



Ethiopia
Protection of Basic Services
Social Accountability
Program

Grant Agreement [TF099878]

Fourth Quarterly
Progress Report

December 2012

(Version 12 February 2013)

Table of Content

List of abbreviations	3
1. Project synopsis	4
2. Executive summary	4
3. Project environment	6
4. Update on project design.....	7
5. Project progress and planning	9
Annex 1: Elaborated Project Synopsis	19
Annex 2: List of Related Projects	23
Annex 3: Risks, Assumptions, and Mitigation Strategy	24
Annex 4: List of ‘No Objections’ to ToRs	26

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
Project starting date	11/10/2011 (effective starting date 01/11/2011)
Project end date	Original: 26/06/2013 Amendment 1: 31/12/2014
Project duration	Original: 22.5 months Amendment 1: 38.5 months <i>(this duration may further be increased in line with any increases of this budget in accordance with SC decisions)</i>
Total project budget	Original: 7,5 million US Dollars Amendment 1: 14 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	28 January 2013
Reporting period	01/10/2012/ to 31/12/2012
Authors of report	Management Agency – ESAP2

2. Executive summary

This is the last quarterly report (PR4) of 2012 of the 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 fourth quarter of the implementation phase from 01/10/2012 to 31/12/2012 in line with the provisions of the project's Terms of Reference (ToR).

The purpose of PR4 is to review and report on the project's planned and actual progress during the months of October, November and December 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 Management Agency (MA) wrote this report

with inputs of its experienced managers, who contributed in relation to the four components of ESAP2. Overall, PR4 was directed and quality assured by VNG International.

Work in the fourth quarter focused on i) contract negotiations with SAIPs, ii) finalization of the Operational Manual, iii) preparation of the SAIP pre-disbursement trainings and iv) signing of grant agreements with SAIPs.

Contract negotiations: After the approval of the final shortlist of 52 applicants by the Steering Committee (SC) in September 2012, the MA undertook the contract negotiations with the first 30 applicants to prepare them for grant agreement signing before the end of 2012. The negotiations allowed the MA to discuss the key implementation arrangements with the selected SAIPs. Negotiations focused on programmatic content, management modalities, human resources, monitoring and evaluation arrangements, selected SA tools, and budget and finance priorities.

Operational Manual: this document was finalized this quarter. The Manual is a core document for the SAIPs as it details all rules and regulations for award, management, implementation and reporting of an ESAP2 grant. Close and fruitful collaboration took place with different colleagues at the World Bank to ensure alignment with required World Bank policies; it was formally approved by the World Bank on January 23, 2013. The Operational Manual was shared with the SC and has subsequently been endorsed by no-objection.

Grant agreement signing: With an amendment to the grant agreement, to duration of ESAP2 was prolonged until 31-12-2014, allowing the first 30 sub-projects an implementation time of 24 months. In addition, the overall budget of ESAP2 was increased to 14 million with the budget approved by the SC. With the amendment's action, the project's work plan and staffing schedule, as well as the Logframe were adjusted, to be in line with the new implementation period and budget. Immediately after the issuance of the first amendment, a batch of 13 grant agreements was signed on 21 December 2012, and a second batch of 17 agreements on 14 January 2013.

Pre-disbursement trainings: this quarter the pre-disbursement trainings on Finance and Grant Management for SAIPs were fully developed and all logistics and management for its implementation (in January 2013) undertaken.

3. Project environment

This section elaborates on significant changes in the project environment, 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 nor with regard to the Proclamation on Charities and Societies (PCS). However, the current reporting period saw an active participation of the Charity and Societies Agency (ChSA) in the grant negotiations for ESAP2.

3.2 Institutional framework

There has been no change in the institutional framework governing ESAP2 in the last three months. Discussions and decisions in the SC have revolved around the amendment of the original grant agreement and the evaluation and approval of the shortlisted grant applications. See the table in annex 1 for the list of SC members and MDTF donors.

3.3 Related projects

ESAP2 continues to learn from important lessons of ESAP1, and other ongoing projects (see annex 2).

This quarter, the MA commenced to invest in a closer relationship with the GoE's Productive Safety Net Project (PSNP), and established strong collaboration between the two programs for SA activities focused on agriculture in woredas targeted by both.

