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**GOVERNMENT OF THE  
FEDERAL DEMOCRATIC REPUBLIC  
OF ETHIOPIA**

**PROMOTING BASIC SERVICES PROGRAM - PHASE III  
PROGRAM OPERATIONAL MANUAL (POM)**

**December, 2012**

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## ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
BI	Budgetary Institutions
BLT	Budget Literacy Training
BoFED	Bureau of Finance and Economic Development
CIP	Carriage and Insurance Paid
COPCU	Channel One Programs Coordinating Unit
CPAR	Country Procurement Assessment Report
CQS	Consultants Qualification Selection
CSA	Central Statistical Agency
CSO	Civil Society Organization
DA	Designated Account
DfID	Department for International Development, UK Government
DP	Development Partners
ESAP	Ethiopian Social Accountability Program
EFY	Ethiopian Fiscal Year
EIO	Ethiopian Institute of Ombudsman
EMCP	Expenditure Management and Control Program
ERA	Ethiopian Road Authority
ETB	Ethiopian Birr
EU	European Union
FBG	Federal Block Grant
FDRE	Federal Democratic Republic of Ethiopia
FEACC	Federal Ethics and Anti-Corruption Commission
FM	Financial Management
FPPAA	Federal Public Procurement & Property Administration Agency
FSP	Food Security Program
FTA	Financial Transparency and Accountability
FTAPS	Financial Transparency and Accountability Perception Survey
FY	Fiscal Year
GAD	Government Accounts Directorate
GoE	Government of Ethiopia
GPN	General Procurement Notice
GRM	Grievance Redress Mechanism
GTP	Growth and Transformation Plan
IAS-FTA	Impact Assessment Survey on Financial Transparency & Accountability
IBEX	Integrated Budget and Expenditure System
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDA	International Development Association
IFR	Interim Financial Report
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institutions
IT	Information Technology
JBAR	Joint Budget and Aid Review
JRIS	Joint Review and Implementation Support
LG	Local Government

MA	Management Agency
M4R	Managing For Results
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
MEFF	Macroeconomic and Fiscal Framework
MoA	Ministry of Agriculture
MoE	Ministry of Education
MoFED	Ministry of Finance and Economic Development
MoH	Ministry of Health
MoWE	Ministry of Water & Energy
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
OFAG	Office of the Federal Auditor General
ORAG	Office of the Regional Auditor General
PBS	Promoting Basic Services
PDO	Program Development Objective
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFMC	Public Financial Management Committee
PFS	Program/Project Financial Statement
POM	Program Operational Manual
P-RAMS	Procurement Risk Assessment and Management Systems
PSNP	Productive Safety Net Program
QCBS	Quality & Cost Based Selection
REF	Result Enhancement Fund
RPPA	Regional Public Procurement Agency
SA	Social Accountability
SAFE	Sustainability/Accountability/Fiduciary/Effectiveness
SAIP	Social Accountability Implementing Partners
SBD	Standard Bid Document
SNNPR	Southern Nations, Nationalities, and Peoples Region
SOE	Statement of Expenditure
SPG	Specific Purpose Grant
SPN	Specific Procurement Notice
TOR	Terms of Reference
TTL	Task Team Leader
ULGA	Urban Local Government Administration
UNDB	United Nations Development Business
UNDP	United Nations Development Program
UoM	Unit of Measurement
USD	United States Dollar
WB	World Bank
WMU	Welfare Monitoring Unit
WOFED	Woreda Office of Finance and Economic Development
ZOFED	Zonal Finance & Economic Development

## PREFACE

The Government of the Federal Democratic Republic of Ethiopia (FDRE) and Development Partners (DPs) are working together to implement the Promoting Basic Services phase III(PBSIII) program. In line with this it has been agreed to have a Program Operational Manual (POM) which sets out procedures and principles that govern the implementation of the program. To this effect, this Program Operational Manual is prepared

The purpose of the Program Operational Manual (POM) is to provide practical advice, facilitate and ensure coordinated implementation of the Promoting Basic Services - phase III (PBS III) Program. It is prepared as a guideline for all those involved in the implementation of the Program. It describes the Program structure, guidelines and procedures for implementation, work responsibilities and main functions for all institutions and available inputs and resources to successfully implement the Program in an efficient and effective manner.

The content of the Manual may be amended during implementation to reflect experience, lessons learned and any challenges that may arise from evolving circumstances. Any modifications to the Manual will require prior approval by Federal Ministry of Finance and Development (MOFED) and World Bank.

**Section I** provides the program Development Objective, and the core principles of the Program (Promoting Basic Services=PBSIII). This section also provides the program components, costing and financing.

**Section II** describes the institutional and implementation arrangement. It describes the formal structure of Decentralized Government in Ethiopia. The Roles and Responsibilities of Different Organization in implementing the program is also stated..

**Section III** presents the financial management and disbursement arrangements for the Program at federal, regional, and local levels.

**Section IV** explains the procurement management process, general procurement guidelines for the Program, and procurement arrangements, including the Program's procurement implementation plan.

**Section V** addresses the requirements for reviews, monitoring and evaluation.

Finally, various annexes are attached to the document which includes different formats for financial reporting and TORs for auditing purposes.

Whenever this Manual is revised or modified, the Channel One Programs Coordinating Unit of the Federal Ministry of Finance and Economic Development will release the newer version of the manual. To obtain a copy please contact:

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## SECTION I

### PRORAM BRIEF OVERVIEW

#### 1.1. Program Development Objective

The PBS objective is to contribute to the higher-level objective of expanding access and improving the quality of basic services by funding block grants that ensure adequate staffing and operations, and by strengthening the capacity, transparency, accountability and financial management of sub-national governments. In such a way, the PBS overall objective is to assist Ethiopia's progress towards achieving the MDGs. The program defines basic services as education, health, agriculture, water supply and sanitation and rural roads.

Progress towards the attainment of the PDO will be assessed through the following Project Development Objective indicators (further described in Annex 1: Results Framework and Monitoring):

- Education: Student-teacher Ratio (Grades 5-8) & Proportion of Qualified Primary School Teachers (by gender and region)
- Health: Ratio of health extension workers to population
- Agriculture: Agricultural extension services beneficiaries
- Water: Reduced non-functioning water supply schemes (by region and urban/rural)
- Rural roads: Roads in fair and good condition
- Transparency: Citizens who are informed about Woreda budget
- Social Accountability: Citizens who report that Woreda officials have actively sought the views of people in their Kebele on improving quality of basic services
- Financial Management: WoFEDs that have effectively rolled-out IBEX

#### 1.2. Program Core Principles

The Program is based on a set of principles that guide program implementation. The core PBS Principles and their application is described below:

**Effectiveness.** The Effectiveness principle focuses on how to maintain effective service delivery with a view to identifying ways to further improve them. Although effectiveness is influenced by a broad range of issues, the PBS program considers adequate sectoral resource allocation, balanced intra-sectoral allocation, and results achieved as it reviews the Effectiveness principle. Under PBS 3, each JRIS will review and update action plans on effectiveness.

**Sustainability.** The PBS program seeks to ensure that financing of basic services can be sustained over the long-term even without the PBS Program. When reviewing sustainability, the PBS program considers financing sources for decentralized basic services, and the unit costs of

basic service delivery. PBS 3 will also include a study on domestic resource mobilization and the costs of basic services through the medium- and long-term. This study will then be the basis for reviews at each May JRIS.

**Additionality.** The Additionality Principle ensures that government priority to the MDGs are expressed in medium-term commitments to increase overall financing for the federal block grants and hence to basic service at sub-national level and that allocated resources for basic services are flowing in a predictable manner.

**Fairness.** The Fairness Principle ensures that resource allocations from the federal government to the regions and from regional governments to woredas are rules-based and transparent, and that block grant disbursements to the regions as well as from regions to woredas are executed as planned in budget allocations.

**Equity.** To review the Equity Principle, PBS will track and assess any discrepancies in access to basic services among the different regions and woredas and between genders, with a view to identifying possible interventions to address these discrepancies.

**Transparency.** A core principle of the PBS program's contribution to the access and quality of basic services is to provide stakeholders with more information about resource flows, standards and results.

**Fiduciary Probity.** The PBS program relies on a robust fiduciary system reaching from the federal level through regions to local administrations. It involves numerous mechanisms to maintain the strength of that system.

**Predictability.** The predictability principle seeks to ensure mutual accountability by predictable resource flows for basic service delivery results. Development Partner contributions need to be based on longer-term commitments, so that agreed disbursements can be made on time. Likewise, the Government has a responsibility to accurately reflect these DP contributions for PBS in yearly government budgets. Though this principle should discourage the practice, any new development partner resources committed after the budget is finalized will be incorporated into the supplemental budget.

Semi-annual Joint Review and Implementation Support (JRIS) and Joint Budget and Aid Review (JBAR) missions allow for the Government, including MoFED, sectoral ministries, and regional authorities, and Development Partners to review performance according to these principles. Disbursement for the Basic Service Block Grants depends on overall performance according to these principles.

### **1.3. Program Components**

PBS supports the Government's commitment to strengthen decentralized service delivery and enhance local transparency and accountability mechanisms that support those service delivery objectives. The PBS Program combines (A) a high-volume sub-program that finances recurrent expenditures for basic services at sub-national levels, (B) a system strengthening sub-program

with three components to improve transparency and accountability systems at woreda-level, and (C) a results enhancement fund to pilot performance-based approaches to remove constraints to reaching results.

*Basic Service Block Grants (Sub-program A – USD 6.2 billion, IDA USD 555 million)* finance recurrent (salaries, operations and maintenance) expenditures in the five basic service sectors (education, health, agriculture, water and sanitation, and rural roads) at local levels. The Basic Service Block Grants are disbursed from the federal level to the regions, and from the regions to the woredas. They are discretionary at the sub-national level, i.e. each woreda decides the allocation of the grants to the five basic service sectors based on the needs in their woreda. When these resources are combined with other complementary inputs, they support MDG and GTP results. The Basic Service Block Grants are based on Core PBS Principles that reflect joint understandings of how to reach the shared development objectives of improved decentralized basic service delivery.

*Strengthening Local Accountability and Transparency Systems (Sub-program B – USD 114.6 million, IDA USD 40.0 million).* Basic Service Block Grants provide resources through Ethiopia's decentralized economic governance system to woredas, as the administrative level responsible for local basic services. While the country's decentralized, integrated system of fiduciary, administrative and information governance is robust, the Government and Development Partners recognize that it can and should continue to be strengthened, particularly in its implementation in the large number of very diverse woreda administrations throughout Ethiopia. Sub-program B: Strengthening Local Accountability and Transparency Systems seeks to maintain and strengthen these systems, with a strategic focus on the woreda-level as the front-line of administration with responsibility for PBS objectives. The sub-program includes three interrelated components: (B1) Citizen's Engagement, (B2) Local Public Financial Management, and (B3) Managing for Results.

*Results Enhancement Fund (Sub-Program C – DFID administered UKLBS 50 million or USD 78.2 million).* As an affiliated sub-program supporting innovations to improve basic service and fiduciary results, the Results Enhancement Fund (REF) will support specific accomplishments that the Government and Development Partners agree relax constraints to delivering decentralized basic service results. In a yearly prize for performance according to objective criteria, the fund will provide resources to the three sub-national administrations that made the most progress to improve performance. The benchmarks of the fund will be defined based on the overall principles of equity and learning. As part of the equity principle, to the extent possible, less developed or emerging regions and woredas should be as or more likely to have their performance recognized and to receive disbursements from the fund. Further, the fund will include resources so that the lessons of how specific entities achieve these results will be shared with others, to promote learning about how those results were achieved

## **Outline of Program Elements**

### **Sub-Program A: Basic Service Block Grants (USD 6.2 billion)**

### **Sub-Program B: Strengthening Local Accountability and Transparency Systems (USD 114.6 million)**

#### *Component B1: Citizen's Engagement (USD 35.0 million)*

Sub-component B1a: Financial Transparency and Accountability (FTA)

Sub-component B1b: Social Accountability Program (ESAP)

Sub-component B1c: Support of Grievance Redress Mechanisms (GRM)

#### *Component B2: Local Public Financial Management and Procurement (USD 52.6 million)*

Sub-component B2a: Woreda PFM and procurement strengthening

Sub-component B2b: Support for and roll out of IBEX system

Sub-component B2c: Regional training and program support

Sub-component B2d: Support to External Audit & Parliament

#### *Component B3: Managing for Results (USD 27.0 million)*

Sub-component B3a: The Results Framework and Monitoring

Sub-component B3b: Strengthening M&E systems

Sub-component B3c: Demand-driven, Collaborative Analytical Works

### **Sub-Program C: Results Enhancement Fund (USD 78.2 million)**

## **1.4. Program Costs and Financing**

Over a five year period, from December 2012 to January 2018, the third phase of the PBS program will involve USD 6.4 billion of resources. The majority of those resources (USD 6.19 billion) are for Sub-program A: Basic Service Block Grants, which finances sub-national governments' recurrent expenditures for basic services. Significant GOE resources finance this sub-program, with sizeable contributions from DPs, including IDA. Even with DP contributions of USD 1.53 billion, there is a large financing gap of USD 1.49 billion for the Basic Service Block grants, particularly in the later program years. The Government will seek contributions from development partners to fill these gaps.

The projected cost of Sub-program B: Strengthening Local Transparency and Accountability Systems is USD 193.8 million. For this Sub-component, there is a projected financing gap of USD 22.4 million, particularly in the Citizens Engagement and Monitoring for Results Components. Given significant development partner interests in these components, it is likely that these financing gaps will be filled.

