (2010-2011) was held at the federal level in April 2012. The meeting was attended by 120 representatives from development partners, private sectors and CSOs. The APR recommended various policy actions to accelerate implementation of the GTP I. It was noted that about 70% of Government budget was channeled to pro-poor initiatives. The poverty situation of the country was analyzed through the fourth Household Income and Consumption Expenditure (HICE) and Welfare Monitoring Surveys (WMS), funded by the DAG Pooled fund. As a direct result of the sustained dialogue between Government, development partners and CSOs, there was incremental change in adapting the directives for administrative and operational cost (widely known as 30/70 directive), slightly improving the environment for Civil Society Organizations (CSOs) in supporting effective development cooperation.

The second GTP Annual Progress Review (2011/12) was held, on 6 March 2013, at the UN Conference Center in Addis Ababa, Ethiopia. The consultation was attended by representatives of the federal and regional government, private sector, civil society organizations, professional associations, political parties, research institutions, development partners, religious as well as educational institutions. It was noted that Ethiopia continues to witness rapid economic growth (averaging 11%) and is on course to meet most of the MDGs. This has been made possible due to sound economic policies,

capacity development programs, increased domestic resource mobilization efforts, expansion of the private sector, and reduction in the budget deficit. However, the country also faces challenges such as: weak performance of tax revenue system; persistent negative trade balance; declining foreign direct investment (FDI); limited access to credit and foreign currency; Gender parity issues (e.g. girls' secondary schools enrolment is only 30%); limited political space and interaction between the federal and regional governments; and the need for space for civil societies active participation and engagement; the investment climate of the country; access to land; and high turnover of staff and low capacity at some government institutions.

In 2013, regional consultations were held by the Federal Government in seven regional states with participants drawn from regional and woreda sector bureaus, academia, and other relevant stakeholders. The consultations served to assess progress, share experiences, discuss challenges, and seek solutions to achieve and ensure sustainability of GTP I targets.

The third GTP Annual Progress Review of (2012/2013) was held on 3 April 2014. The workshop brought together various government organs, representatives of business communities, research institutes, higher educational institutes, civil society organizations, professional associations and religious institutes to deliberate on the implementation of the GTP. The APR acknowledged that Ethiopia has registering broad-based double digit growth for a decade and achieved MDG 4 before 2015. However, the country is faced with low levels of investment in the manufacturing and industry sectors. Development Partners pointed out the fact that structural transformation of the Ethiopian economy has yet to materialize. One of the reasons for the absence of solid structural transformation was believed to originate from the dearth of credit and high cost of trade logistics. The Government acknowledged the existence of these bottlenecks and confirmed that it has been supporting and coaching the domestic private sector to invest in the manufacturing sector, while at the same time working to attract foreign direct investment (FDI) in this sector.

Following the Federal consultation in 2013, regional consultations were held in seven regional states (Tigray, Afar, Amhara, Oromia, SNNP, Gambella, Somali and Dire-Dawa City Administration). A total of 1,120 participants drawn from regional and woreda sector bureaus, academia, women, youth and other stakeholders came together to discuss the following: the rise in domestic consumer prices; the need to scale-up domestic saving to finance growing investment demand; making medium- and large-scale manufacturing enterprises more competitive; expanding agro-processing manufacturing industries and diversifying exports; increasing agricultural productivity; improving power supply and telecommunications; low capacity of local contractors; low quality of health services, particularly in emerging regions with poor ante-natal and post-natal care services; improving the quality of education; and finally building the human capital required for sustainable economic growth.

The DAG project financed the publication and dissemination of the Annual GTP APRs. Five thousand copies both in Amharic and English languages were disseminated to the regional Bureaus of Finance and Economic Development (BoFEDs), academia and to the wider public.

The fourth GTP APR (2013/2014) was held for two days on 19-20 October 2015 at the United Nations Conference Center to review the performance of GTP I and consult on the vision of GTP II. The meeting was attended by Ministers, Ambassadors, Commissioners, State Ministers, senior government officials, heads of development agencies and representatives. Government presented its vision for GTP II, which aligns with the global development agenda "Sustainable Development Goals (SDGs)" and builds on sectoral policies, strategies and lessons learned from GTP I. Priorities of GTP II include improved access to quality social services; infrastructure; industry particularly manufacturing; enhanced participation of the private sector; and maintenance of stable macro-economic environment and good governance. Achievements in the provision of access to education and health were appreciated. Besides it was noted that development partners' support in terms of finance, technology transfer and capacity building to enhance domestic resource mobilization during GTP II implementation is crucial for its successful implementation. The national development plan serves as a framework to effectively coordinate, manage and utilize additional development finance to achieve the country's goals.

GTP I was ambitious in order to align with the vision of becoming a lower middle income country by 2025. According to Government, the launching of mega infrastructure projects such as the Great Ethiopian Renaissance Dam (GERD), Gilgel Gibe III, railway constructions (Addis-Djibouti) and the Addis light railway were the defining features of the GTP I (2010/11-2014/15). Ethiopia achieved positive results through increased access to basic social services; an increase in per capita income to USD 700; real GDP growth averaging 10.1%; a decline in income poverty to 22%; stable income inequality at 3%; and the achievement of almost all the MDGs. Performance fell short of targets in areas such as the expansion of manufacturing; export diversification; and ensuring good governance. The Government recognized challenges and vulnerability to both domestic and external shocks.

The Development Assistant Group (DAG) raised the following issues during the consultation; the role of land administration reform, investment and the regulatory framework; trade facilitation and diversification of trade corridors; the potential risks linked to public borrowing and a deficit of credit to the private sector; alternative option in case of shocks to avoid macro-economic instability; improving the quality of basic services; ensuring the inclusivity of economic growth; the role of CSOs in the implementation and monitoring of GTP; capacity and resilience building to better adopt to climate change; and finally youth migration outside of Ethiopia due to chronic vulnerability.

Similar consultations in 2015 were held in nine regional states and two city administrations for two days. The objective of these meetings was to further refine the draft GTP II document; create public awareness on GTP II priorities as well as to ensure full ownership and participation of citizens in the formulation and implementation of the next phase of GTP. The 2015 regional consultations were exceptionally financed by the Government Treasury because the amount required for the meeting was much higher (80 million ETB) than what was anticipated by the DAG project (ETB 1.3 million). The DAG project did however cover the travel costs of NPC experts mobilized to the

regions for these consultations. The regional consultations were facilitated by over 50 high ranking Government officials and 50 experts pooled from various federal institutions, regional states and city administrations. The consultations were arranged for different categories of participants: 1. farmers/pastoralists; 2. youth; women; 3. private sector; and 4. academia. Considering the large geographical size and population of Oromia region, consultations were held in two centers, Jimma and Adama including a separate group for pastoralists/agro-pastoralists. The total number of participants consulted throughout the country in 2015 was about 27,450.

As the regional consultation in 2015 were financed by the Government budget; the National Planning Commission requested to reprogramme these unutilised funds allocated for regional consultations and printing of GTP II towards the procurement of ICT equipment for the Commission. Accordingly, the DAG project Steering Committee (SC) met on 4th November 2015 and made a decision that out of the available $60,000 in 2015, $30,000 to be used as a buffer for 2016 (to cover project overhead cost until new resources are mobilized for DAG phase V project) and the remaining would be re-allocated for the procurement of ICT equipment (please refer to institutional capacity development section).

It was difficult to get sex-disaggregated data for the Project-supported consultations to determine the level of participation by women. The only sex disaggregated data available was for Jimma, where out of 2,368 participants 73% were male, and 27% were female. In future consultations, extra effort will be made to take into account the gender aspect and acquire sex disaggregated data for all regions.

4.1.4 Media Advocacy and Awareness-raising on GTP and MDGs

MoFEC sponsored 54 radio programs on Radio Fana in collaboration with regional FM stations in Amharic, Afan Oromo, Afar, Somali and Tigrigna languages in 2013 and 2014. According to Fana Broadcasting Corporation, these programmes reached more than 45 million people across Ethiopia. The media advocacy program's aim is to raise awareness on the Growth and Transformation Plan and Millennium Development Goals. The program featured about 500-600 different stakeholders (Youths, students, teachers, government employees, farmers, business people, investors, community and religious leaders, health extension professionals, etc.) that took part in the productions, interviews and panel discussions. The programs focused on the direct impacts of GTP implementation and ways in which the plan can serve citizens.

