



Ethiopia
Protection of Basic Services
Social Accountability
Program

Grant Agreement [TF099878]

Fifth Quarterly Progress
Report

March 2013

(Version 13 May 2013)

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List of abbreviations

BoFED	Bureau of Finance and Economic Development
CA	Contracting Authority
CB&T	Capacity Building and Training (also: Capacity Development and Training)
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
IFR	Interim Financial Report
FAQ	Frequently Asked Questions
FTA	Financial Transparency and Accountability
GA	Grant Agreement
GoE	Government of Ethiopia
GM	Grant Management
IA	Irish Aid
IR	Inception Report
KfW	Kreditanstalt für Wiederaufbau or Reconstruction Credit Institute, German government-owned development bank
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
PSNP	Productive Safety Net & Household Asset Building program
SA	Social Accountability
SAIP	Social Accountability Implementing Partner (Implementing CSO)
SoE	Statement of Expenditures
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	13 May 2013
Reporting period	01/01/2013/ to 31/03/2013
Authors of report	Management Agency – ESAP2

2. Executive summary

This is the first quarterly progress report of 2013 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 fifth quarter of the implementation phase, running from 01/01/2013 to 31/03/2013 in line with the provisions of the project's Terms of Reference (ToR). It is referred to as PR5.

The purpose of PR5 is to review and report on the project's planned and actual progress during the months of January, February and March 2013 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 this PR5 was directed and quality assured by VNG International.

Work in the fifth quarter focused on finalizing the remaining financial risk assessments with shortlisted SAIPs, signing additional grant agreements with SAIPs, the implementation of 4 rounds of Social Accountability and Pre-disbursement Trainings for the SAIPs and consequently, the transfers of the first 24 advance payments to SAIPs.

Grant agreement signing: With the amendment to the grant agreement, which was issued in December 2012, the MA could move forward with signing the grant agreements with the 30 shortlisted SAIPs that passed the Financial Risk Assessment. 13 grant agreements were already signed in December 2012, another 17 grant agreements were concluded on 14 January 2013. All sub-projects currently contracted have an implementation period running from 1 January 2013 until 31 December 2014.

Pre-disbursement trainings: this quarter the pre-disbursement trainings on Finance and Grant Management, M&E and Social Accountability for SAIPs were organized for all contracted SAIPs and their sub-partners. . More than 400 staff of contracted SAIPs have been trained in the aforementioned areas. Participation in the training has been a condition for receiving the first advance payment.

Transfer of Advances: with the participation in the above-mentioned trainings, the SAIPs have been supported to start the management of their ESAP2 grant. Based on certain pre-defined pre-disbursement criteria, such as participation in the trainings, the recruitment of a financial officer, and the conclusion of an MoU with their sub-partners (if any), the SAIPs could submit a request for the first advance payment. In this reporting period, 24 first advance transfers have been performed.

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 as well as joining in the Social Accountability trainings. In fact the Steering Committee representative of ChSA has participated in conducting the training with a briefing on program and administration costs allocation.

3.2 Institutional framework

There has been no change in the institutional framework governing ESAP2 in the last three months. Decisions in the SC from last November 2012, around the amendment of the original grant agreement and the evaluation and approval of the shortlisted grant applications, have been implemented. A draft ToR is developed to further define the SC's mandate and guide its work. 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, related projects (see annex 2).

This quarter, the MA continued 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.

Likewise, the MA continued and intensified 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, particularly attending each other training programs, respectively budget literacy and social accountability, and joining each other's monitoring missions in the regions. The MA guarantees that FTA staff will have adequate Social Accountability knowledge, in order to be part of the 'interface meetings' scheduled later the year by our SAIPs, at Woreda level.

The MA also established closer ties with the TECS project (supporting Government-Civil Society dialogue in Ethiopia) by means of making a presentation about social inclusion, a key feature of ESAP2.

3.4 Crosscutting issues

Appropriate engagement of vulnerable people has been a criterion on which the grant applications were assessed during their evaluation phase: elderly, handicapped, youth and women, and people with HIV. 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 undertaken in April and May 2013. The MA ensures 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, preparations were started to prepare for changes in the timeframe and budget of ESAP2.