**Table 1: Project Cost and Financing**

Program Components (US\$ Millions)	Program Costs	GOE Financing		DPs	IDA	%IDA	B Gap
		MEFF	A Gap*				
Sub-Program A: Basic Service Block Grants	6,192.9	3,170.8	1,482.9	984.2	555.0	9.0%	
Sub-Program B: Strengthening Local Transparency and Accountability Systems							
B1: Citizen's Engagement	35.0	-	-	8.6	10.0	28.6%	16.4
B2: Local PFM & Procurement	52.6	-	-	32.6	20.0	38.0%	-
B3: Managing for Results	27.0	-	-	12.0	10.0	37.0%	5.0
Sub-Program C: Results Enhancement Fund	78.2			78.2			
Unallocated					5.0		
<b>Total (US\$ Millions)</b>	<b>6,385.7</b>	<b>3,170.8</b>	<b>1,482.9</b>	<b>1,115.6</b>	<b>600.0</b>	<b>9.4%</b>	<b>21.4</b>
* GOE will likely seek DP contributions to reduce this gap for Sub-program A. However, GOE has committed to cover from its own resources any remaining gaps in block grants beyond DP commitments in any given year.							

**Table 2 :Sub-program A Costs and Financing, Year by year**

Sub-Program A: Basic Service Block Grants	PBS 3 Financing Period					
	7/12-6/13 EFY05	7/13-6/14 EFY06	7/14-6/15 EFY07	7/15-6/16 EFY08	7/16-6/17 EFY09	Total
ETB million	17,485	21,332	26,025	29,929	34,418	129,190
US\$ million	937	1,089	1,265	1,386	1,516	6,193
Government Contribution (US\$ mill)	481	563	658	708	761	3,171
IDA Contribution (US\$ mill)	185	185	185	-	-	555
Total Other DP Contributions (US\$ mill)	258	245	215	133	133	984
Financing Gap (US\$ mill)*	14	96	206	545	622	1,483
* GOE will likely seek DP contributions to reduce this gap for Sub-program A. However, GOE has committed to cover from its own resources any remaining gaps in block grants beyond DP commitments in any given year.						

**Table 3: Sub-program B Costs and Financing**

	Total Cost	DP Contribution	IDA Contribution	GAP
<b>Sub-program B Totals</b>	\$ 114,555,491	\$ 53,179,691	\$ 40,000,000	\$ 21,375,800
<b>Component B1: Citizen's Engagement</b>				
B1a: Financial Transparency & Accountability	\$ 12,450,000	\$ -	\$ 9,500,000	\$ 2,950,000
B1b: Social Accountability	\$ 20,500,000	\$ 7,037,100	\$ -	\$ 13,462,900
B1c: Grievance Redress Mechanisms	\$ 2,020,000	\$ 1,520,000	\$ 500,000	\$ -
Total: Component B1	\$ 34,970,000	\$ 8,557,100	\$ 10,000,000	\$ 16,412,900
<b>Component B2: Local Public Financial Management</b>				
B2a: Woreda PFM & procurement strengthening	\$ 22,784,817			
B2b: IBEX roll-out and support	\$ 5,420,357			
B2c: Regional training & program support	\$ 19,380,317			
B2d: Support to External Audit & Parliament	\$ 5,000,000			
Total: Component B2	\$ 52,585,491	\$ 32,585,491	\$ 20,000,000	\$ -
<b>Component B3: Managing For Results</b>				
B3a: Results Framework and Monitoring	\$ 600,000			
B3b: Strengthening M&E Systems	\$ 20,700,000			
B3c: Demand-driven, Collaborative Analytic Works	\$ 5,700,000			
Total: Component B3	\$ 27,000,000	\$ 12,037,100	\$ 10,000,000	\$ 4,962,900

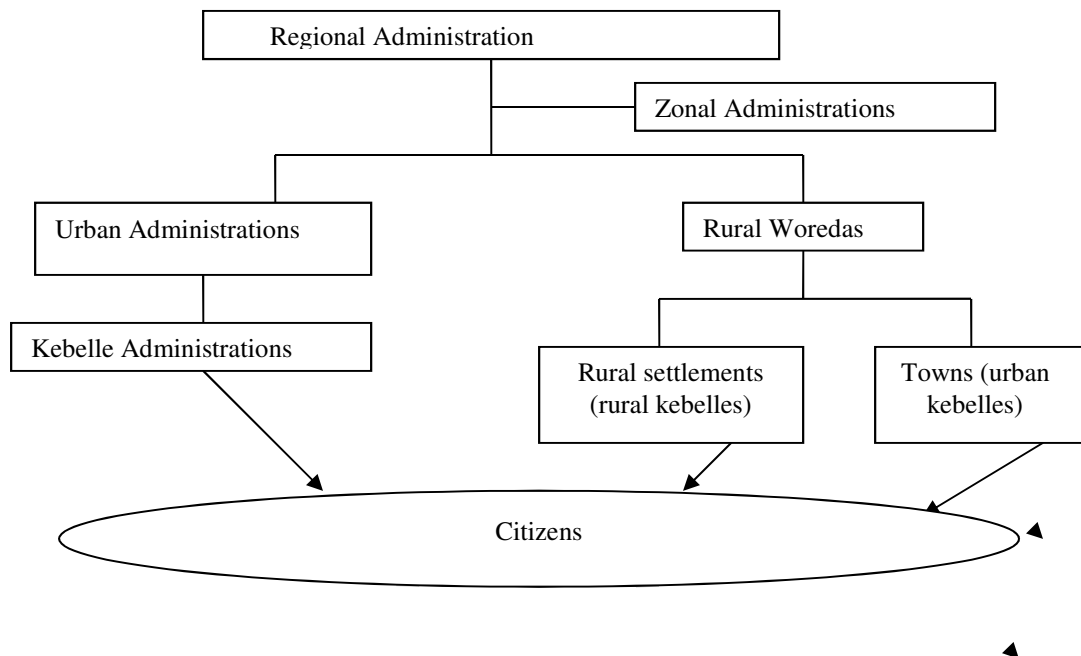
## SECTION II

### INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENT

#### 2.1. The Formal Structure of Decentralized Government in Ethiopia

The Ethiopian Federal Constitution of 1995 established a four-tier (region, zone, woreda and kebele administrations) system of government embodying an ambitious vision for a democratic federation of Regions where core functions were to be devolved to decentralized levels of government which would be empowered with resources and mandates to make key decisions affecting the lives of their populations. Accordingly, there are nine regional states ( Tigray, Amhara, Oromia, Southern Nations Nationalities and Peoples, Benishangul-Gumuz, Gambella, Somali, Afar and Harari ) and two city administrations - Addis Ababa and Dire-Dawa. The regions are divided into zones, Woredas /urban administrations and kebeles. The two city administrations of Addis Ababa and Dire-Dawa have different structures and are considered the equivalent of regions..

The Woredas and urban administrations are considered the key level of local government units in each region, with significant responsibility for priority basic services. The average woreda population is around 100,000. The local government (LG) landscape follows similar patterns in the different regions. There are 197 LGs (167 rural woredas and 20 urban administrations) in Oromia, 123 (104 rural woredas and 19 urban administrations) in Southern, 116 (104 rural woredas and 12 urban administrations) in Amhara, and 46 (34 rural woredas and 12 urban administrations) in Tigray.



Each level of governance shown above, except kebeles, has a tripartite structure of: Council / Executive cabinet / sector bureaus (offices).

*Zones* do not have councils except in Southern and three nationality zones in Amhara. In most regions in Ethiopia, zones have become deconcentrated arms of regional government over the past two years<sup>1</sup>.

*Each region has at its apex a regional council*, with regional council members directly elected to represent each *woreda*. Councils have legislative and executive authority to direct the internal affairs of levels of structure under their jurisdiction. The administrative functions are executed through regional bureaus, structured on a sector basis. In each region, a cabinet, under a regional president, performs the political executive role. The above regions have city proclamations and other local government legislation, but all are also in the process of updating this to deal with the decentralization situation.

The role of regions and zones in relation to local governments (*woredas and urban administrations*) varies from region to region.

**Woreda Administrations:** The tripartite structure of council, executive committee and sector bureaus is replicated at the *woreda* level. *Woredas* councils consist of directly elected representatives from each *kebele* in a *woreda*. The *woreda* councils have dual accountability; upward to regional cabinet/council, and downward to its electorate. *Woreda* cabinet consists of around a dozen members, drawn from elected representatives and sector office chiefs.

The main constitutional powers and duties of the *woreda* council and its executive are:

- (i) Preparing and approving the annual *woreda* development plans and budgets and monitoring their implementation;
- (ii) Collect and use local taxes and levies (principally land use tax, agricultural income tax, sales taxes, and user fees); remitting a portion of the local tax take to the zone;
- (iii) Administering the fiscal resources available to the *woreda* (own source and transfers);
- (iv) Constructing and maintaining low-grade rural tracks, water points, and *woreda*-level administrative infrastructure (offices, houses);
- (v) Administering primary schools and health institutions;
- (vi) Managing agricultural development activities, and protecting natural resources.

**Urban Administrations** have the same status as *woredas*. State functions include health, education, agricultural services; municipal functions include:

- (i) Preparation, approval and implementation of development plans
- (ii) Assessment and collection of allowable municipal revenues
- (iii) Provision of internal roads and bridges
- (iv) Provision of markets, slaughter houses, terminals, public gardens, recreational areas, and other public facilities
- (v) Regulation of cleanliness and provision of solid waste, water, sewerage, and drainage services
- (vi) Urban land management and services
- (vii) Delivery of miscellaneous services, including fire protection, libraries, public toilets, street lighting, nursery schools, and ambulance services.

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<sup>1</sup> The governance structures in the **zones** vary -- in Southern Nations, zones (and special *woredas* such as Konso) elect councils, which form executive committees; in Tigray, Amhara and Oromiya there are no such elected councils, with the exception of three nationality zones in Amhara. Some sector bureaus have offices at the zonal level.

In addition to the 63 urban administrations, there are 863 municipalities/towns. These municipalities are under the jurisdiction of woredas and generally carry out municipal functions. It is expected that an increasing number of municipalities will seek to graduate to become Urban Administrations in the future.

**Kebele Administrations:** The kebeles (village areas with an average population of 5000) do not enjoy the same constitutional formality as regions and LGs. kebele administrations again consist of an elected kebele council (in principle 100 members), a kebele executive committee of 5-7 citizens, and a social court.

The kebele council and Executive committee's main responsibilities are:

- (i) Preparing an annual kebele development plan;
- (ii) Ensuring the collection of land and agricultural income tax;
- (iii) Organizing local labor and in-kind contributions to development activities;
- (iv) Resolving conflicts within the community through the social courts.

The local government (LG) landscape follows similar patterns in the different regions. Rural woredas and Urban Local Government Administrations (ULGAs) are the local governments units in each region, with significant responsibility for priority basic services.

## **2.2. Roles and Responsibilities of Organizations**

### **Ministry of Finance and Economic Development**

The Ministry of Finance and Economic Development is the Implementing Agency for the PBS program, given its overall responsibility for supporting financial flows from the federal to more decentralized levels and for ensuring that public financial management systems work smoothly. Within MOFED, the Channel One Programs Coordinating Unit (COPCU) is responsible for coordinating daily PBS activities across the basic service ministries, government bodies and sub-national government entities and for ensuring timely implementation of program activities and satisfactory achievement of program goals and objectives.

**MoFED's responsibilities will also include:**

- In line with agreed fiscal transfer formulas, transferring block grants including Sub-Program A Part A1 resources for basic services to regional governments, ensuring effective financial management, timely reporting, and compliance with fiduciary requirements;
- Liaising with other implementing agencies and development partners for technical assistance as may be necessary;
- Monitoring and reporting on expenditure use in targeted PBS sectors including improvements and results achieved in basic services delivery;
- From the Government's side, leading and coordinating dialogue during the semi-annual JBAR/JRIS reviews;
- Ensuring the timely execution of audits;
- Ensuring the timely fulfillment of dated covenants, requirements and agreed actions for the PBS Program; and
- Supporting an enabling environment for greater transparency and social accountability regarding public funds and decentralized basic services delivery.

MoFED will collaborate with its directorates to ensure timely implementation of program activities. MoFED's Channel One Programs Coordinating Unit (COPCU) will manage the day-to-day implementation

of program activities, and report on overall progress with implementation and achievements. Channel One Programs Coordinating unit currently organized into four sections. These are: PBS section, Procurement Section, PSNP section and Other Channel One programs section. All sections have a Coordinator and the necessary professional staff except procurement section. MoFED will assign or recruit a qualified and experienced Procurement Specialist who can lead and coordinate the procurement activities in COPCU.

At the regional level, *Bureaus of Finance and Economic Development (BoFED)* will have similar responsibilities at the regional level as those of MoFED at the Federal level, and in addition their responsibilities will include:

- Implementing PFM activities
- Receiving financial reports from WoFED, consolidating them and sending to MoFED;
- Mobilizing technical support from other line agencies as needed;
- Reviewing and consolidating progress reports from local governments;
- Contribute to enhancing public financial transparency and social accountability activities at the regional and woreda levels;
- Implementing FTA activities including the FTA tools, and all other FTA associated activities;
- Overseeing, liaising with, and supporting, woreda administrations' (WoFEDs) in their efforts to implement the PFM & FTA activities at the woreda and kebele levels; and
- When the need arises, and subject to the effectiveness and capacity of government and administrative structures, relevant stakeholders (e.g. community associations) will be used to support implementation and monitoring use of the FTA tools. Such collaboration could take the form of contractual agreements with BoFEDs/WoFEDs to deliver particular services, e.g. training or monitoring.

