



**Ethiopia**  
**Protection of Basic Services**  
**Social Accountability**  
**Program**

**Grant Agreement [TF099878]**

**Third Quarterly Progress**  
**Report**

**October 2012**

**(Version 29 October 2012)**

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## List of abbreviations

CA	Contracting Authority
CBO	Community Based Organizations
CSO	Civil Society Organization
CSF	Civil Society Fund
EC	European Commission
EU	European Union
ESAP	Social Accountability Program
ESAP1	Ethiopian Social Accountability Program Phase 1
ESAP2	Ethiopian Social Accountability Program Phase 2
FAQ	Frequently asked questions
FTA	Financial Transparency and Accountability
GA	Grant Agreement
GoE	Government of Ethiopia
IR	Inception Report
Logframe	Logical framework
MA	Management Agency
MBA	Mass-Based Associations
M&E	Monitoring and Evaluation
MoFED	Ministry of Finance and Economic Development
NGO	Non-Governmental Organization
PBS	Protection of Basic Services
PCS	Proclamation on Charities and Societies
PR	Progress Report
PNSP	Productive Safety Net & Household Asset Building program
SA	Social Accountability
SAIP	Social Accountability Implementing Partner (Implementing CSO)
STE	Short-term Expert
SC	Steering Committee
TL	Team Leader
ToR	Terms of Reference
VNG	Association of Netherlands Municipalities ( <i>Vereniging Nederlandse Gemeenten</i> )
WB	World Bank

## 1. Project synopsis

Project title	Ethiopia Protection of Basic Services Social Accountability Program (ESAP2)
Contract number	TF099878
Location	Ethiopia
Contractor	VNG International in consortium with GOPA Consultants, and YEM Consultant Institute
Name Contracting Authority	World Bank Ethiopia Country Office Wollo Sefer, Bole Road, P.O. Box 913/11111 Addis Ababa, Ethiopia
Beneficiary	<ol style="list-style-type: none"> <li>1. Citizens and citizens groups;</li> <li>2. Civil society organizations;</li> <li>3. Local government officials, and</li> <li>4. Service providers</li> </ol>
Project starting date	11/10/2011 (effective starting date 01/11/2011)
Project end date	26/06/2013
Project duration	22.5 months  <i>(this duration may be increased in line with any increases of this budget in accordance with SC decisions)</i>
Total project budget	7,5 million US Dollars  <i>(this budget will be adjusted from time to time with increases in the MDTF in accordance with donor commitments)</i>
Date of report	22 October 2012
Reporting period	01/07/2012/ to 30/09/2012
Authors of report	Management Agency – ESAP2
Overall objective	Public basic service providers deliver improved quality services in education, health, agriculture, water and sanitation and rural roads in response to community and citizen's needs.
Specific objectives  <i>(minor adjustments have been made to the phraseology of the specific objectives and the logic in which they are presented but the meaning remains unchanged)</i>	<ol style="list-style-type: none"> <li>1. Cooperation in public service delivery between citizens' and citizens groups'/communities, service providers and local government is institutionalized.</li> <li>2. Citizens and citizens groups are empowered and increasingly demand for better quality public basic service delivery.</li> <li>3. Citizens and citizens groups are aware of their responsibilities to plan, budget, and implement and monitor basic service delivery.</li> <li>4. Increased capacity of CSOs to empower citizens and citizens groups on the use of SA tools, approaches and mechanisms.</li> </ol>
Purpose	ESAP2 will give voice to the needs and concerns of all citizens regarding their access to basic public services – basic education,

	<p>health, water and sanitation, agriculture and rural roads. Through SAIPs, more commonly referred to as CSO implementing partners, the program will bring citizens into dialogue with local governments and service providers to contribute to and increase the demand for improved quality public basic services. The program will make use of a range of tools, mechanisms and best practices to build and enhance local capacity on SA in support of GoE's wider efforts to improve transparency, accountability and citizens' participation in public basic services delivery. Service users and service providers will evaluate the access and quality of basic services using SA tools and agree on joint actions for service delivery improvements.</p>
Expected results	<ul style="list-style-type: none"> <li>• ESAP2 is effectively managed</li> <li>• A grant scheme is established providing grants to Social Accountability Implementing Partners</li> <li>• A robust M&amp;E of SA-practices in Ethiopia is established and a learning initiative created</li> <li>• Capacities on SA are built for all stakeholders, notably (a) citizens and citizens groups, (b) civil society organizations, (c) local government officials and (d) service providers</li> </ul>
Components	<ul style="list-style-type: none"> <li>• Component 1: Program and Financial Management (including operations management)</li> <li>• Component 2: Grant management (including management of the contacts with CSO partners in the regions)</li> <li>• Component 3: Monitoring &amp; Evaluation (including benchmarking, baseline and follow-up surveys)</li> <li>• Component 4: Capacity building and training (including social accountability in general and project management for SAIPs)</li> </ul>
Component 1 – Program and Financial Management	<ul style="list-style-type: none"> <li>• Responsibility for overall management, coordination and directions of the program as well as handling of preparatory steps, including the selection of SAIPs by use of appropriate selection criteria;</li> <li>• Prepare annual plans and budgets for the implementation of SAP for discussion and approval by the SC;</li> <li>• Establish and implement a financial management system for the program;</li> <li>• Prepare and submit quarterly and annual reports to the SC;</li> <li>• Organize an annual financial audit of ESAP2, including the utilization of grant funds by the grantee SAIPs;</li> </ul>
Component 2 – Grant Management	<ul style="list-style-type: none"> <li>• Invite and appraise SAIP proposals, and select and sign contract agreements with the qualified SAIPs;</li> <li>• Ensure that SAIP-selected Woredas meet certain pre-agreed criteria;</li> <li>• Disburse grants to the selected SAIPs;</li> <li>• Oversee and manage the accounting of the grants disbursed to SAIPs;</li> <li>• Develop financial reporting procedures and templates and train the SAIPs on how to submit monthly, quarterly and annual financial reports using the templates;</li> <li>• Provide the SAIPs direction and training on procurement</li> </ul>