Timeframe

It is envisaged to amend the implementation period of ESAP2 with another year, until 31 December 2015. This will ensure that additional funds which have become available within the MDTF can be used for a.o. contracting additional sub-projects and guaranteeing those sub-projects an implementation period of 24 months. Preparations for this are currently undertaken by the MA, VNG International and the WB.

Grant scheme

As mentioned above, preparations are ongoing to prepare for a second amendment, which will increase both the budget as the timeframe of ESAP2. The increase will allow the MA to contract more sub-projects (thus increasing the number of targeted Woredas) and for additional activities to institutionalize and sustain social accountability. It is envisaged that the complete budget of ESAP2 will increase from 14 mln USD to 21 mln USD and an implementation period extended until 31 December 2015.

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 two instances. The complete table can be found in annex 3.

Risks	Risk level	Impact	Mitigation strategy
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. 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. Preparations are currently ongoing to

			prolongue the implementation period of ESAP2, allowing future sub-projects an implementation period of 24 months as well.
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, covering 30 sub-projects and 135 Woredas. The implementation of the shortlisted and approved 52 sub-projects, requires additional funds in the MDTF. The final number of sub-projects will be based on the final total budget available for the grant scheme and the corresponding capacity development needs.

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

From December 2012 onwards into March 2013, the MA provided to the first 30 SAIPs intensive Pre-Disbursement Trainings, consisting of tailor training modules on Finance and Grants Management, M&E, and Social Accountability. The purpose of these trainings is to help build the capacity of the finance and program staff of SAIPs, as well as to enhance their understanding on the requirements of the MA and the World Bank for the receipt of the grant. The overall training evaluation results indicate that trainees have appreciated these trainings, and that their knowledge of the substance matters increased. Staff was trained in three trainings in Addis Ababa, and one in Mekelle. The total list of participants in the training per topic is presented in Annex 5.

The project's procurement plan has been approved early 2013. In addition, our staff member responsible for procurement has participated in the WB training on this topic and has immediately applied the knowledge gained in the preparation of the consolidated procurement plans of the SAIPs. In this quarter, 25 consolidated procurement plans have been submitted to the WB and were subsequently approved.

The tender procedure for the external audit firm that will conduct an audit of the first year finances has taken important steps. A Request for Expressions of Interests has been published, after which a shortlist of interested firms has been established and approved by the WB. The shortlisted firms have been invited to submit their proposal. Receipt, evaluation, selection and negotiations will take place in the second quarter of 2013.

Finally, the www.esap2.org.et website and Facebook page (ESAP2) continue to deepen relations amongst stakeholders and with the MA, with more up to date information on the ESAP2 grant scheme, including background documents that have been used for the drafting of proposals. It is encouraging that many staffs of SAIPs are members of the MA's online community.

Component 2 – Grant Management

The second batch of 17 grant agreements was signed on 14 January 2013, resulting in a total of 30 grant agreements concluded. Each grant agreement included the grant application and budget as an integral part. Both the application and the budget were somewhat adjusted reflecting the outcomes of the contract negotiations, such as improved organizational arrangements, implementation modalities and more realistic budgets.

Representatives of various stakeholders have participated as observers in grant negotiations, such as MoFED, the World Bank, Irish Aid, the Ethiopian Ombudsman, the Ethiopian Human Rights Commission, the Charities and Societies Agency, KfW, the Financial Transparency and Accountability (FTA) program (another component of the Promotion of Basic Services program) and Productive Safety Net Program (PSNP). This has created a better understanding of the negotiation process and issues.

Once grant negotiations were completed and agreements signed, the GM team engaged in the MAs intensive pre-disbursement training scheme, which was rolled out from January-March 2013. Goal of the trainings was to provide the SAIPs with the knowledge and information required for a successful and smooth implementation of the grant agreement. Specific attention was paid to the eligibility of costs, reporting mechanisms, and procurement process. Aspects of M&E and SA were offered to the participants by other MA staff members (see below). Another key achievement in this reporting period is the effective preparation of getting first disbursements out to the SAIPs. Clear rules and conditions for disbursement were stipulated in the Operational Manual. The MA has set up an internal system in which the checks on the fulfillment of those criteria was monitored by the Grants Team, with expert input of other staff members where required. On 31 March 2013, a total transfer of USD 942.727,54 to 24 SAIPS was performed. A detailed disbursement overview is attached as annex 6. The first report to account for the funds spent is expected from the SAIPs in the second week of April, covering the implementation period of 1 January – 31 March 2013.