At local level, the *woreda Finance and Economic Development Offices (WoFED) and Urban Administration Offices of Finance* will have similar responsibilities as those of the BoFEDs but at the local level, and they will also be in charge of:

- Managing and coordinating the day-to-day implementation of PFM & FTA-related activities.
- Undertaking regular M and E and coordination with woreda sector offices;
- Operational tasks such as planning, supervision, and financial management;
- Submitting consolidated monthly reports, including monthly reconciliation of expenditures to BoFED;
- Reporting on a monthly basis on the actual use of block grants including basic services sub-program resources at local level, including overall performance in relation to service delivery targets;
- Enhancing public financial transparency, and collaborating in social accountability initiatives at local level; and

## **Regional, Woreda and Kebele Councils**

Councils at regional, woreda and kebele levels will review and approve annual development plans and budgets, participate in period reviews of progress towards budget executions and related improvements in basic services delivery, facilitate information sharing, and harness greater involvement of citizens in the planning, budgeting, and management of delivering basic services

## **Office of the Federal Auditor General**

Consistent with its constitutional and legal mandate, the Office of the Federal Auditor General (OFAG) will audit the use of all funds provided via the PBS Program through the government's public financial systems. OFAG will also undertake an enhanced continuous audit of regions' use of funds and the timeliness and accuracy of reporting. These reports will be conducted in accordance with Government of Ethiopia audit standards, INTOSAI Auditing Standards and relevant World Bank guidelines.

## **Federal Public Procurement and Property Administration Agency (FPPPA)**

Consistent with their legal mandates, the Federal Public Procurement & Property Administration Agency (FPPPA) will inspect and audit procurement processes of the procuring entities in their areas of jurisdiction. The FPPPA will in their reports specifically report on instances where procuring entities have not followed the procurement rules using PBS funds. The federal PPA will also have project implementation responsibilities to champion the procurement reform activities including the responsibility of managing the procurement system strengthening activities and the respective budget as stipulated in the PAD, POM and procurement plan. The Federal PPA and Regional PPAs would be further strengthened.

## **Other Key Line Ministries and Agencies**

Key line ministries and their respective regional sector bureaus and *woreda* sector offices will provide guidance and/or technical assistance to support the effective planning, management and delivery of basic services, and support the implementation of financial transparency and accountability program activities. These include, inter alia, the Ministries of Education; Agriculture, Water & Energy ; Ethiopian Roads Authority and Regional/Rural Roads Authorities; and the Central Statistics Authority (CSA).

Responsibilities of regional sector bureaus include (i) providing technical assistance to regional and *woreda* sector offices to ensure effective planning, management and monitoring of service delivery, including collaborating in the implementation of PBS transparency and social accountability activities; (ii) undertaking periodic reviews of improvements in service delivery; and (iii) facilitating regular public dissemination of service facility-related information. Local sector offices' responsibilities are similar to those of regional sector bureaus.

## **2.3. Role of Partners**

PBS 2 includes 10 other DPs, and PBS 3 is expected to include up to 8 DPs.<sup>2</sup> As such, other Development Partners will continue to play a significant role in supporting the program. To support and strengthen the ongoing success of the PBS program, DPs established the PBS Secretariat at the outset of PBS 1, the role of which was further elaborated and formalized at the beginning of PBS 2 in May 2009. The Secretariat is housed at the Ethiopia World Bank Country Office; its staff costs, operational expenses, and activities are supported through donor contributions to a Bank-executed MDTF.

Since October 2010, the PBS Secretariat has benefitted from stronger management with a clearer strategic focus. Through its work, the Secretariat has demonstrated its central role in strengthening the client orientation of the PBS program as well as building and reinforcing the partnership across DPs and between DPs and the Client that has been critical the program's success. Consequently, the PBS Project

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<sup>2</sup> In addition to IDA, confirmed DPs for PBS 3 are the African Development Bank, DFID, the European Union, and Italy. Three other agencies have expressed tentative interest, but confirmation must await the approval of new country strategies.

has served as an example of aid and development effectiveness.<sup>3</sup> As such, all PBS Donors (led by the Project's largest supporters: the World Bank, DFID, the African Development Bank, and the European Union) have stressed the importance of making the Secretariat a central element of PBS 3 implementation support and development partner coordination. This same point was made in the review of PBS 1 and 2 commissioned on behalf of all Project donors by the European Union<sup>4</sup> as well as other assessments of the PBS Project.<sup>5</sup>

The Secretariat's effectiveness has grown significantly during the course of PBS 2. The Secretariat has improved donor coordination, harmonization, alignment, and analysis related to the PBS program. In addition to providing technical assistance to the Client, it also provides the core analytical work behind the Additionality and Fairness Tests and other analytical pieces to inform the dialogue between DPs and the Government. Given anticipated needs and changes under PBS 3, the group agreed to three key objectives for the Secretariat:

- a. **To sustain and improve all partners' understanding on the effectiveness, efficiency, and management of block grant resources.** An essential role for the Secretariat is to provide technical analysis and inputs to inform the application of the program's Core Principles. This includes: providing ongoing analytical work to inform the application of the Additionality and Fairness Tests; sector-level public expenditure analysis; technical work related to the proposed Reviews for PBS 3; strengthened links across program elements; as well as ongoing customized training/support on procurement, auditing and financial reporting.
- b. **To contribute to an improved understanding of the PBS program's sectoral impact.** The Secretariat will build on and expand its existing efforts to strengthen links to the relevant sector-specific programs and dialogue fora. Supported with analytic and diagnostic work (e.g., review of sector performance linked to expenditure analysis), it is expected that, over time, this will contribute to a stronger appreciation of the specific and differential impacts the PBS program is having in the five basic service sectors.
- c. **To provide effective administration and logistical coordination in support of improved dialogue and supervision.** This includes making arrangements for the semi-annual JRIS missions, pre-JRIS field missions, as well as added events and workshops as necessary.

Through the program trust fund, PBS DPs will ensure that the Secretariat has the necessary financial resources to fulfill its mandate. The Secretariat will maintain its annual work planning and annual reporting exercise(s) which provide DPs and the Secretariat management with the tools necessary to provide oversight of and strategic direction to the Secretariat's work while remaining flexible and sensitive to new opportunities and challenges as they arise.

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<sup>3</sup> The PBS Project was featured at the World Bank's 2011 Showcase on Aid Effectiveness as well as the Knowledge and Innovation Space at the 4<sup>th</sup> High-Level Forum on Aid Effectiveness at Busan, South Korea. Relevant documents can be found at: [www.africa-platform.org](http://www.africa-platform.org) (search for "Ethiopia").

<sup>4</sup> ECORYS (Stephen Lister et al.), *Ethiopia: Multi-Annual Review of PBS Programme – Final Report*, 2012.

<sup>5</sup> DFID, *Understanding VfM in the Protection of Basic Services Programme*, 2012.

## **SECTION III**

### **FINANCIAL MANAGEMENT AND DISBURSEMENT ARRANGEMENT**

#### **3.1. Financial Management Implementing Entities**

For Sub-program A and B with the exception of Sub-program B1b, MoFED/COPCU will be responsible for FM. For Sub-program B.1.b. which is Ethiopia Social Accountability Program (ESAP) follows similar arrangements as depicted under PBS II with the Management agent (MA) selected under PBS II being responsible for FM. If there is a need to select a new MA, then a new FM assessment will be conducted. For Sub-Program C - The detailed financial management arrangements including responsibility for FM will be clarified when the design is completed and Operating Manual is prepared.

#### **3.2. Budgeting**

The Ethiopian budget system reflects the fiscal decentralization structure of government. The budget is processed at federal, regional, zonal (in some regions), Woreda and municipality levels. The federal budgeting process usually starts by issuing the budget preparation note to the Budgetary Institutions (BIs). Based on the budget manual, the BIs prepare their budgets in line with the budget ceilings and submit these to MoFED within six weeks following the budget call. The budgets are reviewed at first by MoFED and then by the Council of Ministers. The final recommended draft federal budget is sent to parliament in early June and is expected to be cleared at the latest by the end of the Ethiopian Fiscal Year (EFY). Regional governments will receive funds of this project along with the government's portion as Block Grant subsidies which they will in turn allocate to woredas along with their own resources.

The Government's chart of account will accommodate expenditures for this program as was the case for phases I and II of PBS. There is a line item in the Government's functional classification of budget used by both MoFED and BoFED when transferring funds. Actual expenditures incurred on the basic services included in the PBS Program can also be identified to specific account/budget codes/line items in the Government's functional classification. For Sub-program B – MOFED (Government Accounts Directorate/COPCU) will assign or map specific account/budget codes from the government's chart of accounts so that expenditures are easily and consistently budgeted and accounted for under these codes.

Government of Ethiopia (GOE) and DPs will agree on the annual budgets and work plans for the sub-programs for implementation in the year in question.

MoFED, following government budget processes, will budget for activities whose implementation responsibility lies with MoFED. It will collect inputs from other implementing entities. The annual budget will be included in the annual budget proclamations of MoFED.

For Budget monitoring aspects, monthly reports are sent from reporting units (Federal BIs) to MoFED within 15 days from the end of the month. The system also requires monthly reports to be submitted from zones and WOFEDs to BoFEDs. This report includes budget monitoring-where a budget utilization report is prepared by each implementing entity to their respective management for activities that are under their responsibility. This will also continue for PBS 3. In addition, quarterly Interim Financial Reports sent to the DPs will also incorporate budget monitoring reports where actual performances will be compared with Budget and explanations will be provided for significant or major variances.

Budget monitoring and control is an area of weakness observed in the current phases of PBS especially for sub-program C1& D and Sub-program B. There is insufficient level of monitoring budget utilization at systemic level for project funds. Budget as a management tool should be improved by the project and that budgetary control should be adopted through regular analysis of variances between actual and

budgeted expenditures, both for the current FY and cumulatively for the project life. Variances should be explained and reported to management for necessary corrective actions.

### 3.3. Accounting Policies, Systems and Procedures

Accounting for all Sub-programs will be governed by respective government accounting policies and procedures. The Ethiopian government uses a double entry modified cash basis of accounting since 2002. The double entry reform has been implemented at the federal level and in regions.

The computerized Integrated Budget and Expenditure (IBEX) accounting system is operational at the federal level and most regions and continues to be rolled out where absent. In most Woredas where IBEX is not installed, a manual accounting system is in place.

**For Sub-programs B**, the Government's accounting policies and procedures will be used for all except for Sub-program B1b. The Chart of Accounts will accommodate the expenditures of the activities. MoFED will assign specific account/budget codes in the government's functional classifications for this Sub-program's activities. MoFED will be the accounting center for expenditures that may be incurred at MoFED level. It will also consolidate financial reports and budget utilization reports. It will submit IFRs to the Bank. Each implementing entity will account for expenditures incurred at their entity, retain documentation and submit financial reports to MoFED for consolidation. **For Sub-program B1b**, a selected Management Agent will ensure an appropriate set of accounting arrangements are in place. **For Sub-program C**- The detail accounting arrangements will be clarified when the design is completed and Operating Manual is prepared.

COPCU is manned with staff to undertake the financial management functions of the program at Federal level. A PBS FM team involving about seven staff is currently in place at COPCU. Responsibility and roles are clearly laid out for the staff. Regional channel one coordinators are recruited to strengthen regional follow ups. The current FM staffing level at the MoFED/COPCU will not be sufficient to handle the follow up and accounting and reporting duties and hence agreement is reached to recruit four senior accountant within four months after effectiveness of the project and these accountants will strengthen COPCU's capacity to follow up regions and implementing entities, to prepare reports, to follow up the whole continuous audit process. There are also accountants at regional/woreda level financed by PBS.

### 3.4. Internal Control and Internal Auditing

The PBS will use government financial management systems and procedures (except for Sub-program B1b and Sub-program C). These procedures are expected to be adequate to ensure that satisfactory internal controls are in place. **For Sub-program B1b**-A selected Management Agent will ensure an appropriate set of internal controls are in place which will be written into a governing financial management manual. **For Sub-program C**- The detailed internal control arrangements will be clarified when the design is completed and Operating Manual is prepared.

MoFED and BoFEDs each have Inspection Departments whose mandate includes ensuring good quality of internal audits at the Ministries at Federal level and Sector bureaus at region level, following up on the audit recommendations noted by internal audit reports at different Ministries at Federal level and Sector bureaus at region level, providing training and improving manuals.

Each public body has internal audit units performing post audits on all financial transactions of the entity, involving an assessment of whether the budget utilization is in line with the intended purposes and it is envisaged that staff of internal audit in the respective bodies and levels will include internal audit of the project in their annual program.

Internal audit reforms are being undertaken within government particularly at woreda level. In the meantime, it was agreed to recruit 2 internal auditors at MoFED and 1 internal auditor at BoFEDs of each of the following regions: i.e. for Tigray, Amhara, SNNPR, Oromia, Benishangul Gumuz, Gambella, Somali, and Afar. Their primary role is to support the program, and COPCU in following up on audit findings

(continuous and financial audit findings, i.e as to whether audit findings are really being addressed by woredas and regions and others). The recruitment of auditors will be finalized four months after effectiveness and their ToR will be prepared within one month after effectiveness. Owing to previous problems relating to cash advances, it is expected that internal audit shall follow up on all advances that are more than six months old in certifying the existence of the funds and related accountability. Using data of employees per woreda benefitting from the program, internal audit of woredas shall undertake periodic spot checks.