RADIO PROGRAMS	TOPICS COVERED
In Amharic Language *On Fana FM Radio* *11 Programmes* *"Awdelimat"* *Every Wednesday* *7:30-8:00pm*	• GTP goals and their performance • Addis-Adama fast-road construction; • GTP health sector targets; • The impact of health in increasing productivity; institutionalizing health insurance; • Achieving agriculture sector target; • The overall performance of the construction sector
In Afan-Oromo Language *On Fana FM Radio* *14 Programmes* *Every Wednesday* *8:50-9:20pm*	• Agricultural technology application and productivity; • Indicators of GTP for agricultural sector in spices and cereal productivity; • Strong and better corn seed obtained in Western Shoa zone; • Quality of agricultural production and productivity resulting from the application of technology in various woredas. • The use of agricultural inputs (fertilizers, seeds, etc...) • Cross-learning from farmers in Oromia on how to boost productivity.
In Tigrigna Language *On Fana FM Radio* *8 Programmes* *Every Monday* *11:00-11:15pm*	• Tigray Regional States three year GTP plan and its implementation; • Agricultural GTP implementation and its challenges; • Achievements and opportunities offered for foreign investors by Tigray Trade and Industry Bureau • Success of small and micro enterprises for women and youth.

In Afar Language

On Fana FM Radio

15 Programmes

Every Thursday

1:50-2:05pm

- Tax collectors and payers' assessment;
- Tax controlling trends in cities of Logi and Semera;
- Assessment of poverty reduction activities performed in Awura Woreda shifting from pastoralism to semi-pastoral farmers;
- Assessment of Afar Health Bureau's performance and related activities in disease prevention and control;
- Good governance and food security in various woredas;
- Assessment of income in Logi and Semera cities;
- Economic and finance development performance.
- Health extension activities on reducing maternal and infant mortality
- Roads and clean water supply

In Somali Language

On Fana FM Radio

6 Programmes

Every Tuesday

2:30-2:45pm

- The history of the establishment of World Bank and IMF;
- The role of the Finance and Economic Development Bureau of Somali Regional state;
- The role of NGOs in economic development with specific emphasis on the case of Moyale Woreda;
- Experience sharing on development planning in woredas and the role of health in economic development.

The general feedback received from listeners across the country was positive and constructive, citing the important contribution of the program in awareness-raising on GTP and its implementation. Nevertheless it was stressed that Government officials need to make themselves available for interviews in order to provide information and respond to questions raised by citizens on challenges faced.

Results

- Annual GTP APR meetings held at Federal and regional levels to assess and monitor the performance of GTP implementation and consult on way-forward with stakeholders.
- Strategic studies financed by the project assisted in identifying challenges and proposing solutions to GTP implementation.
- Support in institutional and human capacity development enabled MoFEC and NPC to execute their mandate efficiently.

4.2 Output 2: Support to Effective DAG and Government Dialogue Structure

4.2.1. High Level Forum (HLF)

The *15th High Level Forum (HLF)* took place on 10 July 2013 at the Ministry of Finance and Economic Development (MoFED). The theme of the HLF was "*Private Sector Development in Ethiopia*". Private sector is crucial for employment generation, urban development and economic growth, and its development faces multi-faceted challenges.

State Ministers and DAG Head of Agencies, and other senior government officials attended the forum. The dialogue came up with the following action points;

1. Support a one stop service to set-up new businesses;

2. Facilitate access to finance for medium scale enterprises;
3. Apply findings from the trade, logistics and transport study commissioned by the government;
4. Identify best practices and develop venture capital and private equity in Ethiopia.

The *16th High Level Forum* between the Government of Ethiopia and the Development Assistance Group (DAG) was held on 17 June 2014 at the United Nations Conference Center (UNCC). The theme of the forum was "*Ethiopia's Competitiveness in Export Performance and Trade Logistics*". The half-day event was attended by Commissioner of National Planning Commission (NPC), State Ministers, Ambassadors, government officials, Heads of Development Partners and UN Agencies.

The 2014 forum followed up the previous year's action points on private sector development in Ethiopia and acknowledged the need to enhance Ethiopia's competitiveness, particularly in the export and trade logistics sector. It was noted that the Government took measures to further build infrastructure as well as institutional and human capacity. A National Logistics Strategy has been prepared to provide direction towards improved trade logistics, mainly focusing on reduction of transit time and cost.

The HLF was successful in bringing the Government and DAG Heads of Agency to agree on concrete action points including the provision of high-level leadership and intergovernmental coordination to enhance the transparency and predictability of regulations as well as stepping up consultations with the business community.

It was agreed that Government and DPs will together set ambitious targets to reform customs procedures with new technologies and through Public Private Partnerships (PPPs) to significantly reduce time and cost of freight. The Government agreed to further reflect upon developing multiple corridors to boost foreign trade and strengthening the multi-modal transportation system by encouraging increased competition by foreign companies. The Government also insisted that Ethiopia's private sector is relatively young at this stage and needs space to build up a minimum capacity before competing with foreign companies. The Government indicated that the recommendation to ensure a more flexible exchange rate to support export competitiveness has to be considered carefully, since it would have wider macroeconomic implications on the economy.

The *17th High Level Forum* between Government of Ethiopia and Development Assistance Group on the theme "Social Accountability for Sustainable Development in Ethiopia" was held on 24th March 2016 at MoFEC. The forum was attended by State Minister of MoFEC, H.E. Ahmed Shide, Senior Government Officials, DAG Heads of Agencies, and experts from various development agencies. The DAG and GoE agreed that the EDCTF with the support of a small team to prepare a roadmap on how to implement Addis Ababa Action Agenda (AAAA); identify some key mechanism that would help best deliver ESAP II; ensure that ESAP II is aligned to government processes; improve the quality of

the program and ensure that the next phase of the ESAP is linked to grievance systems and processes.

4.2.2. Technical and Administration Support to DAG HoA and ExCom

The DAG Secretariat provided technical, secretarial, administrative, and advisory support services to the DAG Executive Committee and DAG Heads of Agency meetings. The Secretariat also coordinated and ensured smooth communication and information flow through DAG structures. UNDP supports the DAG by hosting the Secretariat and assisting in administrative, financial, procurement and partnership managements.

The DAG Secretariat undertook project management tasks throughout the life of the project including annual work plan and budget preparation; releasing advances to implementing partners; regular consultation, tracking and follow-up of project activities within specified timelines; partnership building and financial management; procurement of goods and services, monitoring of results; preparation of a draft project document for Phase V and incorporating comments and feedback from stakeholders; day-to-day follow-up of progress; other coordination activities as well as facilitation of events.

Communications
The secretariat also managed the implementation of the DAG Communication strategy comprising the management of the DAG website, preparation of quarterly reports, minutes of various meetings and DAG newsletters. The DAG website was upgraded to Joomla 3.1. to make it more accessible and user friendly. The upgrading helped to improve the layout and create an interface with various communication devices, such as mobile phones and tablets. The new website can be accessed through the same URL http://www.dagethiopia.org. The new website provides DAG working groups with a separate space to upload relevant information and documents protected by password. Following the upgrade, the DAG secretariat transferred relevant data, cleaned up outdated information and reorganized documents.

The DAG secretariat provided technical advisory service to the Governance Technical Working Group and its two subgroups: 1). Justice, Safety, and Conflict and 2). Civil Society. The Secretariat also provided technical support to DAG HoAs in their engagement with GoE, civil societies, sector working groups (SWGs), and High Level Forums (HLF) by providing briefs, policy papers and common messages covering topics ranging from elections, engagement of civil society, the justice sector, and the application of the Charities and Societies proclamation, etc.