Component 3 – Monitoring & Evaluation

This quarter, the MAs M&E team, however under-capacitated, was heavily involved in the grant negotiations with SAIPs, further preparing for the MAs baseline survey, and facilitating an intense M&E pre-disbursement training with SAIPs. During the grant negotiations, the main focus was on improving the logframes and action plans of the grantees-to-be. The latter implied more intense on the job guidance and coaching prior to transferring the first disbursements in March 2013.

Furthermore, the M&E team continued collaboration with the World Bank Impact Evaluation field coordinator in Addis Ababa. This is important, as both benefit from the baseline as well as the impact evaluation. A critical issue with regards to the overlap in the sampling survey study sites was identified. To avoid contamination of data that could render the impact evaluation void, the MA has contacted the SAIPs in question and has successfully discussed the possibilities to adjust the target woredas in several instances.

Although shortly after this reporting period, we have received a “no objection” from the WB for the negotiated contract with the selected firm that will conduct the baseline study. The contract has been concluded and the firm has started with the preparation of the inception report. The M&E staff closely monitors their progress and quality.

Component 4 – Capacity Building & Training

The CB&T team was heavily involved in grant negotiations. Joining and guiding in these negotiations, provided the team with useful insights in the capacity development challenges of the SAIPs, which is important information for the development of future activities and more tailored trainings and refresher courses.

The Social Accountability Guide (SA Guide) was fully utilized with the SAIPs (<http://esap2.org.et/social-accountability-guide-online/>) and shared on Facebook too (ESAP2). The English and Amharic SA Guide versions were successfully disseminated.

The MAs CB&T team was in charge of a 4 rounds x 6-days Social Accountability training (SA Guide) for all SAIPs and partners' project key staff (project coordinators, Woreda coordinators and facilitators). Members of the MA's core group of Social Accountability expert consultants and facilitators assisted the CB&T team. The trainings intended to improve capacities and skills to adopt social accountability tools and approaches, in order to enhance awareness of Woreda officials, citizens groups and service providers at the Woreda level. A total of almost 200 people were trained (170 male and 26 female).

The team also completed the post training support plan for this year, to plan for mentoring and tailoring support, and continues to be sensitized on information and expertise gaps, and subsequent training needs for the next phase.

5.2 Resources utilization in the reporting period

This section provides an overview on the utilization of human resources and other services. In the previous quarter, the MA contracted various trainers and facilitators to assist the MA staff in the different parallel training sessions, for example on the SA Guide. As both the pre-disbursement trainings and the SA trainings were eventually organized in January, no additional "no objections" needed to be requested for this input. Recruitment to replace the Grants Manager and the Internal Auditor has been finalized and the "no objections" received. Recruitment for the replacement of the CD&T Manager is on its way. In anticipation of the amendment to the GA, preparations have been undertaken to start the recruitment process for additional Grants Management and M&E. VNG International's project director/grant advisor has 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 3 ToRs for the involvement of 5 staff / short-term experts.

Program and Financial Management	Junior Internal Auditor PR / Communications Officers
Grant Scheme	Grant Coordinators

The complete overview of no objections until March 31, 2013 is presented in annex 4.

5.4 Overview of approved addenda in the reporting period

No amendments were approved in the reporting period. However, preparations for a 2nd amendment have started in this quarter.