### **3.5. Funds Flow and Disbursement Arrangements**

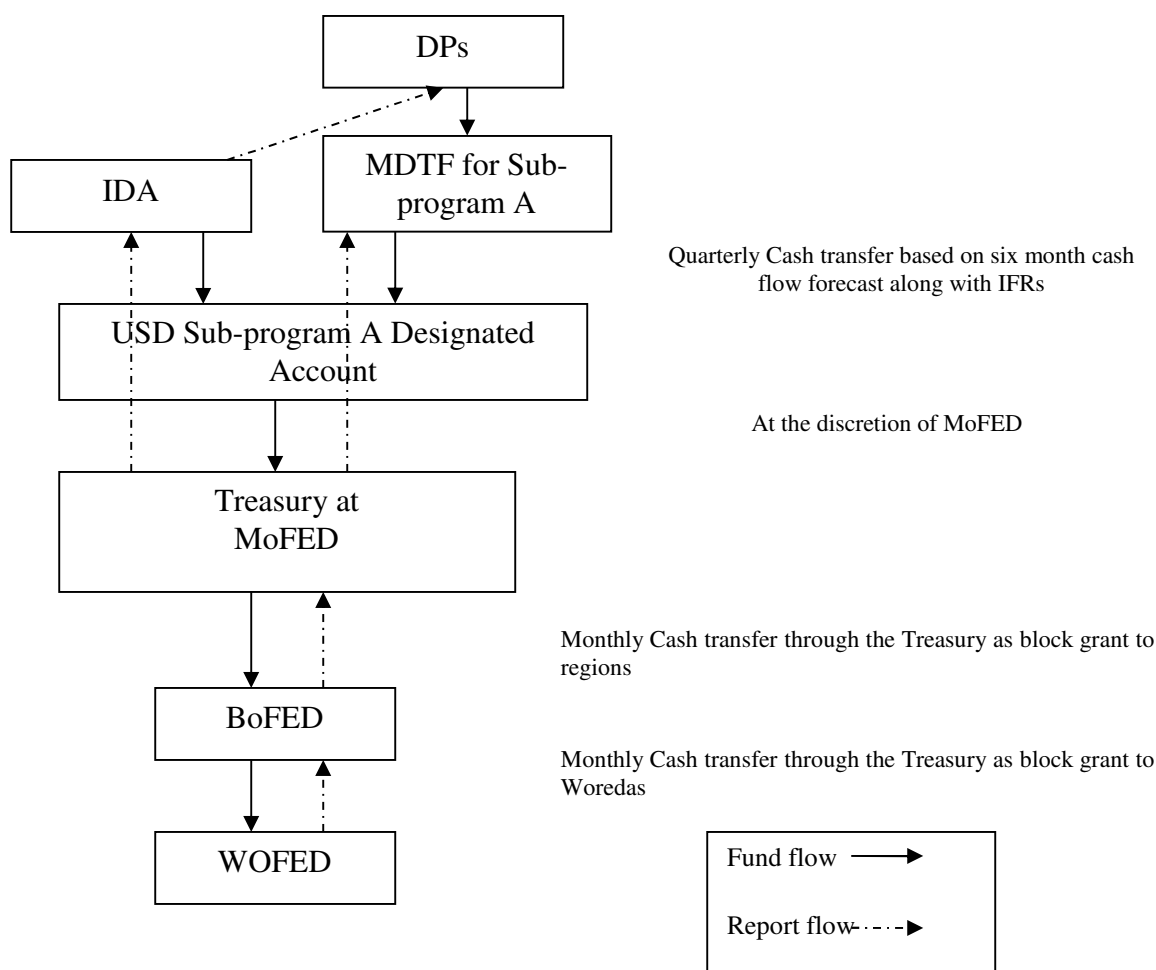
The IDA funds will be channeled to the respective Pooled Designated Accounts (DAs) opened at National Bank of Ethiopia (NBE) and managed by MoFED as outlined below. Two pooled designated accounts will be opened, one for Sub-program A and one for Sub-program B (excluding Sub-program B1b). Report based disbursements using IFRs will be the basis for disbursements to the DAs (i.e., for Sub-program A and Sub-program B excluding Sub-program B1b). IDA will deposit an initial advance to the DA based on the MoFED's application and work program complemented by its cash forecast. MoFED will use the DA to finance eligible expenditures under the project in both foreign and local currencies, and then claim for replenishment of the DA. MoFED may also use the other disbursement methods i.e, reimbursement, direct payments and special commitment as appropriate.

#### **Sub-program A: Basic Service Block Grants**

After the initial advance, for both IDA and MDTF funds, the Government will in each quarter submit a Withdrawal Application along with Interim (Unaudited) Financial Reports (IFRs) that is prepared on the basis of expenditures (not transfers).

Sub-program A finances recurrent expenditures (salaries and operating costs) in the existing five basic service sectors, namely education, health, agriculture, water, and rural roads at local levels. IDA and DP funds are combined with Government's own resources and distributed to regional and local governments through Federal Block Grant transfers. As with PBS II, sub-national delivery of basic services would constitute "the Program" with two financing modalities: (i) only recurrent expenditures (salaries, operations and maintenance) in these service sectors will be eligible for financing from pooled PBS donor and Government own-revenue sources, and (ii) sub-national capital expenditures in the basic service sectors would be financed exclusively from Government sources. Thus, pooled PBS donor funding will only finance recurrent expenditures in the basic service sectors, while Government own revenues will finance both recurrent as well as capital expenditures (in the basic service sectors), with both types of funding going down to sub-national governments via the block grants. Reporting on expenditures for PBS 3 will only be for the recurrent expenditures as there will not be Local investment Grants/capital expenditures (which is different from the previous phases of PBS). The eligible expenditures shall be indicated in the Financing agreements.

The following chart illustrates the funds flow for Sub-program A. As described above, Sub-program A will follow the report-based method of disbursement using a designated account.



MoFED will open a Pooled Designated Account for Sub-program A denominated in US Dollars in the National Bank of Ethiopia on terms and conditions acceptable to IDA. Funds from the IDA and MDTF will flow into this Designated Pooled Account and from this USD account will they will flow to the treasury account maintained in ETB. MoFED will manage the USD and the treasury accounts.

The treasury in ETB will disburse and finance all eligible project expenditures at the respective offices involved in the project. MoFED will transfer funds to other implementing agencies (Regions and Woredas) from the treasury as part of the block grant to regions. The authorized amount of the Designated Account will be forecast expenditures for the next 6 months.

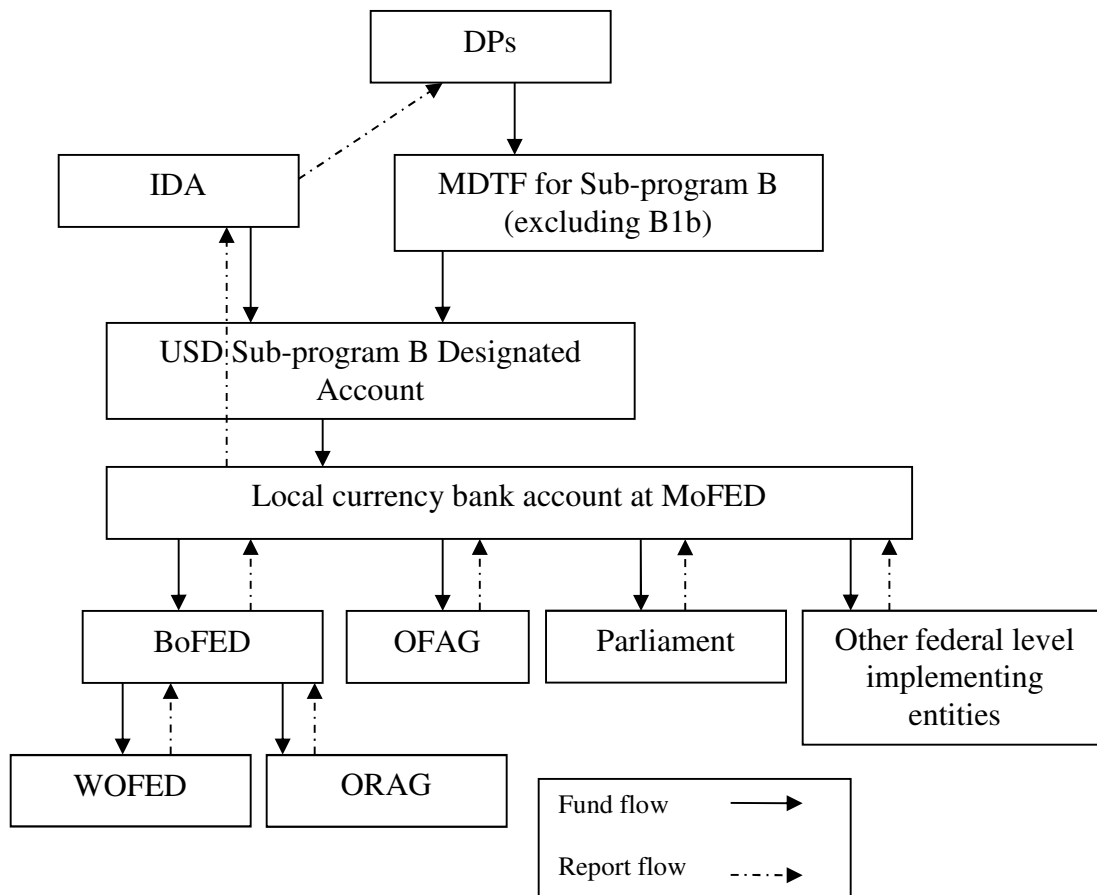
As the project will use report based disbursement, Funds will be advanced into the Pooled Designated Account based on forecasts of expenditures. Funds of the project co-mingled with treasury funds will be disbursed to BoFEDs from MoFED on a monthly basis based on cash flow plans and the Block grant formulas. In the same manner, BoFEDs will transfer to WOFEDs on a monthly basis to finance eligible expenditures. Each quarter, MoFED will prepare the IFRs for expenditures incurred at all levels based on a format agreed with the Bank. The IFRs will be submitted to the Bank along with the authorized withdrawal application based on a projected cash flow needs. Assurance that the funds to Woredas are appropriately used for the intended purposes will be sought from the continuous audits, OFAG/ORAGs regular annual audits and Bank supervision. The Bank will retain its standard remedies for suspension, cancellation and refund. Also, the usual remedies for ineligible expenditures will apply to any misuse of funds.

### Sub-program B<sup>6</sup>

After the initial advance into the sub-program's Designated Account (for Sub-program B) MoFED will submit to the Bank on a quarterly basis a Withdrawal Application and an IFR prepared for **actual expenditures** that includes cash forecast required for the next six months. The initial advance will be the equivalent of six months budget/forecast.

The Bank in its own capacity and on behalf of other DPs for Bank-administered Multi-donor Trust Funds (MDTFs) will then deposit a share of financing to a Designated Pooled USD Account that GOE has designated for that purpose in the National Bank of Ethiopia.

MoFED will then draw resources from this designated account to its pooled local currency bank account. MoFED will use the funds for activities under its control and disburse as appropriate to federal level implementers (like CSA, OFAG, etc) and BoFEDs. BoFED will then disburse to regional implementing entities (like Woredas, ORAGs, etc) for the project purposes. The following chart illustrates the funds flow system:

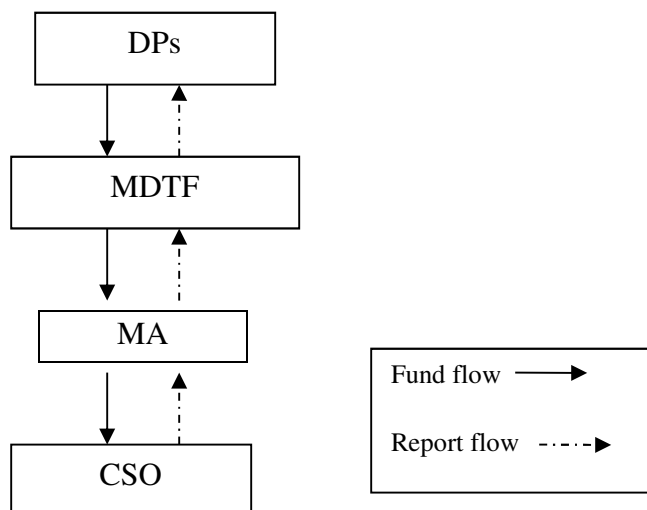


The project will follow advances method using designated accounts as above. It can also follow one or a combination of the reimbursement, direct payment, and Special Commitment methods.

<sup>6</sup> This is excluding Sub-program B1b (which is *Ethiopia Social Accountability Program (ESAP)* being managed by a Management Agent).

### **For Sub-program B1b-ESAP**

The FM Manual will reflect the respective fund flow arrangements. The following chart illustrates the funds flow system for Sub-program B1b:



### **For Sub-program C-Result Enhancement Fund:**

The detailed fund flow arrangements will be clarified when the design is completed and Operating Manual is prepared.

## **3.6. Financial Reporting Arrangements**

MoFED will submit two quarterly consolidated unaudited interim financial report (IFR) prepared on the basis of actual expenditures one for Sub-program A within **90** days of end of the quarter and one for Sub-program B (excluding sub-program B1b, which is ESAP) within **75** days of end of the quarter. The formats of these IFRs were agreed at Negotiations and will be produced from the existing government accounting system. At minimum the respective IFRs for each sub-program will include the following: The IFR will include: (a) a Statement of sources and uses of funds, opening and closing balances for the quarter and cumulative; (b) Statement of uses of funds that shows actual expenditures. These are appropriately classified by main project activities (categories, components and sub-components). They will also include an actual versus budget comparisons for the quarter and cumulative; (c) a Statement of cash forecast/ requirement- for six months (d) Notes and explanations (e) a statement on the movement of project's Designated Account including opening and closing balances and the movements (inflows and outflows). (f) Other supporting schedules and documents as needed. It is also expected that quarterly IFRs shall also contain narration of status of implementation of big issues noted in previous fiscal year management letters. While good improvements were observed in delivering IFRs on time, a lot of effort is needed to improve on the quality of the submitted IFRs. The annual financial statements will include among other issues similar format as the quarterly reports. The annual financial statements do not need to include Statement of cash forecast. It is expected that woredas and regions shall prepare their reports for consolidation from updated ledgers maintained at such levels. Heads of WOFEDs and BOFEDs sign off on monthly reports being submitted for consolidation.