	procedures.
Component 3 – Monitoring and Evaluation	<ul style="list-style-type: none"> <li>• Develop a program Logframe with consensus-driven performance indicators to guide management of program results;</li> <li>• Establish an M&amp;E system for capturing program achievements and for sharing lessons learnt;</li> <li>• Establish and use an M&amp;E reporting and information dissemination process;</li> <li>• Ensure effective communication of M&amp;E findings to the SC as well as to SAIPs;</li> <li>• Commission baseline data collection to guide program implementation and mid-term reviews to make course correction and glean lessons learned;</li> <li>• Supervise and support ongoing on the ground monitoring activities on the status of social accountability and delivery of basic services (including scope, input, budget, staffing and quality) in the SAP implementing Woredas and in “comparison” Woredas;</li> <li>• Train SAIPs to design and implement an M&amp;E system for their respective projects;</li> <li>• Train and support SAIPs to prepare and submit M&amp;E reports regularly;</li> <li>• Review SAIP reports and supporting documents;</li> <li>• Conduct regular field visits to identify constraints and challenges faced by SAIPs and make suggestions on how to address the constraints to enhance the outcomes of the program;</li> <li>• Hold discussions and leave Aide Memoires behind with the SAIPs to highlight field visit findings and agreed actions.</li> </ul>
Component 4 – Capacity Building and Training	<ul style="list-style-type: none"> <li>• Design socially inclusive and gender-sensitive SA -training and capacity building modules and training plan;</li> <li>• Conduct training sessions in SA for relevant government officials, SAIPs and other stakeholders to enable them to engage effectively in the SA program;</li> <li>• Create and build capacities and skills of SAIPs on the use of SA tools and on facilitation of interface meetings between service users and service providers;</li> <li>• Provide substantive direction, leadership and analytical guidance to SAIPs on the implementation of the SA tools and mechanisms including entry and exit strategies, institutionalizing and sustaining SA, mentoring and training of local government officials and service providers, consensus building and acting as interlocutors among stakeholders.</li> <li>• Establish sustainable capacity (“Centers of Social Accountability”) at selected regional universities or training institutions to provide training for longer-term goals.</li> </ul>
Key deliverables	<ul style="list-style-type: none"> <li>• Inception report</li> <li>• Program Logframe with expected outcomes and performance indicators</li> <li>• M&amp;E manual</li> <li>• Grant manual</li> <li>• Financial manual</li> </ul>

- Annual work plan and budget, and action plan
- Training and capacity building annual plan
- Gender and local context sensitive social accountability training modules
- Program operational guidelines, including management, procurement, M&E template
- Baseline, mid-term and end-line surveys in Woredas
- Quarterly program and financial reports
- Social accountability database; including website with on-line repository of the program's database and relevant documents
- Training/capacity building workshop materials for SAIPs, service providers and other relevant actors
- Case study publications on assessment of experience and lessons learned
- Biannual program review and lessons learned dissemination workshops
- Media disclosure/ dissemination of social accountability approaches
- Centers of Social Accountability
- Program completion report

## 2. Executive summary

This is the third quarterly report (PR3) of the project Ethiopia Protection of Basic Services (PBS) Social Accountability Program (ESAP2) implemented by VNG International in consortium with GOPA Consultants and YEM Consultant Institute on behalf of the Government of Ethiopia (GoE). The report presents the results of the third quarter of the implementation phase from 01/07/2012 to 30/09/2012 in line with the provisions of the project's Terms of Reference (ToR).

The purpose of this third quarterly progress report is to review and report on the project's planned and actual progress during the months of July, August and September 2012 in relation to activities, and deliverables, and to plan the inputs and activities for further project implementation in order to achieve the expected results.

The MA's work of the past nine months has resulted in a Call for Proposals for which 129 grant applications were received from all of the nine Regions and two Autonomous Cities in the country. The MA finished a thorough review process in order to be able to rank the best grant applications received. A draft shortlist was produced and several risk assessments of shortlisted organizations were carried out. A final shortlist of 52 applicants was approved by the Steering Committee on 7 September 2012.

This progress report also provides an opportunity to update the project's work plan and staffing schedule, as well as the Logframe to respond to systematic monitoring of the progress and achievements of the project. It also gives a chance to raise important issues for discussion by the SC and to request guidance and direction where needed.

The Management Agency (MA) wrote this report with inputs of its experienced managers, who contributed in relation to the four components of ESAP2. Overall, this third progress report was directed and quality assured by VNG International.