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 criteria	Project procurement plan approved early January 2013. Procurement plans of 30 SAIPs submitted to the WB; 25 plans approved. 5 plans await approval (<i>approval has been issued early April</i>).	Receive approval of the 5 remaining procurement plans. Facilitate the second amendment of the GA between the World Bank and VNG International (update action plans, work planning, budget calculation). Continue updating the website, for example with SAIP profile and a further elaborated interactive map.
Prepare annual plans and budgets for the implementation of ESAP2 for discussion and approval by the SC	First drafts of overall budget under the 2 nd amendment prepared.	Facilitate the finalization of the 2 nd amendment to the GA.
Establish and implement a financial management system for the program	Two SOEs submitted for disbursement and approved.	Submit 2 IFRs, covering financial year 1 and quarter 1 of 2013.
Prepare and submit quarterly reports to the SC	QR4 shared with the SC. Approval formalized by SC per email.	Preparation of QR5 (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 and shortlist published. "No objection" received from WB. Documentation for	Evaluation of proposals received from the shortlisted firms. Conduct contract negotiations with selected firm. Obtain "no objections" from World Bank for interim steps and prepare for the

Activity	Progress made / Milestones	Next Reporting Period
	Request for Proposals prepared.	YR1 audit.
Ensure that SAIP-selected Woredas meet certain pre-agreed criteria	SAIP selection criteria reviewed and checked during grant negotiations with remaining 17 SAIPs.	
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.	<p>Financial Risk Assessment with shortlisted SAIPs beyond the first 30 finalised.</p> <p>Four rounds of pre-disbursement and SA trainings completed for all 30 SAIPs.</p> <p>First version of Post Training Support Plan drafted.</p>	Prepare and implement refresher courses and support trainings on finances for new SAIP staff.
Component 2 – Grant Management		
Invite and appraise SAIP proposals, and select and sign contract agreements with the qualified SAIPs	Grant agreements signed with remaining 17 SAIPs.	<p>Perform, oversee and complete grant negotiations with several remaining shortlisted CSOs in anticipation of amendment 2.</p> <p>Dependant on the issuance of amendment 2, sign grant agreements with a number of CSOs.</p>
Disburse grants to the selected SAIPs	<p>Operational Manual approved, after which the condition for withdrawal of grant proceeds was lifted.</p> <p>First disbursement requests reviewed and funds transferred to 24 SAIPs.</p>	Review remaining first disbursement requests of 6 SAIPs and transfer funds.
Oversee and manage the accounting of the grants disbursed to SAIPs	<p>First advance transferred at the end of the quarter.</p> <p>Internal monitoring sheets developed (Grants Advance Summary Sheet, detailing the exact transfer, reported</p>	<p>Receive, check and monitor the first quarterly reports from the SAIPs on the spending of their grant fund in the first quarter.</p> <p>Review and prepare second disbursement requests for 30</p>

Activity	Progress made / Milestones	Next Reporting Period
	expenditures, balances and burn rates).	SAIPs. Based on the findings of the first quarterly reports, conduct field visits to SAIPs and identify which further technical support is required for smooth financial management of the grant fund.
Develop financial reporting procedures and templates and train the SAIPs on how to submit monthly, quarterly and annual financial reports using the templates	Pre-disbursement trainings are implemented and discussed the rules and regulations as stipulated in the Operational Manual.	Prepare and implement refresher courses and support trainings on finances for new SAIP staff.
Provide the SAIPs directions and training on procurement procedures	Pre-disbursement trainings are implemented and discussed applicable procurement rules. Assistance provided by the MA's procurement advisor to all SAIPs in the preparation of their procurement plans.	Prepare and implement refresher courses and support trainings on procurement for new SAIP staff and/or SAIPs that encountered challenges in this area.
Component 3 – Monitoring & Evaluation		
Develop program Logframe with consensus-driven performance indicators to guide management of program results	Completed.	
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	30 SAIPs assisted by the MA in finalising their logframes and action plans, which are input for the monitoring systems.	Consolidate the first quarterly reports from the SAIPs and disseminate main conclusions for further follow-up within the MA and main stakeholders.
Ensure effective communication of M&E findings to the SC as well as to SAIPs	Monitoring schedule prepared and shared with the SC to join the MA during these visits.	Initiate information dissemination mechanisms.