### **Sub-program A**

For Sub-program A BSG, PBS donor funding would only finance recurrent expenditures in the basic service sectors, while Government own revenues would finance both recurrent and capital expenditures (in the basic service sectors), with both types of funding going down to sub-national governments via the block grants. The eligible expenditures would include salary and other recurrent/operating costs.

### **Sub-program B (excluding B1b)**

CSA, OFAG and other federal level implementing agency will submit monthly financial reports to MoFED based on government reporting forms and deadlines. BoFED in respect of its own and the reports of WOFED, ORAG and other regional implementing agency will submit monthly/quarterly financial reports to MoFED based on government reporting forms and deadlines. The COPCU within MoFED will consolidate the reports received with expenditures at MoFED level and will produce the IFR for Sub-program B and submit it to the Bank and DPs.

### **Component B1b- ESAP- by a Management Agent**

The Management Agent of the ESAP will prepare and submit an IFR 45 days from the end of the quarter. The IFR will include all contents outlined above at minimum.

### **Sub-program C – Results Enhancement Fund**

The detailed reporting arrangements will be clarified when the design is completed and Operating Manual is prepared.

## **3.7. Auditing**

MoFED will be responsible for having the financial statements audited annually and submitting the audit report (audited annual project financial statements and Management letter). Annual audited financial statements of this project will be submitted to the World Bank and other DPs within **six months** of the end of the government fiscal year (one audit report for all sub-programs excluding Sub-program B1b). The audit will be carried out by an auditor<sup>7</sup> acceptable to the Bank. All Audit ToRs were agreed at Negotiation. The auditors will be appointed within six months of effectiveness. The auditor will express an opinion on the project financial statements.. The auditor will also issue a Management letter highlighting internal control, compliance and other weaknesses. OFAG and ORAGs will receive funds under Sub-program B. The management letter should clearly state the observed issues, amount involved, what the possible risk could be, client response to the issues and conclude with a clear recommendation to be undertaken. The external auditor to be assigned for the whole PBS will audit the activities of recipients including OFAG and ORAGs. If OFAG is the auditor of PBS then, measures will be taken to select an independent auditor to audit the sub component being implemented by OFAG.

There will be continuous (interim) audit arrangements for Sub-program A which will be continued by OFAG. The TOR will include primarily the following issues:-incorporate (i) the need for robust sampling techniques; (ii) examination of systems and controls; (iii) testing of a sample financial transactions selected on the basis of the auditor's evaluation of internal controls; (iv) ensure that funds are reaching

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7 According to the Ethiopian Constitution, the Office of the Federal Auditor General (OFAG) is responsible for auditing all the financial transactions of the federal government as well as subsidies to the regions. OFAG has regional offices. Each of the regions has a Regional Auditor General, who is responsible for the audit of government financial transactions in the region

woredas on a timely manner; (v) based on data submitted by MOFED, stating the woredas, the number of employees and total wage bill per woreda, verifications of existence of the woreda level employees for which salaries is being financed by PBS and that the services financed by the program are indeed being provided; and (vi) provide an opinion as to whether funds are being used for the intended purposes. Reports (summary of findings) of this continuous audit will be submitted, on a quarterly basis, to IDA and DPs within **60** days of the end of the quarter. The auditor will use, among other tools, the results of the continuous (interim) audit in forming an opinion on the Project Financial Statements. The auditor will plan and perform the continuous (interim) audit in such a manner that it will add value and reduce the time it takes to produce the final Audit report. There will be adequate mechanisms to follow up on the findings of the continuous audit reports by the government by the Bank and other DPs. Continuous Audit ToRs were agreed at negotiation. In as far as coverage is concerned, it is expected that the auditor will strive to audit a minimum of 32 percent of expenditures for the first year and a higher percentage for the later years.

Owing to lack of sustained actions taken on previous fiscal year management letters, and low coverage on woredas and regions audited annually, MOFED shall share with the donor a progress report of actions undertaken on previous annual management letters six months after each fiscal year. Further, MOFED is also expected to form own teams that shall follow up on the implementation of recommendations in collaboration with Regional channel-one coordinators.

For Sub-program B1b-ESAP- The Management agent will be responsible for the audit and will have the financial statements of ESAP audited annually and submitting the audit report (audited annual project financial statements and Management letter). Annual audited financial statements of this project will be submitted to the World Bank and other DPs within six months of the end of the fiscal year of the Management Agent. Audit ToRs will be agreed when agreement is signed with the Management agent.

For Sub-program C – the detailed audit arrangements will be clarified when the design is completed and Operating Manual is prepared.

### **3.8. Supervision Plan for Sub-programs**

As the overall FM risk rating of the program is substantial and that the program is implemented by all the regions and Woredas, supervision of project financial management will be undertaken more than twice a year. The supervision will review the projects financial management systems including but not limited to operation of designated account, evaluating quality of budgets, project financial management reports, assessing relevance of financial management manual, statements of expenditures, internal controls, reporting and follow up of audit and mission findings. The review will also conduct random reviews of financial statements, compliance with covenants. The financial management supervision will be conducted by IDA's financial management specialist staff and at times assisted by consultants. At each time of supervision, the projects financial management risks of the project will be assessed and influence the frequency of supervision. There will be a comprehensive supervision in each year, which shall be conducted before a JRIS. To enhance such supervision, it is expected that MOFED and DPs will periodically send out teams to check on key issues pertaining to financial management. The supervision may also be performed jointly with other donors. Such efforts will be further supplemented by periodic in depth reviews to be undertaken once every year. Based on supervision result, the risk will be re-assessed and the frequency of supervision recalibrated.

In addition to the above, the progress of the FM will be monitored on a regular basis. For this purpose an FM task force team is established at MoFED level to follow up on the progress of the FM tasks. The TOR for the team is attached to this POM. The Joint Review and Implementation Support (JRIS) and the Joint Budget and Aid Review (JBAR) which are conducted every six months are tools to monitor the overall performance of the program. The field-based Supervision Missions which are conducted ahead of every JRIS meeting are very instrumental in monitoring and evaluating the program.

**Table 4**  
**FINANCIAL MANAGEMENT ACTION PLAN**

<b>Actions</b>	<b>Responsibility</b>	<b>Completed by</b>
<b>Staffing</b>		
Recruitment of financial staff at: <ul style="list-style-type: none"> <li>• MoFED- COPCU – four senior accountants</li> <li>• MoFED- COPCU – 2 internal auditors MoFED</li> <li>• BoFEDs- one internal auditor at BoFEDs for each of the following regions: i.e. for Tigray, Amhara, SNNPR, Oromia, Benshangul Gumuz, Gambella, Somali, and Afar</li> </ul>	MoFED/Regions	Within 4 months after effectiveness
<b>Staff Training</b>		
Training on budget monitoring, accounting and internal controls regulations and practices will be conducted	MoFED	Ongoing
<b>Chart of Account (Budget Code) mapping</b>		
For Sub-program B activities – Government Accounts directorate will work with COPCU to assign specific account/ budget codes from the Government’s chart of accounts so that expenditures are easily and consistently budgeted and accounted for under these codes	MOFED – COPCU and GAD	Within 2 months of effectiveness
<b>Internal Audit</b>		
Internal Audit at MoFED and Regions will review if audit findings are being addressed	MoFED	Ongoing
<b>Interim Financial Reports</b>		
-Training on IFR preparation will be conducted to regions	MoFED/ COPCU	Ongoing
<b>Audit Arrangements</b>		
- The auditors will be appointed within 6 months of effectiveness. -Strengthen MoFED and Regions on review & follow up of audit findings	- MoFED/ OFAG  -MoFED	- Within 6 months after effectiveness  -Ongoing

### 3.9. Financial Covenants for Sub-programs

#### For MoFED-

- IFR-For Sub-program A, being implemented through MoFED, IFRs will be prepared on a quarterly basis, and will be submitted to the Bank and other DPs within 90 days after the end of each quarter. For Sub-program B being implemented through MoFED, IFRs will be prepared on a quarterly basis, and will be submitted to the Bank and other DPs within 75 days after the end of each quarter.
- Audit-An Annual audited financial statements to be submitted to the Bank and other DPs within six months after the end of the government fiscal year. For Sub-program A, OFAG will audit, on a continuous basis, samples of regions and Woredas that have received funds under the program to ensure that funds are used for the purposes intended. MoFED will cause OFAG to audit these regions and Woredas on a quarterly basis and provide the Bank with quarterly summaries, of audit findings within 60 days of the end of each quarter
- A progress report on actions taken on previous management letter six months after the due date of the audit report, which will be shared with the project auditors to vet or check during their annual audit.

### **For a Management Agent-**

- For Sub-program B1b being implemented through a management agent, the IFR will be prepared on a quarterly basis, and will be submitted to the Bank and other DPs within 45 days after the end of each quarter.
- Audit-A Annual audited financial statements to be submitted to the Bank and other DPs within six months after the end of the fiscal year of the Management Agent

## **3.10. Governance and Accountability Framework**

Measures to tackle fraud and accountability aspects within the program, should they arise will follow GOE systems set up to fight the scourge. The GOE established the Federal Ethics and Anti-corruption Commission of Ethiopia (FEACC) in May 2001 to tackle corruption and impropriety before it becomes rampant and widespread. Its objectives are (a) to strive to create an aware society where corruption will not be condoned (b) in cooperation with relevant bodies, to prevent corruption offences and other improprieties (c) expose, investigate and prosecute corruption offences and improprieties. MoFED and most of public bodies have an Anti-corruption Officers who have the responsibility of acting on suspected incidents of fraud, waste, or misuse of project resources or property. Employees of the ministry are advised to raise any governance and anti-corruption concerns with this officer as part of the programs complaint handling mechanism. It is divided into five departments some of which are responsible for investigation and corruption prevention. FEACC has also established offices at regional level to receive complaints from citizens. Whistle blowers can present their complaints about alleged corruption offences, ethical infringements and improprieties in person, on telephone, through e-mail, on fax and through post office. Their identity can be withheld upon request.

Recently, GOE has passed the “Whistle Blowers and Witness Protection” Proclamation. Measures included within the operation to address GAC issues include: (A) a Citizens Engagement Component B1 that includes a large nationwide effort to promote greater financial transparency and accountability(FTA), a complementary Social Accountability sub-component to promote opportunities for civil society to interact with the more transparent information which the Government has begun to make available, and a new initiative to strengthen the system of independent Grievance Redress Mechanisms (GRM); (B) a Public Financial Management component B2 specifically designed to strengthen the formal PFM systems within woredas, (C) the Managing for Results component (B3) which seeks to improve the quality of results data so that decision makers and citizens at all levels are able to see whether public finances are delivering promised results; and (D) a strong set of quarterly financial reporting requirements and yearly audits which will include performance related aspects. Beyond these efforts formally built into program design, as part of implementation support, regional staff and citizens will be encouraged to report any cases of suspected fraud and corruption to resident Federal Ethics and Anti-corruption Commission.

The program will make use of website and other communication channels(notice Boards at the project website, press releases, notice boards and public meetings) to disclose information regarding the project. All forms of communication will also display channels available to the public to make enquiries and to file complaints.

## **SECTION IV**

### **PROCUREMENT IMPLEMENTATION ARRANGEMENT**

#### **4.1. General**

Procurement under the program to be financed through pooled funding by IDA and development partners as well as procurements using Trust Funds administered by the Bank would be carried out in accordance with: (i) "Guidelines: Procurement of Goods, Works, and non-Consulting Services Under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011; (ii) "Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011; (iii) "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants" dated October 15, 2006; (iv) introduction of Exceptions to National Competitive Bidding Procedures; and (v) the provisions stipulated in the Legal Agreements.

A Procurement Plan acceptable to the Bank covering at least the first eighteen months shall be prepared prior to Credit Negotiations. For each contract to be financed by the Credit, the different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and time frame would be agreed between the Borrower and IDA WB task team in the Procurement Plan. The Procurement Plan would be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

A General Procurement Notice (GPN) will be prepared and published in United Nations Development Business (UNDB), on the Bank's external website and in at least one national newspaper after the project is approved by the Bank Board, and/or before Project effectiveness. Specific Procurement Notices for all goods and works to be procured under International Competitive Bidding (ICB) and Expressions of Interest for all consulting services to cost the equivalent of USD 200,000 and above would also be published in the United Nations Development Business (UNDB), Bank's external website and the national press.

Most of the agencies handling procurement under the second phase of the Protection of Basic Services program (PBS II), namely: COPCU, CSA and MoWE will continue with the same responsibility under this phase of the program (PBS 3). Ministry of Agriculture is a new implementing agency added to undertake procurement activities for the PBS 3. The different assessments done so far, including the CPAR 2010, show that procurement capacity is weak. Procurement implementation suffers due to lack of commitment and recognition of public procurement as a strategic function to achieve developmental objectives. As is the case across the civil service, support for procurement including the incentive structure is sufficiently weak that implementing agencies fail to attract and retain proficient procurement experts, and procurement units lack the necessary facilities and working documents to enable them to carryout procurement efficiently and effectively. The Independent Procurement Audit of PBS II proved that the implementing agencies of the PBS program are also victims of the systemic constraints existing in the country procurement environment.