The MA also established regular coordination with its counterparts in the PBS Financial Transparency and Accountability project (FTA), and identified activities and areas where both projects could benefit most from each other.

3.4 Crosscutting issues

Appropriate targeting of the socially excluded has been a criterion on which the grant applications were assessed during their evaluation phase. In the grant negotiations, undertaken with the first 30 SAIPs, the MA has emphasized this inclusion feature once again. It will also receive specific focus during the baseline data collection process, which is planned to take place in February 2013. The MA will ensure that the aforementioned groups will be participating in the roll out of the Social Accountability trainings as well.

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 their corresponding mitigation strategy. Below, only risks and assumptions are discussed which were updated in the past quarter. The complete list of identified risks and assumptions is presented in annex 5.

4.1 Review of project design

No changes appeared in ESAP2's target sectors or geographical coverage. However, changes have taken place in the timeframe and budget of ESAP2.

Timeframe

The implementation period of ESAP2 has been amended. In accordance with a request of the SC to allow the SAIPs an implementation period of at least 24 months, an amendment was prepared to facilitate this. The amendment of the GA has been issued on December 19, 2012, prolonging the implementation period of ESAP2 until December 31, 2014.

Grant scheme

The aforementioned amendment enabled ESAP2 to meet the ToR demands for a scaling up of SA activities. The increase of the budget allows the MA to contract more sub-projects (thus increasing the number of targeted woredas) and for additional activities to institutionalize and sustain social accountability resources. The complete budget of ESAP2 has increased from 7.5 mln USD to 14 mln USD, with which 30 sub-projects can be contracted and supported by the MA. The total number of woredas now targeted is 143.¹ To target 172 woredas (as identified in the ToR) additional sub-projects will need to be contracted.

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 mitigation strategy has been updated in three instances. The complete table can be found in annex 3.

Risks	Risk level	Impact	Mitigation strategy
Insufficient time for the implementation of sustainable	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. The

¹ This number can still slightly change, depending on the requested changes in target woredas in case an overlap existed in sector and/or woreda.

grant projects			first amendment of the GA has facilitated this. For future sub-projects, this remains a risk, as the current GA ends on 12/31/2014.
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 \$8,5 million (after amendment 1). A shortlist of 52 sub-projects has been approved by the SC but their implementation requires additional funds in the MDTF. The estimated number of 50-60 grant projects is based on the original grant budget of US \$13,5 million. 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 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. With the approval of the first 30 contracts to be concluded, the SC ensured a more even distribution.

4.4 Management and coordination arrangements

No new developments.

5. Project progress and planning

5.1 Narrative on progress in the current reporting period

This 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

Following the 27 April 2012 SC approval of the extension of the 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 in the MDTF. The amended budget for the new project implementation period and for 2012 specifically has been put forward to the SC and approved on 7 November 2012.

The MA finalized the Operational Manual for SAIPs, which is a key document for implementation and management of the sub-projects by the SAIPs. The Operational Manual was endorsed by the SC as well as by the World Bank. With the WB approval this was lifted as a condition for disbursement to the SAIPs.

The preparation for the pre-disbursement trainings on Finance and Grant Management for SAIPs was finalized. The trainings are a.o. based on the inputs from the application assessment and the outcomes of the risk assessments. The trainings will be rolled out in January and February 2013. The last 18 financial risk assessments were initiated, and scheduled for completion by January 2013.

Finally, the www.esap2.org.et website and Facebook page (ESAP2) are 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 social media more interactive.

Component 2 – Grant Management

In Q3, the MA submitted results of the proposal evaluation to the SC, which approved the resulting shortlist of 52 pre-selected grant applications. The main achievement of the MA in this 4th quarter is the successful completion of negotiations with the first shortlisted 30 applicants. Negotiations were conducted based on a Negotiation Memo, in which the proposal evaluation results, the risk assessment observations and additional information from other sources, such as other grant programmes were consolidated. External representatives have participated as observers in the negotiations, like MoFED, the World Bank, Irish Aid, the Charities and Societies Agency, FTA and PSNP.

The first 15 grant agreements were signed in the second half of December. Grant agreements reflect the adjustments resulting from the negotiations, and have incorporated clearly improved organizational arrangements, implementation modalities and budgets.