Monthly DAG Heads of Agency Meetings
DAG members participate in the various sector working groups. Each month the Secretariat contacts different DAG sector working groups to present their achievements and challenges to Heads of Agencies to look into possible interventions and guidance as required. In Phase IV, the Water Working Group; Tracking Trends in Civil Society (TECs); Donor Group on Gender Equality (DGGE); Transport working group; Health, Population

and Nutrition Group; Macro-Economic Discussion Forum (MDF); Public Financial Management (PFM) donor working group; National Nutrition Programme (NNP); Education working group; Civil Society Sub-Group (CSSG); Ethiopia Humanitarian Country Team (EHCT) and Governance Technical Working Group (GTWG) presented progress made in each sector. The secretariat also facilitated presentations from various sector working groups including the Water, Sanitation and Hygiene Sector Group (WASH), Civil Society Sector Working Group (CSSWG), Rural Economic Development and Food Security (REDFS) Sector Working Group, and Private Sector Development and Trade Sector (PSD&T) during the phase IV project period.

In addition, the following important presentations were made during the monthly DAG HoA meeting as summarized below.

- **Effective Development Cooperation Taskforce** presented the 2013/2014 post-Busan monitoring results for Ethiopia; prepared work plan for the taskforce and agree on the topic of DAG HLFs.
- **UNOCHA**, updated DAG members monthly on the humanitarian situation of the country and presented hot-spot matrices that indicate a recurrent pattern of humanitarian needs over the past 15-17 years.
- **WIDE3** research team presented the wellbeing and ill-being of the society assessing the impact of various development interventions, which covers 20 rural villages of Ethiopia located in different agro-ecological zones.
- **Election Coordination Group (ECG)** briefed DAG members on how the national election process of 2015 unfolded;
- **Director General of Ethiopian Logistics Services Enterprise** presented the National Logistics Strategy of Ethiopia;

DAG Co-chairs (July 2012- March 2015)

No.	Name of Co-Chair	Organization	Period
1.	Mr. Lamin G. Barrow Mr. Geert Geut	- AfDB - Netherlands	July 2012-June 2013
2.	Mr. Dennis Weller Mr. Guang Z. Chen	- USAID - WB	July 2013-June 2014
3.	Ms. Melanie Robinson Mr. Eugene Owusu	- DFID - UNDP	July 2014-June 2015
4.	Ms. Josephine Ngure Mr. Paul Sherlock	- AfDB - Irish Aid	July 2015-June 2016

The Third International Financing for Development Conference
The Government of Ethiopia and the United Nations hosted the Third International Financing for Development Conference (FFD3) in Addis Ababa, from13 to 16 July 2015. The DAG secretariat provided logistical support to FFD3 by organizing information sessions to DAG members in collaboration with Government and UNECA, proactively sharing important information in the run-up to the conference

and coordinating several side vents including IATI, domestic resource mobilization and multilateral aid.

Information Session on 2017 Housing and Population Census:

The DAG Secretariat in collaboration with UNFPA organized a session for DAG members. According to Central Statistical Agency (CSA), the 2017 census will use instruments to increase community involvement in the enumeration process including intensive pre-census advocacy campaigns for better engagement in the census process. The CSA also plans to use full-fledged digital mapping, cutting down on the manpower required for digitalization.

DAG Annual Report

The Secretariat prepared three DAG Annual Reports on the basis of inputs from DAG working groups. The Report incorporated the different activities of the various technical, thematic and sectoral working groups in Ethiopia and provided an overview of activities carried out and support provided in a particular year.

Resource Mobilisation

The DAG Secretariat has been engaged in intensive resource mobilization efforts by communicating with members, preparing letters requesting for financial contribution, draft cost-sharing agreements and following up on the receipt and application of new contributions. Over the course of Phase IV project cycle, the resource base of DAG Pooled Fund increased to twenty as the number of DAG members increased to a total of 29.

DAG Steering Committee (DAG SC)

The DAG Pooled Fund Steering Committee meets twice a year to review and approve Annual Work Plans and to agree on changes on budget allocation and reprogramming requests from NPC and MoFEC.

Harmonized Allowance

The DAG Ex-com proposed the formation of a small task force to look into existing practices of allowance payment by DAG members and come up with a clear, simple, and practical proposal in order to harmonize allowance rates among DAG members. Consequently, a taskforce was set up in February 2013 constituting volunteers from JICA, Finland, and the Netherlands supported by the DAG secretariat.

The DAG secretariat conducted background research on the importance of having a harmonized allowance among development partners for coordinated and effective support in development cooperation. The secretariat also compiled practices and rates from different DAG members to compare the existing discrepancies in rates and policies. Based on the inputs from DAG members and incorporating feedback from the taskforce, the DAG secretariat developed a draft proposal. The secretariat presented the draft DAG harmonized allowance proposal to DAG ExCom on 3 June 2014 and submitted it to MoFEC for endorsement on 11 July 2014. MoFEC amended the proposal and approved the guidelines in early 2016. Soon after MoFEC sent out a circular that directs all development partner funded activities to apply the guideline uniformly, with no exception.
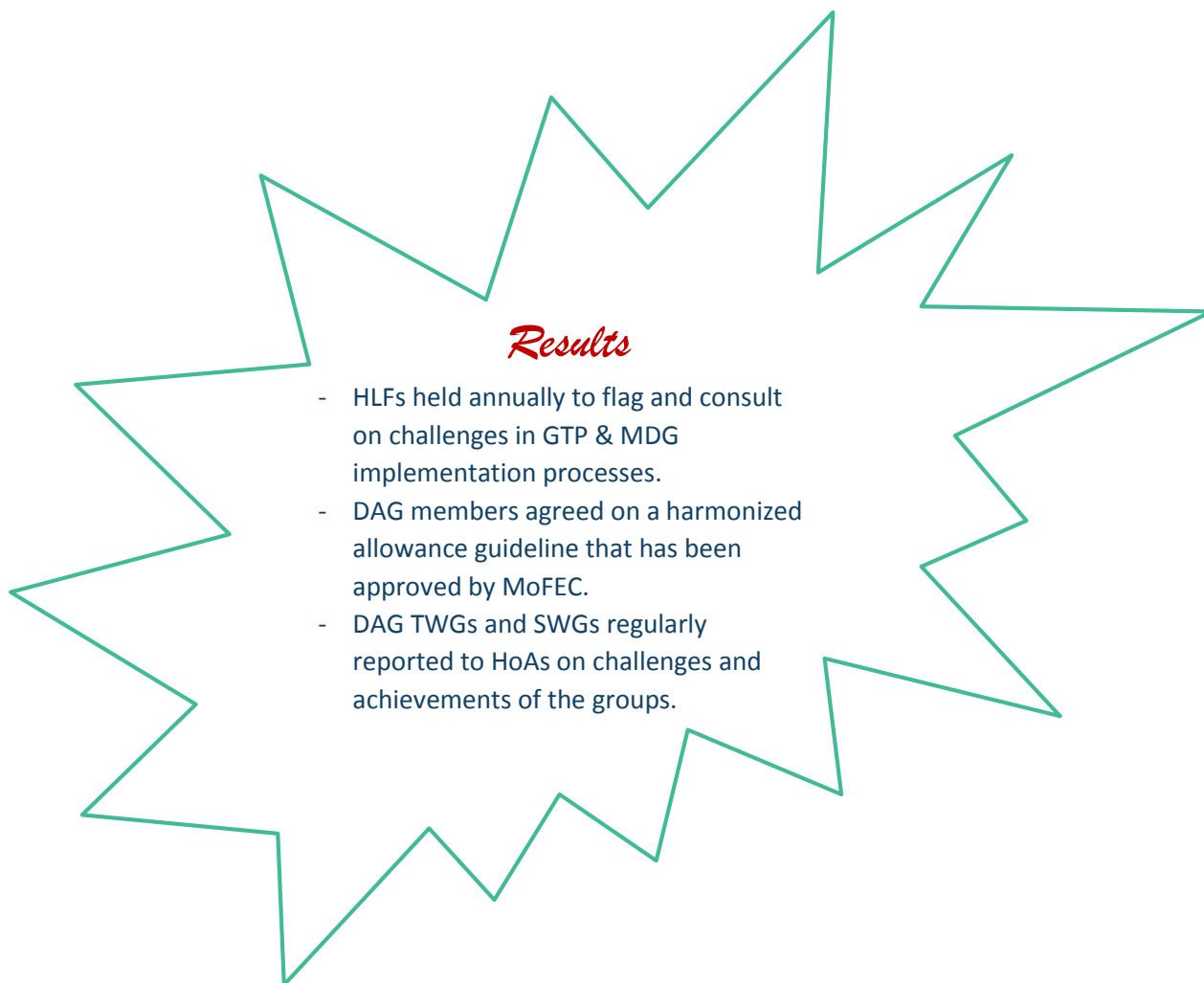
4.2.3. DAG Heads of Agency retreat