Activity	Progress made / Milestones	Next Reporting Period
Commission Woreda baseline data collection to guide program implementation and mid-term reviews to make course correction and glean lessons learned	<p>Survey tools and questionnaires developed.</p> <p>Consulting firm selected to be commissioned for this task. Selection report submitted to World Bank and “no objection” obtained. Contract negotiations with the selected firm finalized.</p>	<p>Contract the baseline survey consulting firm.</p> <p>Supervise and support the baseline study task.</p> <p>Review and comment the baseline study inception report.</p>
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	<p>Baseline study expected to start in April 2013.</p> <p>Close cooperation with WB’s impact evaluation established.</p>	<p>Further collaborate with the WB on the impact evaluation.</p> <p>Supervise the inception phase and data collection by the baseline company.</p>
Train and support SAIPs to prepare and submit M&E reports regularly	<p>M&E Manual and training modules finalized and used.</p> <p>Completed M&E training for SAIPs, specifically on the topic of logical frameworks, SAIPs action plans and M&E tools.</p>	<p>Prepare for the first benchmark meetings to be held in the 3rd quarter of 2013.</p> <p>Review the quarterly reports from the SAIPs and identify areas for further support by the MA.</p>
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	<p>No progress this quarter. Onsite visits planned for second quarter 2013 onwards.</p>	<p>Conduct and coordinate first field visits to SAIPs and target woredas and identify and plan technical support required.</p>
Hold discussions and leave Aide Memoires behind with the SAIPs to highlight field visit findings and agreed actions	<p>No progress to report.</p>	<p>Conduct field visits and share the findings amongst SAIPs and other selected stakeholders.</p>
Component 4 – Capacity Building & Training		
Design gender-sensitive social accountability training and capacity building modules and	<p>Training module on social inclusion and vulnerability with a focus on gender implemented</p>	<p>Develop training approach for roll out and Interface Meetings for SAIPs and budget monitoring</p>

Activity	Progress made / Milestones	Next Reporting Period
training plan	as part of the SA trainings.	and tracking module for 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 trainings implemented for 30 SAIPs. SA Guide used as main training tool.	Support 30 SAIPs with the roll out of the SA training at Woreda level. Engage local and regional officials in the SA efforts in their region.
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	SAIPs trained on SA tools during the SA Guide trainings.	Identify and manage technical support with the SAIPs in rolling out their activities including SA training events at Woreda level.
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 pre-disbursement trainings.	Support SAIPs in the revision of Provide guidance for SAIPs on institutionalization and sustainability through benchmarking events.
Establish capacity (“Centers of Social Accountability”) at selected regional universities or training institutions to provide training for longer term goals	Draft concept note prepared for discussion.	Update 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 (01/01/2013 to 31/03/2012) and what is planned for the next period (01/04/13 to 30/06/13).

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

Key deliverable	Progress made in the current reporting period	Planned deliverables next reporting period
Annual work plan, budget and action plan	Draft annual plan prepared for internal discussion.	Prepare adjusted staffing schedule and action plan in accordance with amendment 2 of the GA.
Program Logframe	No progress to report.	N/A
Quarterly program reports	QR4 submitted and approved.	Prepare and submit QR5
Completion report	No progress to report.	N/A
Quarterly financial reports	IFR1 thoroughly discussed with WB.	Submit final version of IFR1. Prepare and submit IFR2.
Media disclosure/ dissemination of social accountability approaches	ESAP2 website updated with interactive map. ESAP2 Facebook site launched.	MA ensure more planned and tailored communications.
Component 2 – Grant Management		
Program operational guidelines, including management, M&E template, procurement	17 additional SAIPs contracted. Financial Risk Assessments of the remaining CSOs finalised.	Monitor fulfillment of operational guidelines by screening first quarterly reports.
Grant management plan	Operational Manual officially approved per 7 January 2013. Operational Manual shared with SAIPs.	More follow up, and provide technical support to SAIPs on the implementation of the Operational Manual.
Component 3 – Monitoring & Evaluation		
Program M&E template	Monitoring system in place.	Review first quarterly reports from SAIP.
Baseline survey report	Consulting firm selected and arrangements completed.	Review inception report from baseline study.
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 training completed with 30 SAIPs, and draft of post training support	Implement and plan post-training support plan.