### 3. Project environment

This section elaborates on any significant changes to the project environment that have emerged during the last three months of ESAP2 implementation.

#### 3.1 Legal and policy framework

There has been no change in the legal and policy framework in general or in particular with regard to the Proclamation on Charities and Societies (PCS), which was enacted on 13 February 2009.

#### 3.2 Institutional framework

There has been no change in the institutional framework governing ESAP2 in the last three months. It remains supervised by a SC with much appreciated competencies in terms of guiding the implementation of the program. Discussions and decisions made by the SC during the last three months have been well informed and highly constructive. This has had a continuous positive impact on implementation thus far and bodes well for future dialogue and understanding between the SC and the MA.

The SC remains formed by:

Government of Ethiopia	State Minister MoFED, SC Chair Ministry of Civil Service, Charity and Society Agency (ChSA)
Civil Society Organizations	PANE, CCRDA, COHRA
Development Partners	Irish Aid, DFID, WB

The Multi Donor Trust Fund for ESAP2 is currently funded by:

Ireland – Ministry of Foreign Affairs / Irish Aid

United Kingdom – Department for International Development (DfID)

Germany – Kreditanstalt für Wiederaufbau (KfW – German Development Bank)

European Union – Commission of the European Communities

The lead CSO partners from ESAP1 also remain unchanged from the inception phase and they continue to provide active and helpful support to the MA.

#### 3.3 Related projects

ESAP2 continues to learn from important lessons of ESAP1, and other ongoing projects, and in particular about the need for close collaboration with Woreda administrations and national CSOs before and during the implementation of grant projects.

The MA maintains regular contacts with other related grant management projects that are of direct relevance to ESAP2 namely:

- Civil Society Fund 1 and 2 (CSF1/CSF2) funded by the European Commission and managed by GOPA Consultants, in consortium with VNG International;
- Civil Society Support Program, (CSSP) managed by the British Council.

### 3.4 Crosscutting issues

As presented in the ESAP2 Grant Manual, there are pertinent challenges to mainstream socially excluded groups. Subsequent inclusion of the elderly, vulnerable women and children, disabled, and people with HIV, is a feature which stakeholders would like to see more integrated in ESAP2.

Appropriate targeting of the socially excluded has been a criterion on which the grant applications were assessed during their evaluation phase, and it will also receive specific focus during the baseline data collection process, which is planned to take place in December 2012. The MA will ensure that the aforementioned groups will be participating in the roll out of the Social Accountability trainings.

## 4. Update on project design

In this section we review any update on the project design as outlined in the ToR. This also includes an update of the assumptions and risks and a summary of all proposed alterations.

### 4.1 Review of project design

There have been no changes to the ToR during this period.

#### **Sectors covered by ESAP2**

The sectors covered by ESAP2 are unchanged since the ToR and remain to be education, health, water and sanitation, agriculture and rural roads.

#### **Geographical coverage**

There has been no change in the ToR requirement that ESAP2 cover nine regions and two Autonomous cities, Addis Ababa and Dire Dawa and involving at least 172 Woredas as entry points for ESAP2 implementation. Implementation will focus on the basic services sector and across levels within those sectors in the Woredas and Kebeles rather than at the level of individual service facilities.

#### **Timeframe**

There has been no change in the implementation period of ESAP2. However, the SC approved the proposed extension of the Grant Agreement (GA) to 36 months. This extension will still have to be confirmed through an addendum to the GA. This addendum will also involve an increase of the total available budget for the grant scheme from \$3.5 million to \$8.5 million US dollar.

#### **Grant scheme**

The aforementioned addendum will enable ESAP2 to meet the ToR demands for a scaling up of SA activities, in terms of the number of Woredas (from 86 in ESAP1 to minimum 172 in ESAP2) and for additional activities to further institutionalize and sustain social accountability resources.

### 4.2 Proposed changes to the Terms of Reference

There were no proposed changes to the ToR in the period of this progress report.

### 4.3 Update on assumptions and risks

The assumptions and risks have remained unchanged during the last three months. The risks and mitigation strategy has been updated as far as it concerns the risk levels. The table below summarizes the risks affecting ESAP2 and the MA's mitigating strategy:

<b>Risks</b>	<b>Risk level</b>	<b>Impact</b>	<b>Mitigation strategy</b>
Insufficient time for the implementation of sustainable grant projects	High	High	In order to achieve high impact and sustainable results from the sub-projects the SC has agreed to a maximum implementation period of 2 years for each grant project.
Insufficient budget to implement 50 to 60 grant projects in at least 172 Woredas	Medium	High	The current budget for the grant scheme is US \$3,5million, soon to be increased to US \$8,5million. The estimated number of 50-60 grant projects is based on the original grant budget of US \$13,5million. The final number of grant projects will be based on the final total budget available for the grant scheme.
Uneven distribution of grant projects among the five PBS sectors	Medium	Medium	The grant manual includes provisions ensuring a minimum number of sectors per grant application. In addition, there is a bonus system in place to stimulate applicants to target more than the minimum sectors.
Uneven distribution of grant projects among the regions	Medium	Medium	The grant scheme includes provisions to ensure that grant applications which target regions or Woredas of specific relevance for ESAP2, will be scored higher than those that do not.
Less experienced CSOs (but important for certain sectors or regions) will have insufficient capacity for being successful in applying for grant projects	Medium	High	The grant scheme includes provisions ensuring the participation of less experienced CSOs in grant projects. The capacity development plan will also give specific attention to building the capacities of such CSOs.
Social inclusion will be neglected as a cross-cutting issue	Low	High	Social inclusion is an important issue because various groups in society are not affected in the same way and do not have the same needs when it comes to basic services. Continuous capacity building, awareness raising, training and sensitization on social inclusion issues will increase for example female participation in terms of physical presence and free expression.
Involvement of local government and local service providers	Medium	High	Sustainability of SA can be addressed through the creation of SA councils or committees that involve all stakeholders and build on and reinforce existing systems, committees, groups, CBOs and associations. This will encourage the direct involvement of government bodies in the overall project implementation to ensure its sustainability