The 2013 DAG annual Heads of Agency (HoA) retreat took place on 20 November 2013 at the Addis Golf Club and attended by 27 Heads of Agency representatives. The retreat deliberated on GTP implementation progress followed by a dialogue with partners. Mr. Alex Evans, a senior fellow at NYU on post-2015 global agenda. Heads of Agencies agreed on four overarching objectives to guide their work. These were support to the Government of Ethiopia in its development objectives; further coordination on programming and enhanced program outcomes; improving aid effectiveness in line with Busan commitments; and enhanced policy coordination and influence "back home" in their respective Capitals/headquarters.

The 2014 DAG Heads of Agency (HoA) retreat took place on 17 November 2014 at the Addis Golf Club and was attended by 26 Heads of Agency or their representatives. Dr. Seid Nuru from Ethiopian Economics Association (EEA) presented the history of development planning in Ethiopia. The retreat focused on the issue of reliable data, quality of services, and economic transformation and industrialization in Ethiopia. There was also a discussion on the election context and election landscape leading up to May 2015. The group reviewed achievements in 2014 and priorities for DAG engagement in 2015 and decided the focus to be on GTP II and the upcoming national election.

The 2015 DAG annual Heads of Agency (HoA) retreat took place on 11th November at Capital Hotel in Addis Ababa. The main agenda of this retreat was how to address the drought emergency and resilience building. Ato Admassu Nebebe, Director of UN Agencies and Regional Economic Cooperation, MoFEC and Ato Negussie Kefeni, coordinator of Early Warning Case Team, Disaster Risk Management and Food Security Sector (DRMFSS) were invited to present on the overall humanitarian situation of Ethiopia and the current response, ongoing assessment, and capacity to respond to the drought emergency caused by El Niño.

During the retreat, development partners deliberated on how to improve coordination of the emergency response. The other issues raised included population growth, the absence of efficient logistic system in a landlocked country, lack of prioritization, and red tape. DAG decided that the 2016 priorities will focus on resilience building; migration and GTP II implementation.

Results

- HLFs held annually to flag and consult on challenges in GTP & MDG implementation processes.
- DAG members agreed on a harmonized allowance guideline that has been approved by MoFEC.
- DAG TWGs and SWGs regularly reported to HoAs on challenges and achievements of the groups.

4.3 Output 3: Support to the Achievement of Aid Effectiveness and Harmonisation Targets

4.3.1. Aid Management Platform Capacity Building Support.

In line with the principles of Global Development Effectiveness agenda, Ethiopia and its Development Partners subscribe to the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action (AAA), and the Busan Global Partnership agreement. To help advance this agenda, the aid management platform (AMP) was officially launched in 2007 by the Ministry of Finance and Economic Development (MoFED). The platform was developed by Development Gateway in partnership with the OECD, United Nations Development Programme (UNDP), World Bank (WB) and the Government of Ethiopia.

The DAG Pooled Fund provided financial and technical support to MoFEC in order to improve the quality of data and efficiency of the Aid Management Platform (AMP). In 2012 DAG project supported five senior staff members of MoFEC to participate in a

training provided by Development Gateway in Dakar, Senegal (see Annex for back-to-office-report). The training allowed participants to acquire knowledge from other countries and adapt tools to better manage AMP through improved data storage, management and reporting skills. Though DAG financial assistance the AMP was upgraded from 1.16.18 to version 2.4.4. in 2012. The new features included on-budget disbursements, report generation by donor, tab creation and donor dashboard enhanced transparency, predictability and mutual accountability in the area of development cooperation for MoFEC and partners alike.

A total of three Development Gateway Aid Management Platform trainings were conducted in Addis Ababa, Ethiopia during the project period. The first one was specific to development partners and sector ministries in Ethiopia and took place from 21-24 May 2013 at MoFEC. Thirty-nine AMP focal points from development partners plus thirteen government officials acquired skills to generate reports and enter data using the new version of AMP.

The second training was held from 11-13 December 2013 at Capital Hotel in Addis Ababa. The training was a cross-country workshop for all government officials that use AMP with the objective of sharing experiences and best practices among countries that use the platform. Lessons from the workshop underscore the importance of tracking all types of development assistance and sharing information on the results achieved across the world.

In the last quarter of 2014, AMP was upgraded from version 2.4 to 2.8. This upgrade unintentionally affected AMP data and Development Gateway addressed the issue in the first quarter of 2015. The second upgrade was done to lay foundation for the third upgrade to version 2.11.

Soon after the upgrade, training was organized for one and half days by MoFEC and Development Gateway for new and existing members. Thirty two participants attended the training from nineteen development partner agencies. The objective of such upgrading and trainings are to make AMP the single robust source for on-budget aid information accessed by Government and partners alike. In the next phase of the DAG project, MoFEC has a plan to rollout AMP to regional levels and to assume more and more responsibility for AMP so as to be able to run it autonomously in the medium-term.

4.3.2. Aid Management Platform (AMP) Technical Assistance

The secretariat communicates on an almost daily basis to interact with AMP focal points in DAG agencies that encounter problems in populating ODA data in the platform and the focal point in MoFEC. In addition, the secretariat liaises between Development Gateway (the service provider) and MoFEC attempting to resolve issues related to contract deliverables, timing and other technical problems. Similarly, the MoFEC focal

point continuously follow-up with MoFEC's IT personnel on the connectivity issues affecting the efficiency of AMP.

Each year, MoFEC send AMP data to all development partner focal points to verify and confirm the accuracy of AMP figures. This regular engagement is crucial to make AMP more reliable and worthwhile to development partners and Government officials as a source of up-to-date information in the preparation of the annual ODA Statistical Bulletin.

MoFEC together with DAG Secretariat provides assistance to new AMP focal points of different development partners and helps to address data discrepancy issues. The Secretariat also assisted MoFEC in negotiating with Development Gateway to improve the quality of service. The DAG secretariat has been providing technical assistance in particular on the currency deflator and inflow/outflow tracker and other pending deliverables so that the service provider can develop the features as required.

4.3.3. Global Partnership on Effective Development Cooperation (GPEDC)

The DAG Secretariat worked with MoFEC to prepare development partners for Global Partnership on Effective Development Cooperation monitoring exercise by encouraging them to review their ongoing projects/programs and keep their aid data up to date in the AMP. During DAG Phase IV, two country level post Busan monitoring exercises were conducted by MoFEC in collaboration with the DAG Secretariat.

The first survey was conducted in 2013-2014 and looked into five indicators at country level: Annual and Medium-term Predictability; Aid on Budget; Mutual Accountability; Gender Equality and Women's Empowerment and the Use of the Country's Public Financial Management system. Ethiopia scored above the global average for all five of these indicators, although since 2010, there has been an overall decrease in the use of the country's PFM and procurement systems by development partners in Ethiopia.

The use of country systems was measured by examining 4 elements: national budget execution; financial reporting; national auditing; and use of national procurement systems. Ethiopia is cited as one of the few countries with a system in place to track budget allocations that benefit women's empowerment and gender equality. Although gender-responsive budgeting is in place, it is not clear to what extent resources are systematically tracked. The details of the survey results could be accessed online.[2]

The second monitoring round of GPEDC was launched, on 11th December 2015. The monitoring framework is comprised of 10 indicators focused on strengthening developing country's institution, increasing transparency and predictability of development cooperation; enhancing gender equality and supporting greater involvement of civil society, Parliament and private sector in development efforts. Data

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[2] http://dagethiopia.org/new/images/DAG_DOCS/Ethiopia_Monitoring_Brief_4JUN.pdf

was by Government and validated in consultation with development partners on a bilateral basis, including representatives of CSOs, parliament and private sector.