Key deliverable	Progress made in the current reporting period	Planned deliverables next reporting period
	plan developed..	
Training/capacity building workshops for SAIPs, service providers and other relevant actors	Pre-disbursement training and SA trainings implemented.	Further plan the post-training support plan, amongst other based on monitoring visits and first quarterly reports from SAIPs. Dependant on the issuance of the second amendment, plan the pre-disbursement and SA trainings for newly contracted SAIPs.
Social accountability database	No progress to report.	Agree on form and structure of SA practitioners pool. To be filled with data collected during upcoming months.
Social inclusion and vulnerability social accountability training modules	SA Guide module developed on social inclusion and vulnerability.	N/A
Social Accountability Guide for Grantees	Finalised.	Update the SA Guide with a module on Public Expenditure Tracking.
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. Undertake discussions with stakeholders to investigate the different options identified.

5.7 Potential obstacles for next reporting period

The MA identifies one potential obstacle for the delivery of the planned results for the next reporting period until 30 June 2013 and which 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. This has also implications for the required additional funds for M&E and CB&T support by the MA, which was understaffed in the previous amendment. Contracting of additional staff for M&E and CB&T should be undertaken as soon as possible.

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	<ul style="list-style-type: none"> • Responsibility for overall management, coordination and

<p>Financial Management</p>	<p>directions of the program as well as handling of preparatory steps, including the selection of SAIPs by use of appropriate 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</p>	<ul style="list-style-type: none"> • Design socially inclusive and gender-sensitive SA -training and capacity building modules and training plan;

<p>Training</p>	<ul style="list-style-type: none"> • Conduct training sessions in SA for relevant government officials, SAIPs and other stakeholders to enable them to engage effectively in the SA program; • 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.
<p>Key deliverables</p>	<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).
- Government of Ethiopia's PBS Financial Transparency and Accountability project (FTA).
- TECS (supporting Government-CSO dialogue in Ethiopia).

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. Preparations are currently ongoing to prolongue the implementation period of ESAP2, allowing future sub-projects an implementation period of 24 months as well.
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, covering 30 sub-projects and 135 Woredas. The implementation of the shortlisted and approved 52 sub-projects, 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 and the number of SAIPs passing the Financial Risk Assessment.
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 applying for sub-projects	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.
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. The MA actively involves the government officials at local and regional level and is supported in this by MoFED.

Annex 4: List of ‘No Objections’ to ToRs

General management	<p>Team Leader Operations Manager ICT system developer (visual identity) PR/Communication Officer PR/Communication Expert PR/Communication Expert</p>	<p>Inception Period Inception Period Inception Period Q1 Q5 Q5</p>
Program and Financial Management	<p>Finance Manager Senior Accountant Internal Auditor Executive Secretary Secretary Project Assistant Legal Advisor Junior Internal Auditor</p>	<p>Inception Period Inception Period Inception Period Q1 Q1 Q1 Q2 Q5</p>
Grant Scheme	<p>Grant Manager Regional Coordinators Quality Manager Grant Advisors Grant Assessors Risk Assessors Grant Negotiator Grant Coordinator</p>	<p>Inception Period Inception Period Q1 Q1 Q2 Q3 Q4 Q5</p>
Monitoring & Evaluation	<p>M&E Experts Benchmarking expert M&E Manager</p>	<p>Inception Period Inception Period Q3</p>
Capacity Building and Training	<p>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</p>	<p>Inception Period Inception Period Q1 Q2 Q3 Q3 Q3 Q3 Q3 Q4 Q4</p>

Annex 5: Consolidated Overview of Participants in SA and Pre-disbursement Trainings