A number of procurement packages are envisaged to be undertaken under PBS 3 by different Implementing Agencies. The following paragraphs indicate expected procurement activities under the different project components.

## 4.2. Procurement under Sub-program A

This sub-component of the program would assist in financing of the delivery of basic services by woredas through regional block grants. All resource under this subcomponent is to be spent on recurrent and operational expenditure, and no procurement is considered to be undertaken with the resource allocated under this sub component.

## 4.3. Procurement under Sub-program B

**Procurement under Subcomponent B1a and B1c: Citizen's Engagement.** Procurement under subcomponent B1a includes procurement of Billboards and Suggestion Boxes which will be procured by the regional BoFEDs through a shopping procedure. The subcomponent also involves employment of consultants to undertake Impact Assessment Survey on FTA and assignment to develop FTA Templates which will be procured by COPCU in collaboration with the user work unit, EMCP. EMCP will take responsibility of preparing TORs for consultancy services as well as assigning technical persons for technical evaluations. Consultancy contract management will also be under the responsibility of EMCP. Similarly, there are limited procurement activities under subcomponent B1c related with consultancy assignment to produce Grievance Handling Procedures and manuals.

**Procurement under Subcomponent B1b: Social Accountability:** This sub component will be managed by a management agency, and when there are procurements undertaken by the agency the Bank's Guidelines mentioned in Paragraph 1 above will apply. Procurement may involve procurement of individual consultants who will provide services in the area of Training, Regional Coordination and facilitation and M& E tasks. This subcomponent will also involve implementation of sub projects through Civil Society Organizations or a partnership of organizations. Implementation activities through CSOs will be governed by article 3.19 of the Procurement Guideline. The procurement procedures and project activities to be carried out by the CSOs will be detailed in a Manual which would be approved by the bank and made public by Management Agent.

**Procurement under Component B2: Local Public Financial Management and Procurement:** Procurement under Subcomponent B2 includes procurement of IT Equipment and facilities to strengthen woreda Public Finance Accountability activities and IT Equipment to continue IBEX Rollout. It will also involve procurement of non consultancy service to connect woredas, zones, regional sector bureaus and federal bodies to the woredanet. There are also consultancy services for study of woreda procurement system review and study for procurement certification training. FPPA will be responsible to implement the woreda procurement support component, and will prepare required TORs and assign technical person that work in close collaboration with COPCU during procurement activities. COPCU will assume the overall procurement responsibility for this component.

**Procurement under Component B3 Managing for Results.** Procurement under this subcomponent mainly involves consulting services to be carried out at COPCU, CSA, MOWE and MOA. There are also various procurements of Goods including IT Hardware and Software for strengthening and building organizational infrastructure for M&E systems which will be procured either through International Competitive Bidding or National Competitive Bidding procedures to be agreed in the respective procurement plans. There are also various studies in the areas of effectiveness and equity in access for basic service, basic Service Staff tracking Study, study on innovative mechanism of effective service delivery, sustainability studies, and various surveys including facility survey, satisfaction survey etc.

#### **4.4. Procurement Risk Assessment and Risk Mitigation Measures**

As part of the project preparation, the World Bank Procurement Specialists have undertaken procurement risk assessment of the key implementing agencies of the program. Accordingly, the procurement capacity of COPCU, CSA, MOWE and MOA has been assessed based on the criteria stipulated in the Procurement Risk Assessment and Management Systems (P-RAMS). According to the assessment, despite the high volume procurement activities entrusted to them, COPCU, CSA, MOWE and MOA have capacity problems related to procurement and contract management.

COPCU has a procurement unit specially set up to deal with procurement activities of PBS II. The unit is responsible to handle procurement on behalf of other beneficiary agencies outside of MoFED and user departments within MoFED. The unit has gained experience on goods procurement but still needs further strengthening since a number of weaknesses were observed during PBS II implementation. The COPCU procurement unit needs to have sufficient, motivated, trained and experienced procurement specialists to do the job in an organized manner. The unit also needs an officially designated leader to properly coordinate and implement procurement activities. COPCU need to attract and retain qualified procurement specialists. There are challenges to properly execute procurement activities throughout the cycle starting from procurement planning, preparation of bidding document, evaluation to contract administration. Procurement plan is not used as a tool to which activities are adhered and with which activities are monitored. Bidding documents are not initiated and prepared timely as per the procurement plan and the quality of bidding documents are not of satisfactory quality, usually necessitating extensive revisions. Evaluations are mostly inordinately delayed and obtaining contract award decision before expiry of the original period of bid validity has not been achieved in the past. Contract management is a challenge in COPCU as there is lack of clarity of where contract management responsibilities lie. Overall COPCU's procurement unit needs strengthening in staffing, organization and accountability mechanisms if it is to deliver results for PBS 3.

CSA will implement elements of subcomponent B3 which involves a range of consulting services. Though the agency is gaining some experience under the PBS II program, it still has only limited procurement capacity. The agency suffers from lack of qualified procurement experts, lack of procurement manual, lack of expertise in defining evaluation criteria and applying them in the evaluation of proposals, lack of proper documentation and record keeping, lack of skills to formulate realistic procurement plans, lack of capacity for contract management, etc.

The Ministry of Water and Energy will implement water sector related monitoring and evaluation activities under subcomponent B3. Experience under PBS II shows that procurement in the MOWE didn't take off for a very long period of time due to lack of coordination between MOFED and MOWE as well as capacity limitations. Procurement under subcomponent B3, for which the water sector is beneficiary, is planned to be implemented under the Water Supply and Sanitation Program Procurement Management Unit of MOWE which has procurement experts having broader experience in donor funded projects. Nevertheless the unit is not insulated from the generic capacity problem existing across the nation like staff turnover, lack of accountability, etc. and procurement risk remains high at MOWE also. Procurements assigned for MOWE include procurement of IT Equipment and Consultancy services required for strengthening the MIS system, facility surveys, and system assessments for the water sector.

The Ministry of Agriculture, as a newly identified agency to undertake procurement under PBS 3, will implement agricultural sector related monitoring and evaluation activities under subcomponent B3. The procurement capacity assessment of the agency shows that procurement under the ministry is organized as a "case team" with a staff plan of 18 senior and junior procurement experts. However, the unit is currently staffed with only 7 junior procurement experts with no more than two years of working experience and no training on donor funded procurement procedures including that of the World Bank. Though the unit is tasked to handle procurement activities of donor funded projects, all those projects are supported by

procurement experts recruited by the financiers, and administered in the respective project offices. As a result procurement experts in the unit did not gain exposure and experience out of those procurement activities. It is also learned that the unit and the procurement experts do not have much experience in handling procurement of consulting services which is one of the dominant activity envisaged under the PBS 3. Considering the limitation in staff experience, lack of proper record keeping procedures and facilities and associated limitation of accountability, procurement risk in the agency is “High”.

Decentralized procurement activities in the regions would be carried out by regional BoFEDs. It is noted that the regional BOFEDs normally implement procurement through the Procurement and Property Administration support process which is tasked to undertake operational procurement. While it is recognized that specific capacity structure could vary from region to region, assessments done so far indicate regional procurement capacity is much weaker than the capacity at the federal level. In addition to the limited capacity, procurement at regions lacks proper organizational structure with segregation of duties and responsibilities, dual role of the regulatory function, and lack of independence of the complaint handling procedure. Though regional BoFEDs are not key procurement implementing agencies of the program, there are small value procurements which are better undertaken at regional than federal level. These procurements include procurement of IT equipment, non-consulting services for dissemination of information through the local media, and procurement of notice boards under subcomponent B1 which could be implemented using National Competitive Bidding and/or Shopping procedures. When such procurement is identified the regional BOFEDs shall prepare procurement plans and such procurement plans shall be compiled by COPCU and would be submitted for the Bank’s prior approval. It should however be noted that the Procurement Guidelines, Contracts shall not be divided into smaller units in order to make them less attractive for ICB procedures; any proposal to divide a contract into smaller packages shall require the prior no objection of the Bank. Particularly, there would be advantage of economies of scale if IT Equipment procurement were procured in bulk centrally and distributed to regions by suppliers by specifying various CIP destinations in the Bidding Documents.

The overall procurement risk of PBS 3 is considered “High”. The risk as it applies to the various implementing agencies of the program, albeit at a different degree, is a result of the generic capacity problem existing in the procurement environment of the country. However, there are also risks that can be addressed through proper organization, staffing, management of the procurement function at implementing agencies level. The following provides risk mitigation measures and action plans including prior review threshold.

**TABLE 5**  
**PROCUREMENT RISKS AND PROPOSED MITIGATION MEASURES**

No	Key Risks	Risk Mitigation Actions	By Whom	By When
1	Lack of accountability and ambiguity of roles of the different players	<ul style="list-style-type: none"> <li>As part of the POM, procurement implementation manual is prepared .</li> <li>As part of the POM, ensure that a system of accountability for procurement decision making is established that covers all steps of the procurement process and has timeframes for the decision, including the time allotted to make them</li> </ul>	COPCU / CSA /MOWE/ MOA	Before effectiveness
2	Unsatisfactory record keeping and management	<ul style="list-style-type: none"> <li>Each of the IAs should assign a dedicated space, staff and facilities for record keeping</li> <li>The procurement manual has to provide</li> </ul>	COPCU / CSA / MOWE/ MOA	At the beginning of implementation and throughout the project period

No	Key Risks	Risk Mitigation Actions	By Whom	By When
		clear procedure of handling and monitoring the movement of procurement records and responsible bodies		
3	Inadequacy of staff both in quality and number	<ul style="list-style-type: none"> <li>-Recruit qualified and experienced procurement specialist to lead and coordinate the procurement unit activities at COPCU. And ensure and maintain at least two additional procurement experts with qualifications and experience satisfactory to the Bank at COPCU</li> <li>Recruit at least two procurement specialist with qualifications and experience satisfactory to the Bank at CSA</li> <li>Ensure MOWE and MOA have adequate procurement staff</li> </ul>	<p>COPCU</p> <p>CSA</p> <p>MOWE/ MOA</p>	At the beginning of the implementation of PBS 3
4	Unrealistic procurement plans	<ul style="list-style-type: none"> <li>Provide training on the preparation of PP to all IAs</li> <li>Provide ongoing hands on support to staff</li> </ul>	COPCU/ WB/	At the beginning and throughout the project period
5	Unsatisfactory Bidding Documents, short listing and evaluation criteria	<ul style="list-style-type: none"> <li>Provide Staff all applicable SBDs</li> <li>Provide training to staff in the preparation of bidding documents etc</li> <li>Provide ongoing hands-on assistance to staff of all IAs</li> </ul>	COPCU/ WB/	At the beginning and throughout the project period
6	Delay in procurement processing	<ul style="list-style-type: none"> <li>Create a working group including members from the user agencies and work units and monitor procurement implementation</li> <li>Provide Training to procurement staff</li> <li>Provide procurement hands on support using resources at the World Bank and PBS Secretariat</li> </ul>	COPCU / WB	At the beginning and throughout the project period
7	Lack of coordination between IAs and users during contract management	<ul style="list-style-type: none"> <li>Establish a working group and coordinate activities</li> </ul>	COPCU/ CSA/ MOWE/ MOA	At the beginning and throughout the project period

## 4.5. Procurement Threshold

**Prior Review Threshold:** The threshold for prior review, for International Competitive Bidding (ICB) including the maximum contract value for which the short list may comprise exclusively Ethiopian firms in the selection of consultants, are presented in the table below for purposes of guiding the preparation of the initial procurement plan. The procurement capacity of implementing agencies would be reviewed annually and the threshold will be revised according to the improvements or deterioration in the procurement capacity. Additionally, each procurement plan will indicate the number of contracts procured through National Competitive Bidding procedures or selection of consultants having a short list of exclusively Ethiopian firms that will be subject to prior review as part of risk mitigation.

Category	Prior Review Threshold (USD )	ICB Threshold (USD )	National Short-List Max Value (USD )
Works	≥5,000,000	≥5,000,000	NA
Goods and non-consultancy services	≥500,000	≥500,000	NA
Consultants (Firms)	≥200,000	NA	<200,000
Consultants (Individuals)	≥100,000	NA	NA

## 4.6. Procurement Methods

Selection of procurement methods shall be in accordance to the Bank's guidelines stated in paragraph 5.1 above and shall be indicated and agreed for each of the procurement packages in the respective procurement plans of the program.

In view of the above, procurement of goods and services above the stated threshold shall be undertaken through International Competitive Bidding procedure using the Bank's latest Standard bidding Document. Procurement of Goods and Non-Consulting Services which are below the "Prior Review" threshold can be procured through the National Competitive Bidding Procedure. Procurement of goods and services of small value contracts of less than USD 50,000 may be procured using Shopping procedures in accordance with paragraph 3.5 of Bank Guidelines. Where it has been determined to be to the advantage of the operation, Procurement of Goods and non-Consulting services under Direct Contracting shall be procured in accordance with paragraph 3.7 of the Bank's Guideline.