The DAG Pooled Fund supported MoFEC officials to take part in the following high-level meetings.

AU/NEPAD Africa Consultations and a workshop on post Busan commitments

The workshop was held in Abidjan, Côte D'Ivoire from 24-28 February 2014 and raised the importance of having a national aid coordination mechanism; reinforcing domestic resource mobilization efforts; promoting the private sector as the motor for development; and relying more on continent-wide mechanisms (e.g. APRM) and regional institutions (e.g. RECs) to strengthen the Africa consensus ahead of the High-Level Meeting on Development Effectiveness in Mexico. In the workshop Ethiopia shared its experiences in the monitoring process and initial results.

Mexico High Level Forum

Ethiopian senior Government officials attended the 1st High-Level Meeting on Development Effectiveness held in Mexico on 15-16 April 2013. The DAG secretariat supported MoFEC in preparing a briefing package for the event.

Effective Development Cooperation Taskforce

The Effective Development Co-operation Taskforce (EDCTF), chaired by MoFEC met three times in 2013. The first was on 19th march, the second on 12th June and the third on 28th November 2013. Under the auspices of the Effective Development Co-operation Task Force (EDCTF), MoFEC and the DAG secretariat organized an informal session with Ms. Sigrid Kaag, UN Assistant Secretary General (UN ASG) to bring the global development effectiveness agenda down to the country-level along with post-2015 development agendas.

On May 29th 2014 EDCTF composed of 5 development partners (EU, Italy, AfDB, the World Bank, and UNDP) met in MoFEC. The Task Force discussed the post-Busan monitoring results of Ethiopia and validated the collected data on 28th November 2014 agreeing on the methodology. The DAG secretariat in collaboration with MoFEC compiled responses from 24 DAG members and follow-up timely submission of results.

On 12th October 2015, EDCTF met to agree on EFY 2008 work plan and to follow-up on the implementation of EDCTF and HLF action points. Government agreed to rollout AMP to 10 line ministries, and based on their performance to continue giving access to all ministries and ultimately to the public. MoFEC also confirmed that it would send circular to all development and implementing partners including CSOs and NGOs to use the harmonized allowance rate. Finally, Government discussed how it will organize partners' participation in the Global Partnership on Effective Development Cooperation 2015/2016 monitoring survey. MoFEC together with the DAG secretariat will communicate with all development partners to gather information and submit the questionnaire to GPEDC on time.

Results

- Ethiopia fulfilled its post-Busan commitments; represented in HLFs and participated in two GPEDC monitoring surveys.
- AMP has been upgraded to the latest version; regular training has been provided to AMP focal points and AMP data has been populated by partners.

5. Lessons Learned and Way Forward

5.1 DAG Pooled Fund Review

Phase IV of the DAG Project was reviewed by an international consultant to draw lessons and to inform the design of the next phase in 2015. The consultant looked into the project's relevance, effectiveness, efficiency, impact and sustainability. After consultation with various stakeholders including Government counterparts, DAG Heads of Agency, chairs of working groups and representatives of civil society and the private sector, the consultant presented her initial findings to the DAG HoA on its meeting on September 17th 2015.

The review recommended the following: i) integration of current context into the project including SDGs; GTP II and emerging topics such as social accountability to strengthen relevance; ii) revamping Effective Development Cooperation Taskforce (EDCTF) to follow-up on the High Level Forum (HLF) action points and align Sector Working Groups (SWGs) to GTP II; iii). strengthening DAG internal information sharing through regular meeting of Technical Working Groups (TWGs) with DAG Ex-Com members; iv). Multi-

year pledges and minimum annual membership fee of USD 40,000 for better resource mobilization and v). Articulating a sustainability strategy with detailed risk, assumption and outcomes into the phase V project document.

Towards the end of 2015, the DAG secretariat drafted and submitted Phase V project document taking into consideration the global sustainable goals; the recommendations of the phase IV review and inputs from DAG, MoFEC and NPC. The document incorporated the comments and feedbacks of all stakeholders and has been approved by the DAG Steering Committee to come into effect starting April 1st 2016.

5.2 Challenges

Project Management
- The creation of National Planning Commission (NPC) as an autonomous institution took a long time and diverted human resources from MoFEC.
- The lack of a dedicated technical expert to follow-up DAG activities and settle advances in time led to delays in reporting progress and getting detailed, comprehensive information on beneficiaries such as sex disaggregated data.
- The national election held in May 2015; the Financing for Development Conference in July 2015; and the preparation of and consultation on the GTP II document caused the deferral of many activities planned in 2015.

Resource Mobilisation
- The Project faced resource gaps particularly in the beginning of each calendar year.
- Small contributions from many partners increased the transaction costs for UNDP and the DAG Secretariat in managing contribution agreements, expending against separate budget lines and preparing financial reporting.
- The lack of predictable, multi-year commitments from DAG members hindered medium-term planning and forward-looking in the project.

Donor coordination
- Some DAG sector working groups and Effective Development Cooperation Taskforce do not meet regularly and are not actively implementing their mandates

Aid Management Platform
- The absence of digital data management (electronic filing) from MoFEC's side; technical difficulties in the recent AMP upgrade; and irregular data entry from the side of development partners coupled with the onerous interface of the AMP made regular and timely data entry difficult.
- Slow internet connectivity is a persistent problem that affects access and upgrades to the Aid Management Platform (AMP).
- Timely data entry of the Aid Management Platform (AMP) and ensuring data quality remains a challenge.
- Irregular data entry in AMP resulted in data discrepancy between the Aid Management Platform and development partners' system.

5.3 Lesson Learned and Way Forward

Project Management

- The DAG Secretariat worked closely with the National Planning Commission to re-programme un-utilized funds and apply them towards emerging needs, such as subcontracting Addis Ababa Commercial College to recruit new staff and provide induction training.
- The DAG Secretariat has continued to step-up its engagement with the IP on a day-to-day basis to enhance communication and reporting through regular dialogue and periodic visits to ensure financial compliance and build strong partnership. Tracking activities and advising NPC to utilize resource by reprogramming of funds to emerging needs helped to liquidate advances in time and manage allocation of resources efficiently.
- The recruitment of one dedicated finance and one dedicated programme focal points in NPC to deal with administration and reporting had helped accelerate implementation, including liquidation of advances and receipt of quality and timely reports.

Resource Mobilization

- To solve the resource gap, the secretariat consults with DAG co-chairs and members to mobilize resources, starting at the end of each calendar year. The review of Phase IV of the DAG Project recommended that DAG members commit multi-year resources and contribute a minimum of USD 40,000 in order to reduce transaction costs. This helps for the project to have a credible, medium-term vision.
- In the next phase of the Project, it would be appropriate to secure multi-year funding to the DAG Project at the onset of the project for better planning and timely disbursement of funds to responsible parties.

Donor Coordination

- The Effective Development Cooperation Taskforce should meet regularly to follow-up on post-Busan commitments and HLF action points as well as support to the Sector Working Groups to be effective.

Aid Management Platform (AMP)

- The AMP requires Government's continued leadership. The Secretariat supported MoFEC in identifying current gaps in the aid management platform and discussed at length with Development Gateway (the AMP service provider) to address some technical and design issues. This includes suggestions to ensure that data is more easily entered and available to all users.
- Delay in AMP upgrade to version 2.11+ due to some technical issues and miscommunication between Development Gateway and MoFEC. In its dealings with Development Gateway, MoFEC and the DAG secretariat have found that communicating via telephone and Video Conference is more productive than the numerous email exchanges.