Annex 5 Pre-disbursement Training Participants Consolidation

#	Date of training	Participants *	Gender	Lead organisations **
1st round	SA Guide Training, 14-19 January 2013	40	33 M & 7 F	5 (NEWA, HUNDEE, PDN, PICDO and ILU)
	M&E Training, 24-26 January 2013	16	15 M & 1 F	4 (PICDO, NEWA, NSAC and HUNDEE)
	M&E Training, 23-25 January 2013	16	13 M & 3 F	5 (VECOD, PDN, PADET, ILU and SOS Sahel)
	Finance and Grant Management Training, 21-22 January 2013	31	22 M & 9 F	5 (NEWA, HUNDEE, PDN, PICDO, PADET, NSAC and ILU)
2nd round	Finance and Grant Management Training, 28 - 29 January 2013	44	22 M & 22 F	13 (ODA, AFSR, WCAT, Love in Action Ethiopia, EOC-DIAC, Save Lives, GDA, JECCDO, KMG, AFD, UEWCA, HFC, RtG and OWDA)
	M&E Training, 31 January - 2 February 2013	37	31 M & 6 F	13 (AFD, WCAT, EOC-DIAC, HFC, ODA, GDA, AFSR, RtG, Save Lives, KMG, UEWCA, AAWA and JECCDO)
	SA Guide Training, 4-9 February 2013	73	63 M & 10 F	11 (NSAC, EOC-DIAC, AFD, WCAT, PADET, HFC, ODA, GDA, AFSR, RtG and Save Lives)
3rd round	Finance and Grant Management Training, 12-13 February 2013	17	10 M & 7 F	7 (AAWA, Love in Action Ethiopia, VECOD, WSA, UEWCA, HFC, EOC-DIAC)
	M&E Training, 14-16 February 2013	15	13 M & 2 F	5 (EOC-DIAC, WSA, OWDA, Love in Action Ethiopia, ILU)
	SA Guide Training, 18-23 February 2013	57	51 M & 6 F	9 (VECOD, Love in Action Ethiopia, WSA, SOS Sahel, KMG, UEWCA, OWDA, JECCDO and AAWA)
4th round	Finance and Grant Management Training, 18-19 February 2013	19	15 M & 4 F	5 (Migbare Senay, Mums for Mums, WAT, ADA and TYA)
	M&E Training, 20-22 February 2013	17	17 M & 0 F	5 (Migbare Senay, Mums for Mums, WAT, ADA and TYA)
	SA Guide Training 25 February - 2 March 2013	26	23 M & 3 F	5 (Migbare Senay, Mums for Mums, WAT, ADA and TYA)
Total		408	328 M & 80 F	30

Note

The presentation of Ato Haileselassi T/Michael of Charities and Society Agency during Finance and Grant Management Training on 30/70 Directive is highly appreciated

The presentation on FTA by the FTA coordinator during the social accountability guide training was strongly valued by the participants