More risk assessments were conducted with the remaining applicants on the shortlist, in order to be ready for more grant negotiations and contract signing. This is however dependant on the availability of funds in the MDTF.

Component 3 – Monitoring & Evaluation

This quarter, M&E was heavily involved in the grant negotiations with SAIPs, preparing for the baseline survey, and finalization of training materials on M&E for the pre-disbursement trainings. During the grant negotiations, the main focus was on improving the logframes of the grant applications.

The baseline survey preparations resulted in an advertised ToR and a Call for Proposals, published in November 2012. The proposals received were evaluated, interviews with prospective candidate firms completed, and a ‘No Objection’ for the winning firm requested with the World Bank.

Furthermore, collaboration was established with the World Bank Impact Evaluation field coordinator. This is important, so that both will benefit from the baseline as well as the impact evaluation. Finally the M&E manual for pre disbursement trainings was finalized, with a major focus on how SAIPs can be best assisted with putting together sound M&E systems.

Component 4 – Capacity Building & Training

The Social Accountability Guide (SA Guide) was finalized and uploaded to the ESAP2 website (<http://esap2.org.et/social-accountability-guide-online/>) and shared on Facebook (ESAP2). The English SA guide version is being printed and appropriately disseminated. The MA hired a consultant to translate the Guide into Amharic so that SAIPs can widely distribute it as well as further translate it in other languages (Amharic is the basis for further translations). The Amharic version is available on the ESAP2 website and ESAP2 Facebook page. The SA Guide has several printed posters and cards, which will be used as part of the various participatory exercises and role-plays that will facilitate the learning process of the SAIPs, but they can also use and adapt it for their own context specific trainings at the Woreda level. Besides the SA Guide, the team has prepared the pre-disbursement trainings for SAIPs and the roll out of the SA training.

The CB&T component was also heavily involved in grant negotiations. Attending the negotiations provided the team with insight in the capacity development challenges of the SAIPs, which is useful for future activities and trainings.

5.2 Resources utilization in the reporting period

This section provides an overview on the utilization of human resources and other services. The MA appointed various reviewers and trainers in the past quarter. In anticipation of the amendment to the GA, the recruitment process for a national Capacity

Building & Training Expert was finalized. VNG International staff (project director/grant advisor and the project manager) have regularly visited Addis Ababa.

5.3 Overview of no-objections received from the World Bank in the reporting period

During the last quarter, we have received “no objections” from the World Bank for the ToRs for the involvement of 3 staff / experts.

Grant scheme	Grant Negotiator
Capacity building and training	National Capacity Building & Training Manager SA Guide Translator

The complete overview of no objections until December 31, 2012 is presented in annex 4.

5.4 Overview of approved addenda in the reporting period

A new budget, reflecting the increase in the MDTF, has been approved by the SC on 7 November 2012. The amendment of the GA to cover this increased in a prolongation of the implementation period of ESAP2 was issued on December 19, 2012.

5.5 Summary of activity progress and planning for next period

The table below provides an easy overview of the activities foreseen by the program’s ToR. Besides the implementation of these concrete actions, the MA and VNG International constantly supervise, manage, coordinate and monitor the financial and operations management to ensure an effective, efficient and transparent use of funds and the smooth running of the project. To avoid duplication in every progress report, we restrict the table to present the progress made towards achieving them in the current quarter and the activities planned for the next report period.

Activity	Progress made / Milestones	Next Reporting Period
Component 1: Program and Financial Management		
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	Operational Manual for SAIPs approved by the SC and WB.	Facilitate second amendment of the GA between the World Bank and VNG International (update action plans, work planning, budget calculation). Further develop and produce visibility materials, maintain ESAP2 website. Complete communication and