			and the alignment with the government inspection programs.
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## 4.4 Management and coordination arrangements

The ESAP2 Project Director at VNG International in The Hague, Mr Willem van Nieuwkerk, left his position in August 2012. The new Project Director at VNG International is now Judit de Bever, who was previously already involved in the project as ESAP2 Grants Advisor.

The MA continues to provide technical assistance and capacity building, networking and support as needed. The main responsibilities of the MA remain as the overall program coordination and provision of proper guidance and support to the SAIPs. In addition, the MA continues to raise awareness on ESAP2, collate and make available to the SC, and other relevant stakeholders, reports and publications on implementation activities of the program; to facilitate learning processes through M&E tools, design training and capacity building modules and deliver training for SAIPs.

## 5. Project progress in the reporting period (07-09/2012)

The section provides an account of activities and outputs of the last three months with the main achievements highlighted as follows:

### Component 1 – Program and financial management

A main milestone has been the design and delivery of a sound financial, accounting and administrative system and budget for the project and for the grant scheme.

Following the 27 March 2012 SC approval of the extension of the Grant Agreement (GA) to 36 months, the World Bank and VNG International have worked to come to an exact fund distribution based on the actual available funds at the time of the revised GA completion. This will be put forward to the SC for final approval in November 2012.

The MA developed the Operational Manual for SAIPs, which is a key document for implementation and management of the grant sub-projects by the SAIPs. The Operational Manual combines the previous Grant Manual with the e Financial Manual for SAIPs as well as the new Procurement Guidelines for grantees ('3 in 1'). As such, it provides the SAIPs with all information needed on application, selection, management, reporting and reimbursement of their ESAP2 grant project.

Work has progressed in developing closer coordination and synergy with other PBS II components and the MA continued this professional networking also in this reporting period. To date there has been most interaction with the Financial Transparency and Accountability (FTA) component on service standards. The MA also established collaboration with the World Bank-assisted Productive Safety Net & Household Asset Building program (PNSP), and agreed to cooperate when agriculture activities in ESAP2 subprojects take place in PNSP woredas.

Finally, the Finance team finished the pre-disbursement training program, which is geared towards training SAIPs on key financial reporting mechanisms, prior to first disbursement of funds.

Finally, the [www.esap2.org.et](http://www.esap2.org.et) website is taking off really well, with more up to date information on the ESAP2 grant scheme, including background documents that have been used for the drafting of proposals. The MA continues to make its website more interactive with for example the inclusion of social media forwarding tools.

### Component 2 – Grant Management

During the previous reporting period, the MA launched the ESAP2 Call for Proposals, providing solid guidelines on the grant preparation process to applicants through the published Grant Manual. The deadline for receiving grant applications was set for 22 June 2012.

The main achievement of the MA in the present reporting period is the execution and completion of the SAIP selection process, the results of which were formally presented in a report to the Steering Committee on 7 September 2012. The report details the results of the evaluation of applications and the pursuant risk assessment procedure.

From 129 received applications, the MA has drawn a shortlist of 52 administratively and technically compliant applicants, representing altogether a total grant volume of USD 14 M. With the current amount available in the MDTF for grant sub-projects, USD 8.5 M, 29 applications could be funded.

The Steering Committee reviewed the SAIP selection report and underlying procedures applied, and accepted the results. For the purpose of regional equity, the SC requested the MA to allow, through savings made in the first 29 ranked proposals, the application ranked number 51 to also receive funds (Gambella). This decision was made because Gambella was not included in ESAP1.

After receiving the SC's approval on the selected applications, the MA immediately started preparations for grant negotiations. The purpose of the negotiation process is to come up with an agreement on the required adjustments to the grant applications or the internal organizational arrangements of the shortlisted SAIP, identified during the application's technical evaluation and the risk assessment process.

The MA expects to finalize negotiations and sign grant agreements with the selected SAIPs during the next reporting period.

### **Component 3 – Monitoring & Evaluation**

A key milestone for this component was the completion of the M&E plan and now also including sections for the SAIPs, inclusive of tools and mechanisms, with the entire M&E system being fine-tuned and updated.

Moreover, various products were advanced, such as reporting templates, subsequent templates for grantees and a checklist for onsite data verification work (field visits). The M&E pre-disbursement training program was prepared and inputs for the grant negotiation protocol and memo's guiding the MA during grant negotiations were finalised.