6. Financial Overview

6.1. Financial Summary (July 2012-March 2016)

No	Contributing DAG members	(B) Contributions Received 2012-2015	(D) Total Available Resources
1	AFDB	55,000	55,000
2	Australia	37,587	37,587
3	Austria	168,978	168,978
4	Canada		
5	Denmark	18,984	18,984
6	DFID	204,290	204,290
7	EU	197,834	197,834
8	Finland	51,932	51,932
9	France	27,168	27,168
10	Germany	130,201	130,201
11	Ireland	182,324	182,324
12	Italy	128,404	128,404
13	JICA	10,000	10,000
14	Netherlands	100,373	100,373
15	Norway	174,909	174,909
16	Spain	230,857	230,857
17	Sweden	133,108	133,108
18	Switzerland	10,537	10,537
19	USAID*	300,000	300,000
20	World Bank	100,000	100,000
	Transfer from Phase III of the Project**		723,342
Total		**2,262,486**	**2,985,828**

*USAID also contributed USD 834,464 in support of the third international conference for financing for development (FFD) through the DAG pooled fund.

** Donor funds transferred from Phase III include Canada, Ireland, Italy, Norway and Spain.

Note: No contribution was received in the first quarter 2016.

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.

6.2. Summary of Expenditure by Output (July 2012 – March 2016)

Output	Budget (USD)	Expenditure (USD)	Balance (USD) compared to budget
OUTPUT 1: Effective Support to the GTP and MDG Consultative Process	1,076,727	849,219	227,508
OUTPUT 2: DAG and Government dialogue structure function effectively	1,797,055	1,713,235	83,820
OUTPUT 3: Enhance the capacity of Government and DPs to achieve aid effectiveness and harmonization targets	309,644	224,185	85,459
GMS (administrative overhead)	196,574	193,969	2,605
Unrealized Gain or Loss		3,705	-3,705
OTAL	***3,380,000**	**2,984,313**	**395,687**

*The Budget reflected in the table above is as per the project document.

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.

6.3. Detailed Expenditure by Output (July 2012 – March 2016)

Output	2012	2013	2014	2015	2016	Total Expenditure (USD)
OUTPUT 1: Effective Support to the GTP and MDG Consultative Process	1,654	334,645	269,022	225,379	18,519	849,219
OUTPUT 2: DAG and Government dialogue structure function effectively	216,423	469,307	473,996	460,450	93,059	1,713,235
OUTPUT 3: Enhance the capacity of Government and DPs to achieve aid effectiveness and harmonization targets	84,883	71,296	60,000	6,333	1,673	224,185
GMS (administrative overhead)	21,207	61,282	52,917	49,382	9,181	193,969
Unrealized Gain or Loss	9	3,885	2,880	(3,069)		3,705
TOTAL	**324,176**	**940,415**	**858,815**	**738,475**	**122,432**	**2,984,313**

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.
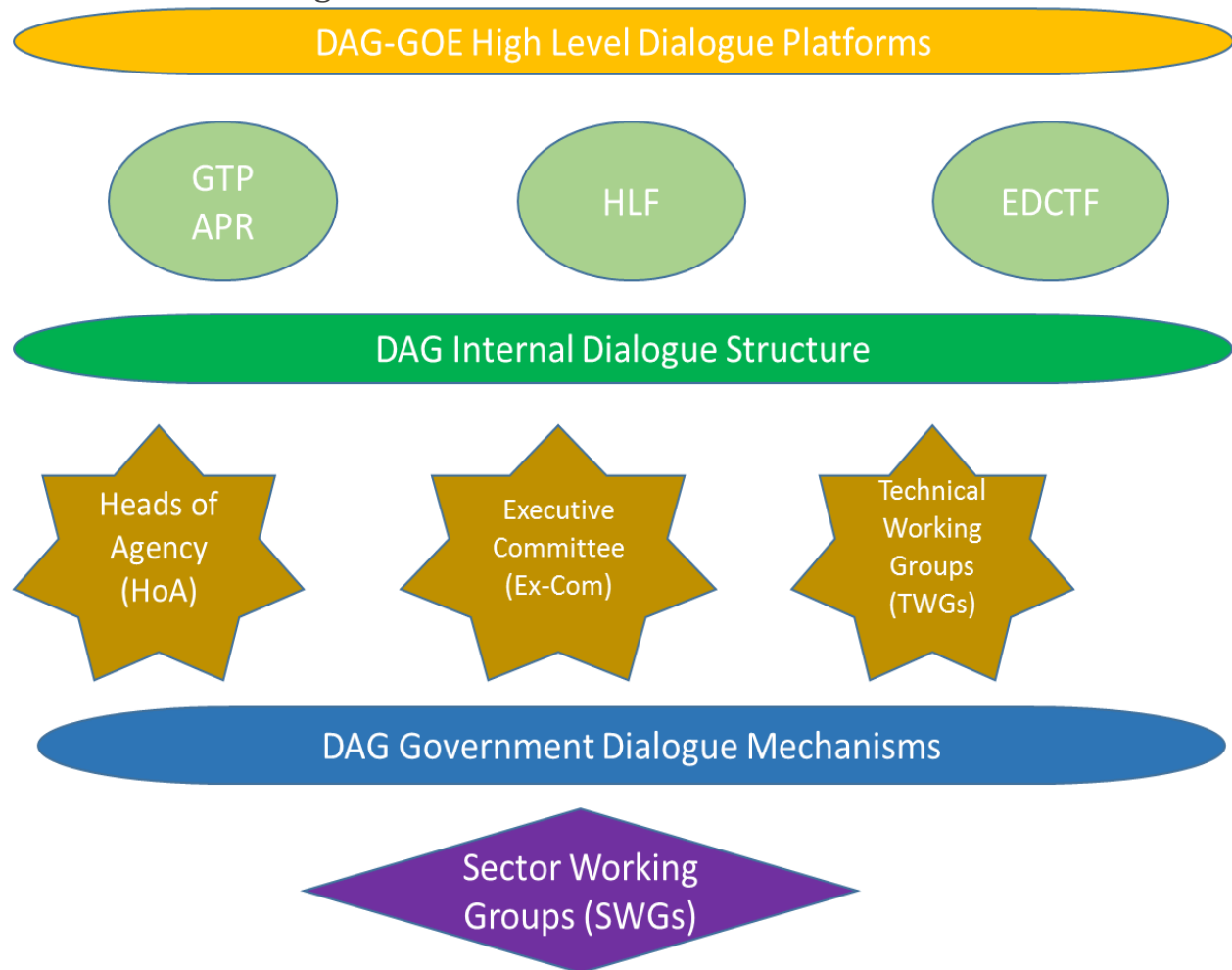
7. Annexes

Annex 1. DAG composition and Structure.

DAG Objectives	
Issues	**Consensus**
Objectives	- Facilitate a common understanding of fundamental issues by sharing information and networking within DAG. - Effective engagement and dialogue with government and other stakeholders based on DAG's common understanding - To promote effective development cooperation through improved coordination among DAG members.

Heads of Agencies (HoA)	
Issues	Consensus
New members	- Inclusive policy on membership. - One (1) single representation at HoA level per Country. - New members must make a financial contribution to the DAG Pool fund, preferably a multi-year contribution. An Exception will be made for those agencies whose mandate does not allow for fund disbursement in this manner. The shortfall will be distributed among the rest of the DAG members. - The United Nations Country Team (UNCT) will be represented by the UN RC/UNDP RR and two UN agencies, decided upon on an annual basis by the UNCT. - New members should have an active development programme in Ethiopia. - New members should actively participate in DAG activities. - Membership is not open to CSOs, private sector or foundations.
Existing members	- One (1) single representative per Country. - Current members from JICA and the Japanese Embassy are an exception to the one representation per country rule.

Co-Chairs	
Issues	Consensus
Multilateral Chairs	- UN Resident Coordinator (UNRC); the African Development Bank (AfDB); and the World Bank will hold the office of multilateral co-chair of the DAG, rotating annually.
Bilateral Chairs	- The bilateral co-chair will come from a DAG member who has served on the Executive Committee for at least a year. The term of service considered is for the individual DAG member in the Executive Committee and not the particular agency. - The co-chair will be nominated by the bilateral members of the Executive Committee and endorsed by the Heads of Agency.