* Names of participants available on request

** This includes the Lead Organisation and their sub-partners



Annex 6: Disbursement Overview

SAIPs' Grant advances

No.	Organization	Contract no.	Grant Amount (USD)	Advance Transferred to SAIPs per Quarter (USD)				Total Advances Received by SAIP (USD)	Advance Balance
				1 January - 31 December 2013 (1st year)					
				1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
									(Contracted Budget - Advances Received)
1	SOS Sahel	ESAP2/2012/01	\$ 300.000,00	\$ 51.699,00	\$ -	\$ -	\$ -	\$ 51.699,00	\$ 248.301,00
2	NEWA	ESAP2/2012/02	\$ 300.000,00	\$ 51.537,56	\$ -	\$ -	\$ -	\$ 51.537,56	\$ 248.462,44
3	ILU	ESAP2/2012/03	\$ 299.991,51	\$ 43.973,10	\$ -	\$ -	\$ -	\$ 43.973,10	\$ 256.018,41
4	PICDO	ESAP2/2012/04	\$ 299.994,68	\$ 45.897,81	\$ -	\$ -	\$ -	\$ 45.897,81	\$ 254.096,87
5	HUNDEE	ESAP2/2012/05	\$ 287.194,02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287.194,02
6	PDN	ESAP2/2012/06	\$ 299.589,00	\$ 59.220,72	\$ -	\$ -	\$ -	\$ 59.220,72	\$ 240.368,28
7	NSAC	ESAP2/2012/07	\$ 300.000,00	\$ 59.677,24	\$ -	\$ -	\$ -	\$ 59.677,24	\$ 240.322,76
8	Hope for Children	ESAP2/2013/08	\$ 299.661,11	\$ 31.714,53	\$ -	\$ -	\$ -	\$ 31.714,53	\$ 267.946,58
9	EOC - DICAC	ESAP2/2013/09	\$ 299.259,31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299.259,31
10	Action for Development	ESAP2/2012/10	\$ 299.984,00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299.984,00
11	Tigray Youth Association	ESAP2/2013/11	\$ 299.268,06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299.268,06
12	PADET	ESAP2/2012/12	\$ 299.621,62	\$ 35.913,48	\$ -	\$ -	\$ -	\$ 35.913,48	\$ 263.708,14
13	Migbare Senay	ESAP2/2013/13	\$ 298.990,95	\$ 35.250,00	\$ -	\$ -	\$ -	\$ 35.250,00	\$ 263.740,95
14	WCAT	ESAP2/2012/14	\$ 251.313,53	\$ 31.994,55	\$ -	\$ -	\$ -	\$ 31.994,55	\$ 219.318,98
15	Guraghe Development Association	ESAP2/2012/15	\$ 297.303,69	\$ 24.584,65	\$ -	\$ -	\$ -	\$ 24.584,65	\$ 272.719,04
16	Oromia Development Association	ESAP2/2012/16	\$ 299.943,96	\$ 46.554,92	\$ -	\$ -	\$ -	\$ 46.554,92	\$ 253.389,04
17	Amhara Development Association	ESAP2/2012/17	\$ 299.996,42	\$ 38.066,50	\$ -	\$ -	\$ -	\$ 38.066,50	\$ 261.929,92
18	Women Association of Tigray	ESAP2/2013/18	\$ 299.549,03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299.549,03
19	AFSR- Action for Self Reliance	ESAP2/2012/19	\$ 298.560,00	\$ 34.780,28	\$ -	\$ -	\$ -	\$ 34.780,28	\$ 263.779,72
20	Redeem the Generation	ESAP2/2013/20	\$ 236.904,00	\$ 34.611,61	\$ -	\$ -	\$ -	\$ 34.611,61	\$ 202.292,39
21	Save Lives	ESAP2/2013/21	\$ 241.456,84	\$ 25.880,51	\$ -	\$ -	\$ -	\$ 25.880,51	\$ 215.576,33
22	Mums for Mums	ESAP2/2013/22	\$ 268.996,37	\$ 28.243,52	\$ -	\$ -	\$ -	\$ 28.243,52	\$ 240.752,85
23	KMG	ESAP2/2013/23	\$ 156.851,79	\$ 29.298,80	\$ -	\$ -	\$ -	\$ 29.298,80	\$ 127.552,99
24	Women Support Association	ESAP2/2013/24	\$ 299.989,64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299.989,64
25	UEWCA- Union of Ethiopian Womens	ESAP2/2013/25	\$ 299.975,83	\$ 32.709,36	\$ -	\$ -	\$ -	\$ 32.709,36	\$ 267.266,47
26	JeCCDO	ESAP2/2013/26	\$ 299.934,82	\$ 24.488,87	\$ -	\$ -	\$ -	\$ 24.488,87	\$ 275.445,95
27	AA Women's Association	ESAP2/2013/27	\$ 263.796,05	\$ 53.058,40	\$ -	\$ -	\$ -	\$ 53.058,40	\$ 210.737,65
28	OWDA	ESAP2/2013/28	\$ 299.999,09	\$ 45.099,65	\$ -	\$ -	\$ -	\$ 45.099,65	\$ 254.899,44
29	Love in Action	ESAP2/2013/29	\$ 297.598,15	\$ 49.258,48	\$ -	\$ -	\$ -	\$ 49.258,48	\$ 248.339,67
30	VECOD	ESAP2/2013/30	\$ 204.276,53	\$ 29.114,00	\$ -	\$ -	\$ -	\$ 29.114,00	\$ 175.162,53
	Grand Total		\$ 8.500.000,00	\$ 942.627,54	\$ -	\$ -	\$ -	\$ 942.627,54	\$ 7.557.372,46