All of the above was embedded into another planned output: training materials and an M&E manual. Our M&E team, in collaboration with the World Bank colleagues preparing the planned impact evaluation, has further matured preparations for the baseline data collection in the target Woredas. The survey design and ToR are now available. Completion of this survey is scheduled in the next reporting period.

### **Component 4 – Capacity Building & Training**

Ethiopian experts reviewed the draft Social Accountability Guide (SA Guide). The experts have been part of the ESAP1 social accountability implementing team. The reviewers provided valuable feedback and recommendations on possible and



required adjustments of the SA Guide. This way, it has been ensured that the Guide is applicable to the Ethiopian context and audience.

The SA Guide was also piloted with a selected group of 25 civil society organizations. The pilot ran in Addis Ababa from 13-15 August 2012 and tested selected parts of the SA Guide to ensure that content, timing and process of training sessions are correct and appropriate for the level of civil society organizations, who will become SAIPs. Relevant feedback was provided with regards to SA concepts, regional and Woreda level budget processes, and some of the social accountability tools.

The MA contracted a selected group of Ethiopian experts to be part of the SA Guide training team. In preparation for the roll out of the SA Guide trainings, the MA hosted the 'Training of Trainers' (ToT) from 28-31 August 2012 with the MA trainers for the pre-disbursement trainings and the SA Guide trainers. The aim of the ToT was to refresh and further enhance the skills of the trainers to effectively deliver the trainings to the SAIPs. The SA Guide trainers are all experts in SA and have extensive experience in delivering trainings for various audiences. The team consists of 6 members who split into two teams of three trainers when delivering the trainings.

The SA Guide underwent a final process of revision during September 2012. The SA Guide was edited to ensure consistency and correctness in terms of grammar, spelling, and clarity. In the next reporting period the SA Guide will be printed, distributed to SAIPs, and translated in Amharic. In addition, the Guide will be made widely available through the ESAP2 website.

## 5.1 Summary of progress: activities in the reporting period

The table below provides an overview of the key deliverables foreseen by the ToR for the program and the progress made towards achieving them in the last three months.

Activity	Progress made / Milestones
<b>Component 1: Program and Financial Management</b>	
Responsibility for overall management, coordination and directions of the program as well as handling of preparatory steps, including the selection of SAIPs by use of appropriate selection criteria	Operational Manual for SAIPs prepared and with WB for approval. SAIPs selected; shortlist approved.
Prepare annual plans and budgets for the implementation of ESAP2 for discussion and approval by the SC	Updated overall work plan, staffing plan and budget breakdown completed for up to three years (in view of expected extension up to 36 months).
Establish and implement a financial management system for the program	Operational Manual for SAIPs developed. The first withdrawal application has been successfully processed.
Prepare and submit quarterly and annual reports to the SC	Second quarterly progress report approved by the SC.
Organize an annual financial audit of ESAP2, including the utilization of grant	The selection of the External Auditor is underway. The Internal Audit Plan and Strategy are further



Activity	Progress made / Milestones
funds by the grantee SAIPs	developed.
Ensure that SAIP-selected Woredas meet certain pre-agreed criteria	SAIP selection criteria reviewed and streamlined.
Provide substantive direction, leadership and analytical guidance to SAIPs on the implementation of the SA tools and mechanisms including exit and entry strategies, institutionalizing and sustaining SA, mentoring and training of local government officials and service providers, consensus building, and acting as interlocutors among stakeholders.	Risk assessments have been carried out for 33 CSOs. Grant negotiation protocol and memos prepared for shortlisted applicants. Financial and Grant Management pre-disbursement training plan prepared.
<b>Component 2 – Grant Management</b>	
Invite and appraise SAIP proposals, and select and sign contract agreements with the qualified SAIPs	Grant application evaluation process completed. Risk assessment process half-way. SAIP selection report finalized and results presented to the SC. Shortlist of 52 selected SAIPs approved. Grant negotiations further prepared.
Disburse grants to the selected SAIPs	First disbursements expected in the next reporting period.
Oversee and manage the accounting of the grants disbursed to SAIPs	No progress to report.
Develop financial reporting procedures and templates and train the SAIPs on how to submit monthly, quarterly and annual financial reports using the templates	Grant contract documents and Operational Manual (including financial provisions for SAIPs) finalized, providing the grounds for financial management of the grants by the SAIPs. Pre-Disbursement Training Program prepared and planned. Implementation after contract agreements signed.
Provide the SAIPs directions and training on procurement procedures	Training plan and contents developed.
<b>Component 3 – Monitoring &amp; Evaluation</b>	
Develop program Logframe with consensus-driven performance indicators to guide management of program results	Updated M&E system with final logframe.
Establish and use a web-based M&E system for capturing program achievements and for sharing lessons learnt	No progress to report.
Establish and use an M&E reporting and information dissemination process	M&E plan and reporting tools updated.
Ensure effective communication of M&E findings to the SC as well as to SAIPs	No progress to report.