Selection of Consultant's shall be carried out using Bank's latest Standard Request for Proposal. Consulting firms for services estimated to cost more than USD 100, 000 equivalents would be selected through Quality and Cost based Selection (QCBS) method. Contracts with consulting firms services estimated to cost less than USD 100,000 equivalent may be selected using Selection based Consultant's Qualification (CQS) method. Individual consultants' will be selected on the basis of their qualification and in accordance with Section V of the Bank's Guideline for Selection and Employment of Consultants. Consulting services for audits and other services of a standard or routine nature may be procured using the Least Cost Selection Method while Single Source Selection may be used when justified in accordance with paragraph 3.8 of the Bank's Guideline. For consulting services of value less than USD 200,000 equivalent, shortlists may comprise entirely of national consultants in accordance with paragraph 2.7 of the guideline. When there is need for capacity reasons and access exceptionally qualified expertise and in accordance with paragraphs 3.15 and 3.16 of the guideline, UN agencies and NGOs could be employed to assist in case they have an advantage over commercial firms.

**Training and Workshops-** It is envisaged that there will be lots of training activities associated with capacity building and system strengthening subcomponent of the program specifically with subcomponents B1, B2 and B3. For all training activities, annual training plan shall be prepared by the implementing agencies and approved by the Bank. In case the training is to be outsourced to outside training institute, the procurement activity required for the hiring of the training institute shall be integrated into a procurement plan and agreed with the Bank. Similarly, venues for workshops and training materials that will be availed through a procurement process will be done by comparing at least three quotations.

**National Competitive Bidding Procedures:** National Competitive Bidding (NCB) shall follow the Open and Competitive Bidding procedure set forth in the Ethiopian Federal Government and Procurement and Property Administration Proclamation No. 649/2009 and Federal Public Procurement Directive issued by the Ministry of Finance and Economic Development dated June 10, 2010, provided, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011) (the “Procurement Guidelines”) and the following additional provisions:

- i. The Recipient’s standard bidding documents for procurement of goods and works acceptable to the Bank shall be used. At the request of the Borrower, the introduction of requirements for bidders to sign an Anti-Bribery pledge and/or statement of undertaking to observe Ethiopian Law against Fraud and Corruption and other forms that ought to be completed and signed by him/her may be included in bidding documents if the arrangements governing such undertakings are acceptable to the Bank.
- ii. If pre-qualification is used, the Association’s standard prequalification document shall be used;
- iii. No margin of preference shall be granted in bid evaluation on the basis of bidder’s nationality, origin of goods or services, and/or preferential programs such as but not limited to small and medium enterprises.
- iv. Mandatory registration in a Supplier List shall not be used to assess bidders’ qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and if recommended for contract award shall be given a reasonable opportunity to register with the reasonable cooperation of the Recipient, prior to contract signing. Invitations to bids shall be advertised in at least one newspaper of national circulation or the official gazette, or on a widely used website or electronic portal with free national and international access.
- v. Bidders shall be given a minimum of thirty (30) days to submit bids from the date of availability of the bidding documents;
- vi. All bidding for goods and works shall be carried out through a one-envelope procedure.
- vii. Evaluation of bids shall be made in strict adherence to the evaluation criteria specified in the bidding documents. Evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation.
- viii. The results of evaluation and award of contract shall be made public. All bids shall not be rejected and the procurement process shall not be cancelled, a failure of bidding declared, new bids shall not be solicited, nor shall negotiated procurement in case of a failure of bidding be resorted to without the Bank’s prior written concurrence. Negotiations shall not be allowed except in the case of a lowest evaluated responsive bid which exceeds the Borrower’s updated cost estimate by a substantial margin, to try to obtain a satisfactory contract through a reduction in the scope of works/supply and reallocation of risk which can be reflected in a reduction in contract price.

- ix. In accordance with para.1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (1) the bidders , suppliers, contractors and subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and comments relating to the bid submission and performance of the contract, and to have them audited by auditors appointed by the Association; and (2) Acts intended to materially impede the exercise of the Bank's audit and inspection rights constitutes an obstructive practice as defined in paragraph 1.16 a (v) of the Procurement Guidelines.
- x. The Recipient shall establish and implement an effective, fair and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.

**SBDs for NCB:** FPPPA's newly issued Standard Bidding Documents will be revised to take into account the above exceptions and the revised documents will be agreed with the Bank. The project's procurement manual will include as an annex revised SBDs that will be applicable for Bank Financed project.

#### **4.7. Implementation Support for Procurement**

In addition to the prior review supervision to be carried out from the Bank's Office, pre-JRIS field visit missions would incorporate procurement as part of each mission. Post procurement reviews will be carried out at a minimum once annually, and MOFED, CSA, MOWE, MOA and regional BOFED's shall provide all the required documentation and supports for the successful implementation of the supervision.

To support effective implementation of the procurement activities of the program and to provide distinct roles and responsibilities of the various parties MoFED/COPCU in collaboration with PBS Secretariat has prepared Procurement Implementation Manual. In addition to the legal documents, the manual serves as a guiding tool for all PBS implementing agencies and the responsible units and individuals working in the procurement area. Furthermore, to facilitate preparation of bidding documents using the Standard Bidding Document for procurement of goods and related service, April 2011 Version of the FPPPA, considering the agreed exceptions for use of the document the SBD is modified.

## SECTION V

### MONITORING AND EVALUATION

#### 5.1. Review Mechanisms

As was the case in the first and second phases of the program, PBS 3 is also based on a set of interrelated core principles which will be used to track progress towards common objectives and agreements. The monitoring mechanisms to ensure adherence to these principles remain largely unchanged from PBS 2, involving both formal tests and reviews. The formal tests involve ensuring that the government has met the requirements and specific commitments stipulated in the agreed frameworks. The Reviews are meant to track and address issues that are relevant to the Project and serve as a basis for ongoing dialogue on the challenges facing effective program implementation and, where possible, contribute agreed policy and other actions that will help alleviate the challenges.

Details of the monitoring and review mechanisms that will be used in PBS 3 are described in the following paragraphs.

##### ***Development Effectiveness/Results***

The Effectiveness Principle will continue to be one of the core principles under PBS 3. The Effectiveness Review under PBS 3 will focus on addressing issues relevant to effective service delivery with a view to identifying ways to further improve. Although effectiveness is influenced by a broad range of issues, the Effectiveness Review will address the following issues.

***Adequate inter-sectoral resource allocation:*** This will involve examining the medium-term plan for inter-sectoral **resource** allocation for a better understanding of the longer-term resource needs of the basic service sectors and the complementarities among them. This is also important to ensure adequate funding to service delivery inputs with transaction costs showing a gradual decline.

***Balanced intra-sectoral allocation:*** The Effectiveness Review will also examine the balance between capital vs. recurrent spending allocations as well as the salary vs. non-salary recurrent (operating) expenditures. This will be done in order to assess whether the share of non-salary recurrent and capital spending is improving over time.

***Results achieved:*** The Effectiveness Review will continue to examine the results achieved in the basic service sectors in terms of access, quality and inclusiveness.

***Approach and Methodology:*** The Effectiveness Review will be conducted semi-annually as part of the JRIS missions. For every JRIS, two of the five basic service sectors will be selected on which the Effectiveness Review will be conducted. The Effectiveness Review will be based on inputs provided by relevant sectoral experts, PBS Development Partners, as well as the sectoral Ministries, all of which will be complemented by data and information gathered during the pre-JRIS field missions. As necessary, the JRIS missions will also hear updates on relevant systems-strengthening initiatives being supported by the PBS Project to improve information, data management, and national M&E systems. Specific action items will be developed as part of each JRIS.

## *Sustainability*

Ensuring sustainable financing for basic services has been an important concern since the start of the PBS Project. While the Additionality Principle has been addressing some elements of this issue, the Sustainability Principle under PBS 3 will cover a much wider range of issues around sustainability. The major objective of the Sustainability Review is to ensure that financing of basic services can be sustained over the long-term even without the PBS Project.

The initial basis for the sustainability review will be the Government's long-term projections for how the Government plans to finance decentralized basic service delivery. These will be summarized in the sustainability study, which will focus on domestic revenue mobilization and costs of basic services in the long run. Sustainability Reviews will consider progress towards these long-term targets and review any developments that may hinder that progress.

The following issues are the major areas on which the Sustainability Review will focus:

- ***Sources of Financing for Basic Services:*** The Sustainability Review will examine the different sources of financing for basic services, including Government-own revenues, donor resources (through Channels 1 and 2), NGO contributions<sup>8</sup>, community contributions, user fees, etc.
- ***Cost of Basic Service Delivery:*** As the cost of basic service delivery is bound to change as Ethiopia's economy and demographics continue to evolve, it is important to have a dynamic understanding of these changes so that their implications for service delivery costs are adequately reflected in projections of future resource needs. The Sustainability Review will, therefore, also seek to examine these dynamics and their impact on the question of costs.
- The share of domestic resources dedicated to basic service expenditures at all level with the aim to have a higher proportion of the PBS program paid for by domestic resources.
- ***Approach and Methodology:*** The Sustainability Review will be conducted at yearly intervals based on analytical pieces produced or commissioned jointly by the Government and DPs, beginning with the sustainability study mentioned above.

## *Additionality*

The major objectives of the Additionality Principle are:

- To ensure that government priority to the MDGs are expressed in medium-term commitments to increase overall financing for the FBG and hence to basic service at sub-national level; and
- To ensure that allocated resources for basic services are flowing in a predictable manner.

The monitoring mechanism for this Principle has evolved since it was introduced in the first phase of the program. While there might be some modifications to accommodate emerging considerations, it was agreed that the revised criteria (in place since November 2010) will continue.

To ensure that these objectives are met, the Additionality Test will monitor trends in the federal Block Grants as a share of total federal spending and the proportion of sub-national spending on basic services.

***Non-declining allocation of FBG to regions:*** Under the Additionality Principle, the federal government is required to maintain a non-declining trend in Federal Block Grants to the regions as a share of total federal spending. When calculating total federal spending only expenditures from Treasury sources will be considered

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<sup>8</sup> Development partners and the Government recognize the difficulty of tracking the full extent of financing from all sources.

and non-discretionary expenditures --- such as debt payments (both domestic and external) as well as financing allocated under the MDG Support Fund --- will be excluded.

The Additionality Principle also requires that the FBG in real terms shows a non-declining trend. To assess this, the amount of FBG allocated in year (t+1) will be compared with the pre-actual or budgeted amount in year (t). For this exercise, the nominal FBG amounts would be converted to real values using the annual average value of the Consumer Price Index (CPI).

This approach will also monitor the share of domestic financing comprising the total FBG (including PBS funding) as this is an important indicator of sustainability. To ensure the sustainable financing of the Block Grant, the share of domestic financing should show a non-declining trend over the medium-term.

***Non-declining share of basic services in sub-national spending:*** The Additionality Test will also involve a review of sub-national level spending on the five basic services sectors. To ensure that regions and woredas continue to give priority to these sectors, the Test requires that they maintain a non-declining share of basic services from their total spending/budget. This involves comparing the share of basic services from total budget of regions and woredas in year (t) with their share from total pre-actual spending in year (t-1).

***Approach and Methodology:*** There will be two opportunities to assess the Additionality Principle within a year.

- i. The April/May Additionality Test (ex-ante review) will focus on trying to assess the policy direction of the government in terms of decentralized basic service delivery. Based on the government's medium-term Macroeconomic and Fiscal Framework, it verifies that there is:
  - a) a non-declining trend in the FBG as a share of federal spending (treasury source) next year (t+1) compared with the current year (t) as well as a positive trend in the medium term; and
  - b) a non-declining trend in the FBG allocation to regions in real terms. This involves assessing the allocation of FBG for next year (t+1) compared to the preceding years' budgeted /pre-actual amounts.
- ii. The October/November Test (ex-post review) focuses on whether the government's spending reflects its stated commitments and policy direction to decentralized basic service delivery. This will be done by examining actual fiscal out-turns against the proclaimed budget. This Test will verify whether: the agreed FBG under the MEFF (for the current FY) is reflected in the federal budget proclamation:
  - a) The FBG budgeted in the preceding year (year t-1) is disbursed (at least 95 percent of the budgeted amount, subject to the level of disbursed PBS sources); and
  - b) Sub-national (region as well as woredas) allocations in year (t) and actual spending in year (t-1) is consistent with the GoEs' commitment to continue to give priority to basic services by maintaining a non-declining trend in the share of basic services in their budget.

### ***Fairness***

Similar to the Additionality Principle, the monitoring mechanism for the Fairness Principle has also evolved during the life span of the PBS Project. It was, however, agreed that the monitoring mechanism that was used during the second phase of the Program will continue to be used in PBS III.

The objectives of the Fairness Test are to ensure that:

- resource allocations from the federal government to the regions and from regional governments to woredas are rules-based and transparent; and
- FBG disbursements to the regions as well as from regions to woredas are close to allocations.

***Rules-based allocation of resources:*** Federal Block Grant allocations to Ethiopia's nine regional governments are based on an inter-governmental fiscal transfer formula developed under the supervision of the House of Federation. This formula has evolved significantly over the years, with the most recent iteration having been approved by the HoF in May, 2012. Regional governments also develop and use transfer formulae to allocate block grants to their woredas. While there are differences from region to region, these formulas draw heavily from the formula used at the federal level.

To make sure that resource transfers continue to be rules-based, the semi-annual JRIS and others existing Economic and Sector Working Groups will be used as forums for the presentation and discussion of inter-governmental fiscal transfer formulae used by selected regions. When necessary, occasional workshops could be organized on which the formulas used by the federal government as well as the regions will be presented and discussed.

***Block grant disbursements are close to allocations:*** The Fairness Test will continue to ensure that budgeted allocations of the FBG to regional governments as well as from regions to woredas are actually disbursed. It has been agreed that at least 90 percent of the allocated Block Grant must be disbursed by the end of the fiscal year for the government to pass the Fairness Test. Adequate explanations should be provided for discrepancies exceeding 10 percent.