Activity	Progress made / Milestones	Next Reporting Period
criteria		visibility plan for ESAP2.
Prepare annual plans and budgets for the implementation of ESAP2 for discussion and approval by the SC	Work plan and budget submitted to and approved by the SC as part of Addendum 1.	Adjust the annual budget 2013 (to correspond with expected increases to be formalized with amendment 2 of the GA).
Establish and implement a financial management system for the program	Operational Manual for SAIPs approved by the SC and the WB.	Implement Operational Manual. Official submission of IFR1 (until 31-12-2012) and IFR2 (01-01-2013 until 28-02-2013).
Prepare and submit quarterly and annual reports to the SC	PR3 shared with the SC. Approval to be formalized in next SC meeting	Preparation of PR5 (April 2013).
Organize an annual financial audit of ESAP2, including the utilization of grant funds by the grantee SAIPs	Request for Expressions of Interest for consultants firms published	Select external 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	SAIP selection criteria reviewed and checked during grant negotiations with the first 30 SAIPs	Completed.
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.	Grant negotiations completed with 30 SAIPs. Remaining financial risk assessment initiated. Preparations for pre-disbursement and SA trainings completed.	Deliver the financial management training as part of the pre-disbursement trainings for contracted SAIPs, including training on financial guidelines and reporting formats.
Component 2 – Grant Management		
Invite and appraise SAIP proposals, and select and sign contract agreements with the qualified SAIPs	Shortlist of 52 selected SAIPs approved. Grant negotiations with 30 SAIPs completed. Grant agreements signed with 13 SAIPs.	Sign grant agreements with remaining 17 shortlisted SAIPs that have passed the risk assessment. Conduct financial risk assessments with the remaining 22 shortlisted SAIPs. Perform, oversee and complete

Activity	Progress made / Milestones	Next Reporting Period
		grant negotiations with the remaining 22 shortlisted applicants. Sign grant agreements with 22 remaining SAIPs (dependant on issuance of the 2nd amendment of the GA in the next quarter).
Disburse grants to the selected SAIPs	No progress to report.	Manage first disbursement to 30 contracted SAIPs (after fulfilment of pre-disbursement criteria)
Oversee and manage the accounting of the grants disbursed to SAIPs	No progress to report.	Conduct field visits to SAIPs and identify and manage technical support.
Develop financial reporting procedures and templates and train the SAIPs on how to submit monthly, quarterly and annual financial reports using the templates	Operational Manual (including financial provisions and formats for SAIPs) finalized, providing the grounds for financial management of the grants by the SAIPs. Operational Manual approved by the SC and the WB. Pre-disbursement training program, a.o. on financial management of an ESAP2 grant, prepared and planned.	Implement the pre-disbursement trainings for 30 contracted SAIPs, specifically on the topic of grant management.
Provide the SAIPs directions and training on procurement procedures	Pre-disbursement training program prepared and planned.	Implement the pre-disbursement trainings for the financial officers of 30 contracted SAIPs.
Component 3 – Monitoring & Evaluation		
Develop program Logframe with consensus-driven performance indicators to guide management of program results	Updated M&E system to correspond with final logframe.	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	No progress to report.	Start design of web-based M&E system.
Establish and use an M&E reporting and information dissemination process	M&E plan and reporting tools updated.	Assist SAIPs to refine their logframes and to set up monitoring systems.
Ensure effective	The SC extensively	Initiate information

Activity	Progress made / Milestones	Next Reporting Period
communication of M&E findings to the SC as well as to SAIPs	discussed final logframe in November.	dissemination process.
Commission Woreda baseline data collection to guide program implementation and mid-term reviews to make course correction and glean lessons learned	Consulting firm selected to be commissioned for this task. Selection report submitted to World Bank for No Objection. Tools and questionnaires developed, as also main logistics for field survey planned.	Contract the baseline survey consulting firm. Supervise and support the baseline study task. Widely disseminate baseline survey results (when available).
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	MA baseline to be started after receipt of No Objection for the selected consulting firm. World Bank impact evaluation to be started, with the MA providing relevant inputs and support.	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. Support World Bank impact evaluation manager.
Train and support SAIPs to prepare and submit M&E reports regularly	M&E Manual and training modules finalized.	Guide grant negotiations with 22 remaining SAIPs. Complete pre-disbursement training for SAIPs, specifically on the topic of logical frameworks, the SAIPs action plans and M&E tools. Organize first bi-annual review with all grantees and the MA. Introduction of the learning benchmark framework. Plan and prepare for 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.
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	No progress this quarter. Onsite visits from 2013 onwards.	Conduct and coordinate field visits to SAIPs and project sites and identify and manage technical support.
Hold discussions and leave Aide Memoires behind with the SAIPs to highlight field visit	No progress to report.	This will be done after grant agreements with the SAIPs are signed (Sustainability should be ensured by social accountability