Activity	Progress made / Milestones
Commission Woreda baseline data collection to guide program implementation and mid-term reviews to make course correction and glean lessons learned	ToR for the baseline survey developed and survey to be commissioned and completed in next reporting period.
Supervise and support baseline surveys on the status of SA and conditions of basic services (including scope, input, budget, staffing and quality) in the SAP Woredas and in “comparison” Woredas	Ongoing with WB monitors for target and control groups when Woredas are known. For the baseline survey, Woredas have been identified and design protocol, including questionnaires finalized.
Train and support SAIPs to prepare and submit M&E reports regularly	Training module drafted.
Conduct regular field visits to identify constraints and challenges faced by SAIPs, and make suggestions on how to address the constraints to enhance the outcomes of the program	Ongoing. Concept note on ESAP2 SAIP support mechanisms completed. Onsite Data Verification checklist drafted
Hold discussions and leave Aide Memoires behind with the SAIPs to highlight field visit findings and agreed actions	No progress to report.
<b>Component 4 – Capacity building &amp; training</b>	
Design gender-sensitive social accountability training and capacity building modules and training plan	Capacity Building and Training Plan drafted.
Conduct training sessions in SA for relevant government officials, SAIPs, and other stakeholders to enable them to engage effectively in the social accountability program	SA Guide drafted and edited.
Create and build capacities and skills of SAIPs on the use of SA tools and on facilitation of interface meetings between service users and service providers	SA Guide drafted and edited.
Provide guidance to SAIPs on approaches for institutionalizing and sustaining social accountability including training and involvement of CBOs and MBAs	No progress to report.
Establish capacity (“Centers of Social Accountability”) at selected regional universities or training institutions to provide training for longer term goals	No progress to report.

## 5.2 Summary of progress: key deliverables in the reporting period

The table below provides an overview of the key deliverables foreseen by the ToR for the program and the progress made towards achieving them during the last three months.

Key deliverable	Progress made in the last three months
<b>Component 1: Program and Financial Management</b>	
Inception report	Inception report approved by the SC.
Annual work plan, budget and action plan	Overall work plan, staffing plan and budget revised for years 1 and 2 and developed for year 3.
Program Logframe	Revised Logframe (final).
Quarterly program reports	Second quarterly progress report approved by SC.
Completion report	No progress to report.
Quarterly financial reports	Financial reporting approved by WB. First draft IFR discussed with the World Bank.
Media disclosure/ dissemination of social accountability approaches	ESAP2 website launched
<b>Component 2 – Grant Management</b>	
Program operational guidelines, including management, M&E template, procurement	Operational Manual (including financial provisions for SAIPs) finalized and submitted to the World Bank.
Grant management plan	Operational Manual (including financial provisions for SAIPs) finalized and submitted to the World Bank.
<b>Component 3 – Monitoring &amp; Evaluation</b>	
Program M&E template	Final Logframe. M&E plan further developed.
Baseline survey report	ToR for the baseline survey developed.
Case study publications on assessment of experience and lessons learned	No progress to report.
Biannual program review and lessons learned dissemination workshops	No progress to report.
<b>Component 4 – Capacity building &amp; training</b>	
Training and Capacity Building Plans	On-going consultations held with stakeholders (e.g. MoFED, CSOs, and donor agencies).
Training/capacity building workshops for SAIPs, service providers and other relevant actors	Training of Trainers finalised.
Social accountability database	Expert team established.
Social inclusion and vulnerability social accountability training modules	No progress to report.
Social Accountability Guide for Grantees	Reviewed, piloted, edited and printer-ready.
Centers of Social Accountability at selected local	No progress to report.

Key deliverable	Progress made in the last three months
universities/training institutions to provide training for longer term goals	

### 5.3 Summary of progress: resources utilization in the reporting period.

This section provides an overview on the utilization of human resources and other services. VNG International appointed a new Project Director. The MA appointed various freelance writers, reviewers and trainers

In the past quarter, VNG International staff (project director, project manager, grant advisor) have regularly visited Addis Ababa.

### 5.4 Summary of progress: overview of no-objections received from the World Bank in the reporting period

During the last three months we have received “no objections” from the World Bank for the terms of reference for the involvement of the following staff and experts:

General management	-
Program and financial management	Legal advisor (legal advice related to legal status of MA, employment contracts staff and other related legal matters)
Grant scheme	Short-Term Ethiopian Risk Assessor
Monitoring & evaluation	Full-time Ethiopian M&E Manager
Capacity building and training	Short-Term Editor of the SA Guide Various reviewers and trainers (contributing to the SA Guide)

### 5.5 Summary of progress: overview of approved addenda

There is no addendum to the grant agreement yet.

## 6. Project planning for the next reporting period

This section highlights the project planning for the next reporting period from 01/10/12 to 31/12/12. For the next reporting period the following main activities are planned:

### **Program and Financial Management:**

- Help facilitate the second addendum between the World Bank and VNG International.
- Guide grant negotiations with shortlisted SAIPs.
- Finalize the Operational Manual for SAIPs, based on feedback by the World Bank
- Sign grant agreements for shortlisted SAIPs that have passed risk assessment.
- Guide Pre-Disbursement Trainings for contracted SAIPs.
- Facilitate first disbursements to SAIPs.
- Conduct field visits to SAIPs and provide technical support.
- Conduct risk assessments of the remaining SAIPs of the approved shortlist.
- Initiate selection of the external auditor to undertake the YR1 external audit.
- Finalise discussions with the WB on financial reporting and submit first IFR consequently.