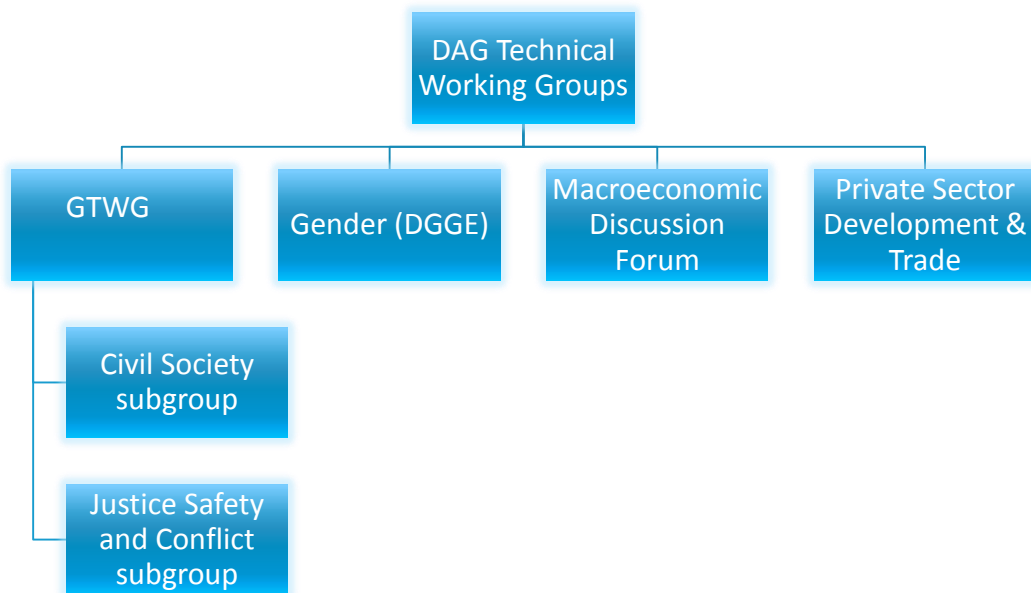| Executive Committee (Ex-Com)	
Issue	Consensus
Function	- A more empowered, responsible and accountable Ex-Com. - Responsible for drafting the DAG work for approval by the HoAs and follow up and implementation of the work plan. - Prepare the HoA meeting agenda around key development issues and follow up on implementation of action points. - Engage regularly with the Technical and Sector Working Groups. - Meet with the Government and other stakeholders on behalf of the DAG with the mandate to make decisions on certain non-controversial issues when called upon. - Follow up on the Effective Development Cooperation Taskforce (EDCTF).
Membership of the Ex-Com.	- The Ex-Com will have nine members. - Three permanent members (World Bank, UN RC, AfDB) - Three of the highest ODA contributors to Ethiopia.

	o Currently, DFID, USAID, and the EU will take up these seats.
	- Three seats for 'smaller' agencies.
	o In 2016-17: Netherlands, Canada,
	o In 2015-16: Ireland, Netherlands, Sweden
	o In 2014-15: Germany, Italy, Canada
	o In 2013-14: Germany, Italy, Canada
	o In 2012-13: Netherlands, Ireland, Norway
Term of service	- World Bank, UNRC and AfDB will be permanent members of the Ex-Com.
	- One term of office in the Ex-Com will be for two years.
	- Elections into the Ex-Com will be held in the month of July.
	- New members will take up their seats in September following the summer break.
	- An exception has been made for the new Ex-Com established during the DAG Retreat on 30th November 2010 as it needs to start implementing DAG decisions as of January 2011.
	- On 8 September 2015, the ExCom decided that if a HoA is gone for an extended absence (more than 2 months), his/her acting replacement could attend the ExCom in his/her place.

Technical Working Groups and Sector Working Groups	
Issues	Consensus
Number/area of focus	- Reduce the current number of TWGs.
	- Area of focus should be re-worked within the context of the GTP and lessons from best practices of PBS, PSCAP and PSNP.
	- All TWGs should have a clear government interlocutor or potential counterparts to dialogue with.
	- Ex-Com to work on a proposal for addressing the issue of DAG TWGs (which TWGs are taken out of the DAG structure, which are merged, which can be set up as taskforces).

Knowledge Products	
Issues	Consensus
Ownership	- Endorsed DAG knowledge products are those that are initiated/commissioned and reviewed by the DAG HoA.
	- TWGs and SWGs can also initiate research. However for these to be disseminated through the DAG website as TWG/SWG knowledge products, they will have to be reviewed by the TWG/SWG. The DAG HoA will review them on the basis of no objection.

Annex 2. DAG Dialogue Structure.

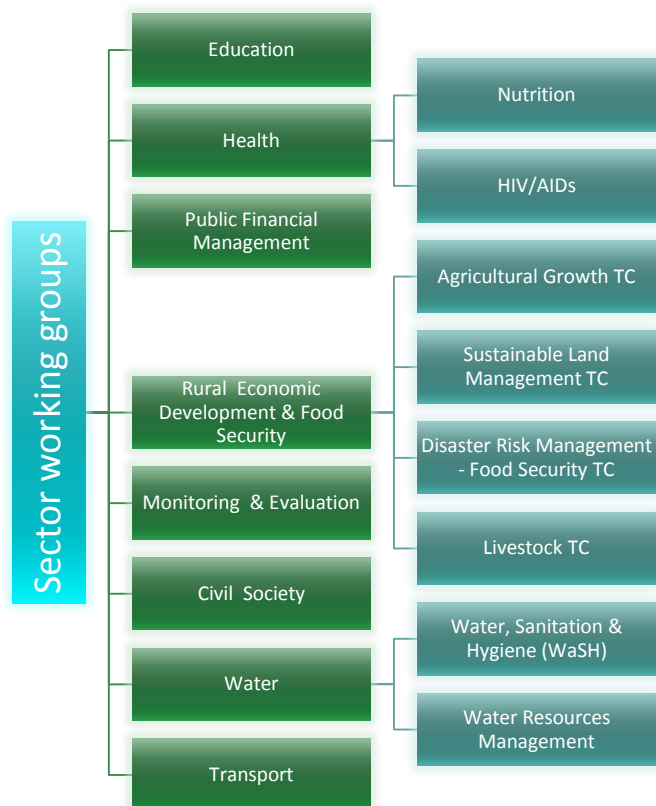**DAG-GOE High Level Dialogue Platforms**

GTP APR

HLF

EDCTF

DAG Internal Dialogue Structure

Heads of Agency (HoA)

Executive Committee (Ex-Com)

Technical Working Groups (TWGs)

DAG Government Dialogue Mechanisms

Sector Working Groups (SWGs)

Annex 3. Working Groups
Technical Working Group (TWGs)

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                    ┌─────────────────────┐
                    │   DAG Technical      │
                    │   Working Groups     │
                    └──────────┬──────────┘
        ┌──────────────┬───────┴────────┬──────────────────┐
   ┌─────────┐   ┌──────────┐  ┌──────────────┐  ┌──────────────┐
   │  GTWG   │   │  Gender  │  │ Macroeconomic│  │Private Sector│
   │         │   │  (DGGE)  │  │  Discussion  │  │Development &  │
   └────┬────┘   └──────────┘  │    Forum     │  │    Trade     │
        │                       └──────────────┘  └──────────────┘
   ┌─────────────┐
   │Civil Society│
   │  subgroup   │
   └─────────────┘
   ┌─────────────┐
   │Justice Safety│
   │and Conflict │
   │  subgroup   │
   └─────────────┘
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Sector Working Groups

Sector working groups

- Education
- Health
  - Nutrition
  - HIV/AIDs
- Public Financial Management
- Rural Economic Development & Food Security
  - Agricultural Growth TC
  - Sustainable Land Management TC
  - Disaster Risk Management - Food Security TC
  - Livestock TC
- Monitoring & Evaluation
- Civil Society
- Water
  - Water, Sanitation & Hygiene (WaSH)
  - Water Resources Management
- Transport

Annex 4. Phase IV-Project Final Evaluation- attached

Annex 5. Combined Delivery Report (CDR) - attached

Annex 6. Project Risk and issue log- attached

Annex 7. Monitoring and Communication Plan- attached

Annex 8: Back to Office Reports - attached

Annex 9: 2016 Annual Work Plan - attached

THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN
THE DIRECTORATE GENERAL FOR DEVELOPMENT CO-OPERATION OF THE ITALIAN
MINISTRY OF FOREIGN AFFAIRS(THE DONOR)
AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis(hereinafter referred to as "the Contribution") for the implementation of Phase V Development Partners' Support to the Growth and Transformation Plan II(hereinafter referred to as "the Project"), as described in the Project document Project number 00098939, Phase V Development Partners' Support to the Growth and Transformation Plan II,in Ethiopia,and submitted to the Donor for information. Add the Donor's reference, if any.