Activity	Progress made / Milestones	Next Reporting Period
findings and agreed actions		database.)
Component 4 – Capacity Building & Training		
Design gender-sensitive social accountability training and capacity building modules and training plan	A module was drafted on social inclusion and vulnerability with a focus on gender as part of the SA Guide.	Develop training approach for Interface Meetings for SAIPs and budget monitoring and tracking module for SAIPs. Revise the Capacity Building & Training Plan based on the SAIPs revision of their logical frameworks and action plans. Create a database of social accountability practitioners from the SAIPs.
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 printed, translated and disseminated. Available.	Roll out of the SA Guide training for SAIPs, and include guidelines on institutionalization and communication. Support the roll out of the finance and grant trainings and M&E trainings.
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	Preparations initiated for roll out of SA training with SAIPs.	Identify and manage technical support with the SAIPs in rolling out their activities including SA training events at the Woreda level. SAIPs trained on SA tools through the SA Guide trainings. Drafting of the Interface Meetings course for SAIPs.
Provide guidance to SAIPs on approaches for institutionalizing and sustaining social accountability including training and involvement of CBOs and MBAs	This was intensively discussed with SAIPs during grant negotiations.	Support SAIPs in the revision of their logical frameworks and action plans to build capacity in issues of institutionalization and sustainability before launching their projects at the Woreda level.
Establish capacity (“Centers of Social Accountability”) at selected regional universities or training institutions to provide training for longer term goals	No progress to report.	Revise initial concept note on the SA Centres. Discuss with stakeholders and decide on most suitable option for creation of CSAs (on-going).

5.6 Summary of key deliverables' progress and planning for next period

The table below provides an overview of the key deliverables foreseen by the ToR for the program, the progress made towards achieving them in the current reporting period (01/10/2012 to 31/12/2012) and what is planned for the next period (01/01/13 to 31/03/13).

Key deliverable	Progress made in the current reporting period	Planned deliverables next reporting period
Component 1: Program and Financial Management		
Inception report	Completed.	N/A
Annual work plan, budget and action plan	Overall work plan, staffing schedule and budget adjusted to correspond with the amendments to the GA (budget and duration).	Adjusted annual work plan, budget and action plan, in accordance with amendment 2 of the GA
Program Logframe	Revised Logframe (final).	Updated Logframe
Quarterly program reports	PR3 submitted, awaits formal approval.	PR5
Completion report	No progress to report.	N/A
Quarterly financial reports	Draft IFR1 shared with WB.	IFR1 and IFR2
Media disclosure/ dissemination of social accountability approaches	ESAP2 website launched.	New communication and visibility materials and existing ones revised after initial feedback. Weekly updated ESAP2 website
Component 2 – Grant Management		
Program operational guidelines, including management, M&E template, procurement	Operational Manual finalized and approved.	Risk assessment reports of 22 remaining shortlisted SAIPs. 17 additional SAIP sub-projects contracted.
Grant management plan	Operational Manual finalized and approved.	Grant management plan (Operational Manual) implemented.
Component 3 – Monitoring & Evaluation		
Program M&E template	Monitoring system in place.	Completed. 1st M&E reports from SAIPs.
Baseline survey report	To be undertaken by baseline consulting firm. Selection is ongoing.	Baseline survey finalised and results disseminated.

Key deliverable	Progress made in the current reporting period	Planned deliverables next reporting period
Case study publications on assessment of experience and lessons learned	No progress to report.	First case study publication published on website and social media.
Biannual program review and lessons learned dissemination workshops	No progress to report.	First biannual program review and lessons learned workshop (as soon as preliminary results of SAIPs are being monitored).
Component 4 – Capacity building & training		
Training and Capacity Building Plans	SA Guide with training materials finalised.	Completed
Training/capacity building workshops for SAIPs, service providers and other relevant actors	Training of Trainers finalised.	SAIPs are trained on Social Accountability.
Social accountability database	No progress to report. Expert team established.	ESAP2 website includes SA case studies from ESAP2 grant projects, but also from other good practice cases relevant to the situation in Ethiopia. Pool of SA practitioners from the SAIPs developed.
Social inclusion and vulnerability social accountability training modules	SA Guide module developed on social inclusion and vulnerability.	Already part of the Social Accountability Guide trainings and further elaborated in SAIPs logical frameworks and action plans.
Social Accountability Guide for Grantees	Finalised. Available in English and Amharic.	SA Guide completed in English and Amharic and printed. SA Modules completed (course plans, trainers and teaching materials). All SAIPs trained with the SA Guide and cascading to Woredas started.
Centers of Social Accountability at selected local universities/training institutions to provide training for longer term goals	No progress to report.	Revise concept note on SA Centres.