### **Grant Management:**

- Perform, oversee and complete grant negotiations, resulting in grant agreements signed with SAIPs.
- Complete Pre-Disbursement Training for SAIPs, specifically on the topic of grant management. Participation in the Training is a condition for first disbursement.
- Conduct field visits to SAIPs and provide technical support. Continue the risk assessment schedule for remainder of the CSOs on the approved shortlist.

### **Monitoring & Evaluation:**

- Guide grant negotiations with SAIPs.
- Complete Pre-Disbursement Training for SAIPs, specifically on the topic of logical frameworks, the SAIPs action plan and M&E tools. Participation in the Training is a condition for first disbursement.
- Select, commission and supervise the baseline survey consultant firm.
- Strong collaboration with the World Bank impact evaluators in our baseline survey work in target Woredas and data collection by the World Bank's control group Woredas.
- Finalize the M&E plan, tools, mechanisms and templates with SAIPs.

- Implement pre-disbursement trainings with SAIPs.
- Conduct field visits to SAIPs and provide technical support.
- Plan and prepare for the the first bi-annual review meeting with all grantees and the MA. The aim of this review is to manage information emerging from the Q4 grant implementation work.

### Capacity Building & Training:

- Revise the Capacity Building & Training Plan with GoE interventions and with the Grant and M&E strategies when the SAIPs and Woredas are known. This is also based on the changes of the SAIPs action plans for implementing their projects.
- Further creating and building the pool of social accountability experts.
- Roll out of the SA Guide training for SAIPs, and include guidelines on institutionalisation and clear communication.
- Roll out of the first series of workshops for SAIPs.

## 6.1 Planning of activities for next reporting period: activities

The table below provides an overview of the activities foreseen by the terms of reference for the program and the concrete actions that are planned for the next period.

Activity	Next reporting period
<b>Component 1: Program and Financial Management</b>	
Responsibility for overall management, coordination and directions of the program as well as handling of preparatory steps, including the selection of SAIPs by use of appropriate selection criteria	Co-ordinate and supervise overall financial and operations management to ensure the effective, efficient and transparent use of funds and the smooth running of the project office. Select, recruit, contract and supervise the support staff and provide logistical support for field missions. Update when needed the budget and work plan supporting the addendum for extending the grant agreement to an implementation time of 36 months. Further develop and produce visibility materials, maintain ESAP2 website. Complete communication and visibility plan for ESAP2.
Prepare annual plans and budgets for the implementation of ESAP2 for discussion and approval by the SC	Review/monitor annual work plan and annual budget forecast for 2012. Start preparation of annual budget 2013.
Establish and implement a financial management system for the program	Implement Operational Manual. Complete and submit monthly expenditure



Activity	Next reporting period
	reports specified per budget (internally).
Prepare and submit quarterly and annual reports to the SC	The next progress report will be submitted to the SC early 2013.
Organize an annual financial audit of ESAP2, including the utilization of grant funds by the grantee SAIPs	Select audit firm and seek for “no objection” from World Bank and prepare for the YR1 audit.
Ensure that SAIP-selected Woredas meet certain pre-agreed criteria	Completed.
Provide substantive direction, leadership and analytical guidance to SAIPs on the implementation of the social accountability tools and mechanisms including exit and entry strategies, institutionalizing and sustaining SA, mentoring and training of local government officials and service providers, consensus building, and acting as interlocutors among stakeholders.	Deliver the financial management training as part of the Pre-disbursement Trainings for contracted SAIPs, including training on financial guidelines and reporting formats.
<b>Component 2 – Grant Management</b>	
Invite and appraise SAIP proposals, and select and sign contract agreements with the qualified SAIPs	Sign grant agreements with shortlisted SAIPs. Conduct financial risk assessments with the remaining 19 shortlisted SAIPs.
Disburse grants to the selected SAIPs	Once agreements with SAIPs are signed.
Oversee and manage the accounting of the grants disbursed to SAIPs	Once agreements with SAIPs are signed.
Develop financial reporting procedures and templates and train the SAIPs on how to submit monthly, quarterly and annual financial reports using the templates	Procedures and templates stipulated in the Operational Manual and submitted to WB (=Operational Manual). Pre-disbursement Training starts once grant agreements are signed.
Provide the SAIPs directions and training on procurement procedures	Finalize Pre-disbursement Training program for financial officers of SAIPs. Participation in grant management training is a precondition for the first disbursement.
<b>Component 3 – Monitoring &amp; Evaluation</b>	
Develop program Logframe with consensus-driven performance indicators to guide management of program results	On-going monitoring of Logframe with indicators and OVIs.
Establish and use a web-based M&E system for capturing program achievements and for sharing lessons learnt	Start design of web-based M&E system.
Establish and use an M&E reporting and information dissemination process	Start addressing in a participatory manner how SAIPs should define the most important topics for their M&E system. Assist and coach SAIPs to refine their