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Project,

WHEREAS the Government of Ethiopia has been duly informed of the Contribution of the Donor to the Project,

WHEREAS UNDP shall designate an Implementing Partnerfor the implementation of the Project (hereinafter referred to as the "Implementing Partner"),

NOW THEREFORE, UNDP and the Donor hereby agree as follows:

Article I. The Contribution

1.   (a) The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of (amount in [stated currency]). The Contribution shall be deposited in the following bank account[1],

Name of Bank :   Bank of America NA
Bank Address :   5 Canada Square, London, 5AQEI4
SWIFT code :   BOFAGB22
Sort code/CHAPS :   165050
Bank account number :   6008-62722022
IBAN number: GB59BOFA16505062722022
Bank account type :   UNDP contributions (EURO) account
Currency type :   Euro

          Schedule of payments[2]   Amount

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[1] Please note that the currency of the bank account should be the same as the currency of the contribution

[2] It is recommended that country offices negotiate the number of installments to ensure at least six months' anticipated disbursements are funded with each installment. This will make processing of contributions and reporting more efficient for the country offices.

[specific date]   [specify amount]

(b) The Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org, providing the following information: donor's name, UNDP country office, Project number 00098939, Phase V Development Partners' Support to the Growth and Transformation Plan II, donor reference (if available).This information should also be included in the bank remittance advice when funds are remitted to UNDP.

2.   The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Donor with a view to determining whether any further financing could be provided by the Donor. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.

3.   The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of Project delivery.

4.   UNDP shall receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNDP.

5.   All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1.   The implementation of the responsibilities of UNDP and of the Implementing Partner pursuant to this Agreement and the Project document shall be dependent on receipt by UNDP of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above. UNDP shall not start the implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).

2.   If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavours to make available to UNDP the additional funds required.

3.   If the payments referred to in Article I, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2 above is not forthcoming

from the Donor or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

4.   Any interest income attributable to the Contribution shall be credited to UNDP Account, retained by UNDP and shall be utilized in accordance with established UNDP procedures.

Article III. Administration and reporting

1.   Project management and expenditures shall be governed by the rules, regulations, policies and procedures of UNDP and, where applicable, the rules, regulations, policies and procedures of the Implementing Partner.

2.   UNDP shall provide to the Donor the following reports in accordance with UNDP accounting and reporting procedures.

[2.1[3]   **For agreements of one year or less please add the following clauses**]

   (a)   From the country office (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of this Agreement, a final report summarizing Projectactivities and impact of activities as well as provisional financial data;

   (b)   From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December to be submitted no later than 30 June of the following year;

   (c)From UNDP Bureau of Management/Office of Finance and Administrationon completion of the Project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.

[2.2   **Foragreements of more than one year please add the following clauses**]

   (a)   From the country office (or relevant unit at headquarters in the case of regional and global projects) an annual status report of Project progress for the duration of this Agreement, as well as the latest available approved budget.
   (b)   From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
   (c)   From the country office (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of this Agreement, a final report summarizing Projectactivities and impact of activities as well as provisional financial data.

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[3] Please choose between clause 2.1 and 2.2 depending on the length of the agreement.

     (d)   From UNDP Bureau of Management/Office of Finance and Administration, on completion of the Project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.

3.   If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of the Donor. The nature and frequency of this reporting shall be detailed in an annex tothis Agreement.

Article IV. Administrative and support services

1. In accordance with the decisions, policies and procedures of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the Contribution shall be charged a fee equal to 8%. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation, including the costs of Implementing Partner, will be identified in the Projectbudget against a relevant budget line and borne by the Project accordingly.

2.   The aggregate of the amounts budgeted for the Project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the Project under this Agreement as well as funds which may be available to the Project for Project costs and for support costs under other sources of financing.

Article V. Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of Ethiopiain consultation with other stakeholders will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a Project including an evaluation of its Contribution to an outcome which is listed in the Evaluation Plan. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

Article VI. Equipment

Ownership of equipment, supplies and other properties financed from the Contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VII. Auditing

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules,policies and procedures of UNDP. Should theannual Audit Report of the UN

Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Donor by the country office.

Article VIII. Completion of the Agreement

1.   UNDP shall notify the Donor when all activities relating to the Project have been completed in accordance with the Prodoc.

2.   Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.

3.   If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.

4.   In cases where the Project is completed in accordance with the project document any funds below 5,000 USD (five thousand USDollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP.Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Donor.

Article IX. Termination of the Agreement

1.   This Agreement may be terminated by UNDP or by the Donor after consultations between the Donor, UNDP and the programme country Government, and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project. This Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate this Agreement.

2.   Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and Project activities brought to an orderly conclusion.

3.   In cases where this agreement is terminated before Project completion any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Donor.

Article X. Prevention of Corruption and Fraud

1.   Both the Donor and UNDP are firmly committed to preventing and detecting fraudulent and corrupt practices. Consistent with the UN Charter, the Standards of Conduct for the International Civil Service, the United

Nations Staff Rules and Regulations, and UNDP Financial Rules and Regulations and Procurement Manual, UNDP will use reasonable efforts to ensure that the utilization of the Contribution conforms to the highest standard of ethical conduct and that every part of the organization, as well as all individuals acting on behalf of UNDP, observe the highest standard of ethics and integrity.

2.   UNDP, in accordance with its regulations, rules and directives, will ensure that any allegations of fraud and corruption in connection with the implementation of the Project are reported to the Office of Audit and Investigations (OAI) in a timely manner. Credible allegations will be investigated by OAI in accordance with its regulations, rules, policies and procedures. UNDP will, in a timely manner and consistent with its regulations, rules, policies and procedures, provide details to the Donor of the outcome of substantiated allegations of fraud and corruption, along with details of action taken by UNDP.

3.   Following the conclusion of any investigation which identifies fraud or corruption involving any activities funded in whole or in part with a Contribution made under this Agreement, UNDP will:

   a.   Use reasonable efforts to recover any part of the Contribution, which OAI has established as being diverted through fraud or corruption;

   b.   In connection with (a) above, in consultation with the UN Office of Legal Affairs, give proper consideration to referring the matter to the appropriate authorities of the Member States where the fraud or corruption is believed to have occurred and to the provisions of General Assembly resolution 62/63; and

   c.   As required by the Donor, and following consultations between the Parties, reimburse to the Donor any part of the Contribution which UNDP has recovered further to sub-section (a) above, or credit it to a mutually agreed activity.

4.   Any information provided to the Donor in relation to any matters arising under the Article shall be treated by the Donor as strictly confidential.

Any action further to the above paragraphs shall be consistent with UNDP regulations, rules and directives.

Article XI. Settlement of Disputes

Any dispute, controversy or claim arising out of this Agreement shall be resolved amicably between the Parties.

Article XII: Notice

Any notice or correspondence between UNDP and the Donor will be addressed as follows:

(a)   To the Donor:

Address:

(b) Upon receipt of funds, UNDP shall send an electronic receipt to the Donor email address provided below as confirmation that the remitted funds have been received by UNDP.

Donor email address: _____

Attention: _____

(c)   To UNDP**:**Name, Position

Address: United Nations Development Programme

Article XI. Amendment of the Agreement

This Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of this Agreement.

Article XII. Entry Into Force

This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Donor:	For the United Nations Development Programme:
(Name)	(Name)
(Title)	(Title)
(Date)	(Date)