5.7 Potential obstacles for next reporting period

However, two potential obstacles for the delivery of the planned results for the next reporting period until 31 March 2013 could hamper the implementation of the grant scheme:

- Delay of the 2nd amendment which needs to cover a second increase of the project resources. Without the amendment, no additional sub-grant agreement can be signed. With a late approval of the amendment, the requested implementation period of 24 months for the sub-projects is no longer feasible within the current end date of the Grant Agreement.
- Delayed 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).

Annex 1: Elaborated 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	
Members of ESAP2's Steering Committee	Government of Ethiopia	State Minister MoFED, SC Chair Ministry of Civil Service, Charity and Society Agency (ChSA)
	Civil Society Organizations	PANE, CCRDA (Deputy Chair), COHRA
	Development Partners	Irish Aid, DFID, WB
Beneficiary	<ol style="list-style-type: none"> 1. Citizens and citizens groups; 2. Civil society organizations; 3. Local government officials, and 4. Service providers 	
Project starting date	11/10/2011 (effective starting date 01/11/2011)	
Project end date	Original: 26/06/2013 Amendment 1: 31/12/2014	
Project duration	Original: 22.5 months Amendment 1: 38.5 months <i>(this duration may further be increased in line with any increases of this budget in accordance with SC decisions)</i>	
Total project budget	Original: 7,5 million US Dollars Amendment 1: 14 million US Dollars <i>(this budget will be adjusted from time to time with increases in the MDTF in accordance with donor commitments)</i>	
Funders of the MDTF	<ul style="list-style-type: none"> • 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 	

Date of report	28 January 2013
Reporting period	01/10/2012/ to 31/12/2012
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"> 1. Cooperation in public service delivery between citizens' and citizens groups'/communities, service providers and local government is institutionalized. 2. Citizens and citizens groups are empowered and increasingly demand for better quality public basic service delivery. 3. Citizens and citizens groups are aware of their responsibilities to plan, budget, and implement and monitor basic service delivery. 4. Increased capacity of CSOs to empower citizens and citizens groups on the use of SA tools, approaches and mechanisms.
Purpose	ESAP2 will give voice to the needs and concerns of all citizens regarding their access to basic public services – basic education, 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.
Expected results	<ul style="list-style-type: none"> • ESAP2 is effectively managed • A grant scheme is established providing grants to Social Accountability Implementing Partners • A robust M&E of SA-practices in Ethiopia is established and a learning initiative created • 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
Components	<ul style="list-style-type: none"> • Component 1: Program and Financial Management (including operations management) • Component 2: Grant management (including management of the contacts with CSO partners in the regions) • Component 3: Monitoring & Evaluation (including benchmarking, baseline and follow-up surveys) • Component 4: Capacity building and training (including social accountability in general and project management for SAIPs)
Component 1 – Program and Financial	<ul style="list-style-type: none"> • 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