Activity	Next reporting period
	Logframes and to build their M&E systems during the Pre-disbursement Trainings.
Ensure effective communication of M&E findings to the SC as well as to SAIPs	Initiate information dissemination process. Consolidate grant reports with Finance, M&E and Capacity Building & Training inputs and share with the SC and with SAIPs.
Commission Woredas baseline data collection to guide program implementation and mid-term reviews to make course correction and glean lessons learned	Commission and supervise baseline survey. Initial baseline survey outputs shared with SC. Mid term review results available by Q1/Q2 2013.
Supervise and support baseline surveys on the status of social accountability and conditions of basic services (including scope, input, budget, staffing and quality) in the SAP Woredas and in “comparison” Woredas	Supervise baseline study (incl. sampling, development of questionnaires etc.) (Actual baseline can only be done now the selection of Woredas and Kebeles is completed.)
Train and support SAIPs to prepare and submit M&E reports regularly	Deliver M&E training to SAIPs in line with course plan, teaching materials etc. Actual trainings can only start after signing of grant agreements with SAIPs.
Conduct regular field visits to identify constraints and challenges faced by SAIPs, and make suggestions on how to address the constraints to enhance the outcomes of the program	Conduct and coordinate field visits.
Hold discussions and leave Aide Memoires behind with the SAIPs to highlight field visit findings and agreed actions	This will be done after grant agreements with the SAIPs are signed. (Sustainability should be ensured by social accountability database.)
<b>Component 4 – Capacity Building &amp; Training</b>	
Design gender-sensitive SA training and capacity building modules and training plan	Develop SA courses / modules based on SA Guide, including course plan, teaching materials etc.
Conduct training sessions in SA for relevant government officials, SAIPs, and other stakeholders to enable them to engage effectively in the SA program	SA training with contracted SAIPs on rolling basis. Both Amharic and English version of SA Guide available online.
Create and build capacities and skills of SAIPs on the use of SA tools and on facilitation of interface meetings between service users and service providers	Continue collecting and publishing documentation on SA tools, methods, instruments and good practices for ESAP2 website. Actual capacity building activities will start after contracting of SAIPs.
Provide guidance to SAIPs on approaches for institutionalizing and sustaining SA including	Draft a concept note on approaches for institutionalizing and sustaining SA including



Activity	Next reporting period
training and involvement of CBOs and MBAs	training and involvement of CBOs and MBAs SAIPs are being coached during grant negotiations and implementation of grant agreement.
Establish capacity (“Centers of Social Accountability”) at selected regional universities or training institutions to provide training for longer term goals	Revise initial concept note on the SA Centres. Discuss with stakeholders and decide on most suitable option for creation of CSAs (on-going).

## 6.2 Planning for next reporting period: deliverables

The table below provides an overview of the key deliverables foreseen by the ToR for the program and what is planned for the next period from 01/10/12 to 31/12/12.

Key deliverable	Planned deliverables next reporting period
<b>Component 1 – Program and Financial Management</b>	
Inception report	Completed
Annual work plan, budget and action plan	Monthly and Quarterly updates.
Program Logframe	Updated Logframe
Quarterly program reports	Progress Report 4
Completion report	No deliverable to be expected
Quarterly financial reports	1 <sup>st</sup> financial report, covering first year
Media disclosure/ dissemination of social accountability approaches	New communication and visibility materials and existing ones revised after initial feedback. Weekly updated ESAP2 website
<b>Component 2 – Grant Management</b>	
Program operational guidelines, including management, M&E template, procurement	Risk assessment reports of 19 shortlisted SAIPs. 30 SAIP sub-projects contracted
Grant management plan	Grant management plan (Operational Manual) finalised and approved.
<b>Component 3 – Monitoring &amp; Evaluation</b>	
Program M&E template	Completed. 1 <sup>st</sup> set of M&E reports from contracted SAIPs.
Baseline survey report	Baseline survey commissioned.
Case study publications on assessment of experience and lessons learned	First case study publication foreseen in the coming reporting period (on website).
Biannual program review and lessons learned dissemination workshops	First biannual program review and lessons learned workshop (as soon as preliminary results of SAIPs are being monitored)
<b>Component 4 – Capacity Building &amp; Training</b>	
Training and Capacity Building Plan	Completed

Key deliverable	Planned deliverables next reporting period
Training/capacity building workshops for SAIPs, service providers and other relevant actors	Trainings will start after the SAIPs have been contracted.
Social accountability database	ESAP2 website includes SA case studies from ESAP2 grant projects, but also from other good practice cases relevant to the situation in Ethiopia.
Social inclusion and vulnerability SA training modules	Trainings will start after the SAIPs have been contracted.
Social Accountability Guide for Grantees	SA Guide completed in English and Amharic and printed. SA Modules completed (course plans, trainer and teaching materials etc.) 1 <sup>st</sup> set of SA trainings delivered
Centers of Social Accountability at selected local universities/training institutions to provide training for longer term goals	Revise concept note on SA Centres.

### 6.3 Potential obstacles for next reporting period

In general, there is good potential that the current enabling and supportive environment of social accountability in Ethiopia will continue and the social accountability concepts considered important under the GoE Growth and Transformation Strategy will continue to receive strong backing by the GoE and development partners.

However, two potential obstacles for the delivery of the planned results for the next reporting period until 31 December 2012 could hamper the implementation of the grant scheme:

- No timely approval of the addendum for extending the project implementation period up to 36 months (no sub-grant agreement can be signed before the addendum has been signed between VNG International and the World Bank).
- No timely fund transfer from the World Bank to VNG International's designated project account (without this transfer VNG International will not be in the position to respond to disbursement requests from SAIPs).