<p>Management</p>	<p>selection criteria;</p> <ul style="list-style-type: none"> • Prepare annual plans and budgets for the implementation of SAP for discussion and approval by the SC; • Establish and implement a financial management system for the program; • Prepare and submit quarterly and annual reports to the SC; • Organize an annual financial audit of ESAP2, including the utilization of grant funds by the grantee SAIPs;
<p>Component 2 – Grant Management</p>	<ul style="list-style-type: none"> • Invite and appraise SAIP proposals, and select and sign contract agreements with the qualified SAIPs; • Ensure that SAIP-selected Woredas meet certain pre-agreed criteria; • Disburse grants to the selected SAIPs; • Oversee and manage the accounting of the grants disbursed to SAIPs; • Develop financial reporting procedures and templates and train the SAIPs on how to submit monthly, quarterly and annual financial reports using the templates; • Provide the SAIPs direction and training on procurement procedures.
<p>Component 3 – Monitoring and Evaluation</p>	<ul style="list-style-type: none"> • Develop a program Logframe with consensus-driven performance indicators to guide management of program results; • Establish an M&E system for capturing program achievements and for sharing lessons learnt; • Establish and use an M&E reporting and information dissemination process; • Ensure effective communication of M&E findings to the SC as well as to SAIPs; • Commission baseline data collection to guide program implementation and mid-term reviews to make course correction and glean lessons learned; • 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; • Train SAIPs to design and implement an M&E system for their respective projects; • Train and support SAIPs to prepare and submit M&E reports regularly; • Review SAIP reports and supporting documents; • 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; • Hold discussions and leave Aide Memoires behind with the SAIPs to highlight field visit findings and agreed actions.
<p>Component 4 – Capacity Building and Training</p>	<ul style="list-style-type: none"> • Design socially inclusive and gender-sensitive SA -training and capacity building modules and training plan; • Conduct training sessions in SA for relevant government officials, SAIPs and other stakeholders to enable them to

	<p>engage effectively in the SA program;</p> <ul style="list-style-type: none"> • 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; • 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. • Establish sustainable capacity (“Centers of Social Accountability”) at selected regional universities or training institutions to provide training for longer-term goals.
Key deliverables	<ul style="list-style-type: none"> • Inception report • Program Logframe with expected outcomes and performance indicators • M&E manual • Grant manual • Financial manual • 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

Annex 2: List of Related Projects

- 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
- Government of Ethiopia's Productive Safety Net Project (PSNP)
- PBS Financial Transparency and Accountability project (FTA)

Annex 3: Risks, Assumptions, and Mitigation Strategy

Risks	Risk level	Impact	Mitigation strategy
Insufficient time for the implementation of sustainable sub-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. The first amendment of the GA has facilitated this. For future sub-projects, this remains a risk, as the current GA ends on 12/31/2014.
Insufficient budget to implement 50 to 60 sub-projects in at least 172 Woredas	Medium	High	The current budget for the grant scheme is US \$8,5 million (after amendment 1). A shortlist of 52 sub-projects has been approved by the SC but their implementation requires additional funds in the MDTF. The estimated number of 50-60 grant projects is based on the original grant budget of US \$13,5 million. The final number of sub-projects will be based on the final total budget available for the grant scheme.
Uneven distribution of sub-projects among the five PBS sectors	Medium	Medium	The Operational 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 sub-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. With the approval of the first 30 contracts to be concluded, the SC ensured a more even distribution.
Less experienced CSOs (but important for certain sectors or regions) will have insufficient capacity for being successful in	Medium	High	The grant scheme includes provisions ensuring the participation of less experienced CSOs in sub-projects. The capacity development plan will also give specific attention to building the capacities of such CSOs.

applying for sub-projects			
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.

Annex 4: List of ‘No Objections’ to ToRs

General management	Team Leader Operations Manager ICT system developer (visual identity) PR/Communication Officer	Inception Period Inception Period Inception Period Q1
Program and financial management	Finance Manager Senior Accountant Internal Auditor Executive Secretary Secretary Project Assistant Legal Advisor	Inception Period Inception Period Inception Period Q1 Q1 Q1 Q2
Grant scheme	Grant Manager Regional Coordinators Quality Manager Grant Advisors Grant Assessors Risk Assessors Grant Negotiator	Inception Period Inception Period Q1 Q1 Q2 Q3 Q4
Monitoring & evaluation	M&E Experts Benchmarking expert M&E Manager	Inception Period Inception Period Q3
Capacity building and training	Social Accountability & Capacity Building Expert Capacity Building Methodology Expert Facilitators Federal Launch Material Developers / Trainers Editor SA Guide SA Guide Reviewer SA Guide Facilitator / Trainer ToT / Roll Out SA Guide SA Guide Translator Capacity Building & Training Manager	Inception Period Inception Period Q1 Q2 Q3 Q3 Q3 Q3 Q3 Q4 Q4