***Approach and Methodology:*** While the formal Fairness Test will be administered once per year during the October/November JRIS, there will be two evaluations of the Fairness Principle within a year.

- i. The April/May Fairness Test will be administered only to take note of any major discrepancies occurring at the mid-point of the fiscal year and bring them to the attention of both the government and Development Partners.
- ii. The October/November Fairness Test will then be the formal Test and will examine whether the allocated block grant amounts in the preceding fiscal year have been fully disbursed. Allocations are said to be fully-disbursed if at least 90 percent of the allocated amount is disbursed. Explanations are required for discrepancies above 10 percent.

In addition, assessing the Fairness Principle will also involve conducting discussions with members of regional and woreda councils, relevant sector officials, and other stakeholders on relevant issues. These discussions are meant to assess the extent to which the resource allocation mechanisms (i.e., the inter-governmental fiscal transfer formulas) are transparent. Such discussions will be conducted in selected regions as part of the pre-JRIS field missions.

## ***Equity***

The government and PBS Development Partners have agreed to include Equity as one of the core principles of PBS 3. Equity in this context means equitable access to basic services between different regions and within regions while also accounting for gender-related differences. It would therefore be important to put in place mechanisms that enable the monitoring of progress towards equity with the objective of narrowing any identified gaps. This assessment will be conducted as a review.

The major objective of the Equity Review will be to track and assess any discrepancies in access to basic services among the different regions and woredas and between the genders, with the view to identifying possible interventions.

***Approach and Methodology:*** The Equity Review will be conducted semi-annually as part of the JRIS. The October/November Review will be based on feedback obtained from discussions conducted with relevant stakeholders, including woreda council members, service providers and beneficiaries as part of the pre-JRIS field missions. The Equity Review will be conducted based on a jointly-agreed methodology involving a Terms of Reference that outline guiding questions for the discussions.

In addition to the feedback obtained from the discussions with relevant stakeholders at the pre-JRIS field missions, the April/May Equity Review will also benefit from an assessment of discrepancies in access to basic services between the big and emerging regions and by gender by making use of region and gender-specific data that will be provided as agreed in the Managing for Results component of the Project.

When appropriate, the Government and PBS Development Partners will jointly commission independent studies to advance all stakeholders' understanding of relevant issues of common concern.

As is the case under PBS 2, adherence to the above shared principles and fiduciary requirements will continue to be assessed through the semi-annual PBS JRIS missions. Disbursements for Sub-Program A (Basic Service Block Grants) will depend on satisfactory outcomes of the Tests and Reviews. The PBS 3 Core Principles will continue to form the overarching framework for assessing progress and overall program performance. However, while the Additionality and Fairness Tests will be assessed against clear thresholds (as indicated above), the Principles will be jointly reviewed to assess trends, progress, and challenges to guide future dialogue. Disbursements will be affected only in those instances where one or more of the Tests are not met and one or more of the Principles are obviously disregarded. Donors reserve the right to determine individually the amount to be retained. In the spirit of mutual accountability and predictability in resource allocation, the decrease in disbursement will be executed in the following year/disbursement period (t+1).

### ***Fiduciary Probity and Transparency***

The PBS program relies on a robust fiduciary system reaching from the federal level through regions to local administrations which involves numerous mechanisms. At the same time, the Project Development Objective (PDO) also underscores the joint commitment to transparency of information about resources and results. Along with strengthened systems for financial probity, information/data transparency is considered integral to improving the quality of and access to basic services.

***Approach and Methodology:*** With respect to the Fiduciary Principle, the PBS program requires the Government to submit regular financial reports and audits to DPs to demonstrate that fiduciary standards are being maintained and strengthened. Between JRIS meetings are a series of monthly follow-up meetings that ensure adherence to a clear work program, timely follow-up actions to address identified weaknesses, and that efforts are being taken to strengthen woreda-level fiduciary systems. Each JRIS hears an update on progress achieved and then defines a series of deliverables for the following JRIS.

In order to ensure ongoing progress on transparency, efforts will be made to continue to promote greater transparency of budgets and results at all levels. This includes through the presentation of gender- and regionally-disaggregated results at JRIS missions, the Additionality and Fairness Tests described above, and the updates at each JRIS on the posting of budget and service delivery standards and results at local levels as well as other related updates on the FTA and Social Accountability components. Under PBS 3, efforts towards greater transparency will be expanded to include audit findings and service delivery standards, so that citizens, officials, and decision-makers receive as much information as possible regarding the range and quality of basic services provided. PBS 3 JRIS missions will also strengthen their attention to how budget transparency can be enhanced at all levels. Moreover, the program (through the PBS Secretariat) will develop and implement a joint communications strategy.

## ***Predictability***

The PBS program relies on predictable resource flows to ensure that basic service delivery results can be achieved. To achieve those resource flows, Development Partner contributions need to be based on longer-term commitments, so that agreed disbursements can be made on time. Likewise, the Government has a responsibility to accurately reflect these DP contributions for PBS in yearly government budgets. Under PBS 3, this Principle will take higher profile and the JRIS missions will include opportunities to verify this commitment to mutual accountability and DP performance.

***Approach and Methodology:*** A two-pronged approach has been devised to monitor the short and longer term commitment of all parties.

In the *short-term*, Government and Development partners will regularly review at the JRIS/JBAR: (i) donors will work towards a greater predictability in their performance. Development Partners will therefore: provide multi-annual projections of their commitments; verify that these are accurately reported on budget; and report annually on variations between commitments and disbursements; and (ii) the accuracy, as reflected in budgets, of Government expectations for Development Partner contributions for the Basic Service Block Grants.

DPs will also work to improve the alignment to the Ethiopian fiscal calendar by concentrating disbursements in the second and fourth quarters of the Ethiopian Fiscal Year following the successful conclusion of JRIS missions in October and May.

Government and DPs will also engage in a continued dialogue to develop a *long-term* strategy to finance decentralized basic services. This will consist of: (i) analytical work to assess the costing and resources required to ensure quality services for all; and (ii) developing joint strategies to attract additional resources in the framework of the JBAR.

## **5.2. Results Monitoring**

As noted in Annex 1 Results constitute the overarching core principle of the PBS program. Building on the significant contributions made by the M&E Sub-Program under PBS 2 to the program's significant results focus, PBS 3 plans an even stronger focus on results, benchmarking achievements, and innovation.

Due to the scope and size of the activities to be implemented under these two Components, COPCU will continue to jointly implement activities under ERA, MoH and MoE, while MoWE, MoA, and CSA will be responsible for implementing their respective activities. COPCU will ensure timely fund transfers from the Treasury to the special accounts opened at each of these agencies. It will also develop, implement, operate and maintain a financial management system in line with the overall financial management and fund transfer guidelines of the PBS program. This will include systems for budgeting, internal control, cash management, accounting, financial reporting, funds flow, procurement, and auditing as per the agreed financial administration and reporting formats of the GoE;

CSA, MoA, and MoWE will maintain full responsibility for implementation of all Project activities related to them, including procurement of goods and consultancy services and submission of financial reports to COPCU and that COPCU staff will be granted full access to all Program information, records and data for internal and external audit purposes. Lessons learned from the implementation of similar activities in PBS 2 show that assuring independence while, at the same time, securing buy-in and ownership of results by the client is a challenge. In order to find the optimum balance, one option is to continue to conduct the agreed surveys, assessments, and studies jointly with strong oversight from the CSA while partners (through hiring international and/or national consultants) handle analysis and report writing tasks. Most importantly, the analytical works will be implemented in ways that build evaluation capacity for line ministries, the CSA, and the WMU. For this, the implementation arrangements for the mid-term and end-of-program evaluations will be handled by the PBS Secretariat so as to facilitate capacity building, ensure the quality of these evaluations, and also protect the independence of the findings/results.

## SECTION VI ENVIRONMENTAL AND SOCIAL SAFEGUARDS

PBS III financing is limited to recurrent expenditures for basic services and does not include financing for capital development, the World Bank safeguard policies are not triggered. Thus the Environmental category is determined to be C. However, the potential of these basic sectors in contributing to good environmental and social management (ESM) is significant. PBS III provides a unique opportunity to strengthen environmental and social management at local level, because of its size and coverage, both in terms of sectors and geography. Taking such proactive measures will firewall PBS III from any criticism re environmental and social impacts, and above all, contribute to the sustainability of the program activities and benefits.

The Ethiopian government and PBS Development Partners have expressed their commitment to mainstreaming environment into program/project design, and System strengthening in environmental and social impact assessment by building up on the experiences of the pilot LIG under PBS II. The focus would be on training and capacity building at wereda level with technical assistance for monitoring environmental and social issues under the program.

Strengthening environmental and social assessment under PBS III will be through:

- a) **ESM capacity assessment** in the basic service sectors at local level

*Objective: To develop comprehensive information on the environment and social management capacity of the basic service sectors.*

*Activity: Conduct an assessment on the capacity in the five basic sectors in selected sample weredas and develop a capacity building plan*

- b) **Targeted capacity building** to basic sector offices at local level

*Objective: To improve the capacity of basic sectors in mainstreaming environmental and social issues in project design and implementation*

*Activity: Provide training on selected environmental and social topics; provide technical assistance and monitor implementation*

- c) **Strengthening horizontal linkages** between the basic service sectors and environment offices

*Objective: To improve coordination between wereda basic service sectors and environment offices with regard to mainstreaming environmental and social issues in project design and implementation*

*Activity: Organize workshops and support institutionalization of collaboration between basic sector offices in addressing environmental and social issues*

Activity and Budget estimate for the implementation of the Environmental and Social management system strengthening at local level

<b>Activity</b>	<b>YR1</b>	<b>YR2</b>	<b>YR3</b>	<b>Total</b>	<b>Notes</b>
Environmental and Social Impact Assessment capacity assessment	15000	-	-	15000	Ethiopian consultant @ 300 USD per day for 30 days; 6000 USD expenses per year; over two years
Training for wereda basic service sectors and environmental desk Officers on Environmental and Social Impact Assessment	-	60000	60000	120000	Two training groups per region for emerging regions; Three training groups per region for the larger regions; 5000 USD expenses per group; (24X5000 USD=120000 USD)
Training for regional environmental bureau and basic sectors staff on Environmental and Social Impact Assessment	-	10000	-	10000	Two training groups (2X5000 USD=10000 USD)
Strengthen institutional capacity of regional/wereda environmental structures		30000		30000	Ethiopian consultant @ 300 USD per day for 20 days per year; 4000 USD expenses per year; over two years
<b>Total</b>	<b>15000</b>	<b>100000</b>	<b>60000</b>	<b>175000</b>	

# ANNEXES

## Annex 1

### RESULT FRAMEWORK MATRIX

Higher-level objective												
Higher Level Results Indicators	Core	UOM <sup>9</sup>	Baseline (FY11) (EFY03)	Target Values <sup>10</sup>					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
				FY13 EFY05	FY14 EFY06	FY15 EFY07	FY16 EFY08	FY17 EFY09				
<b>Education</b> 1. Primary Completion Rate: • Grade 8 (Disaggregate by Gender +Regions)		%	49.4	78	89	95.5	96	97	Annual	EMIS	MoE	
2. Primary enrolment rates a. Net enrolment rates for grade 1-8 (disaggregated by regions)		%	85.3	93	95	100	100	100	Annual	EMIS	MoE	
b. Gender Parity Index for grade 1-8 (disaggregated by regions)		%	0.94	0.98	0.99	1	1	1	Annual	EMIS	MoE	
<b>Health</b> 3. Immunization: Proportion of children vaccinated Penta-3 <sup>7</sup>		%	86	89	94	96	97	98	Annual	HMIS	MoH	
4. Pregnant women received <b>antenatal</b> care during first visit to a health provider	X	Number	2,403,088	2,426,476	2,484,945	2,514,180	2,550,000	2,600,000	Annual	HMIS	MoH	
<b>Water and Sanitation</b> 6. Increased access to potable water supply coverage: a. Rural water supply coverage within 1.5 km radius		%	71.3	80	86	92	93	95	Annual		MoWE	

<sup>9</sup> UOM = Unit of Measurement.

<sup>10</sup> Target values of higher level indicators are harmonized with the Government of Ethiopia's Growth and Transformation Plan (GTP) Framework. Target values for outer years (EFY08 and EFY09) are subject to change based on the Government's next five year plan.

Higher-level objective												
Higher Level Results Indicators	Core	UOM <sup>9</sup>	Baseline (FY11) (EFY03)	Target Values <sup>10</sup>					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
				FY13 EFY05	FY14 EFY06	FY15 EFY07	FY16 EFY08	FY17 EFY09				
b. Urban potable water supply coverage within 0.5 km radius		%	92.5	95	97	99	100	100	Annual		MoWE	
7. Proportion of households with access to latrine		%	86	87	88	88	89	90	Annual		MoH	
<b>Agriculture</b> 8. Increased agricultural productivity : major food Crops productivity <sup>11</sup>		Quintal per Hectare	16.5	19.2	20.5	22	22	22	Annual	Ag Sample Survey/Adm in system	MoA/CSA	
<b>Roads</b> 9. Average time to nearest all-weather road		Hours	3.5	2	1.6	1.5	1.4	1.3	Annual	Reports from RSDP	ERA/	

<sup>11</sup> Major crops include Cereals, Pulses and oil seeds.

			<b>Project Development Objective (PDO):</b> To contribute to the higher-level objective of expanding access and improving the quality of basic services by funding block grants that ensure adequate staffing and operations, and by strengthening the capacity, transparency, accountability and financial management of sub-national governments.									
PDO Level Results Indicators	Core	UOM	Baseline (FY11) (EFY03)	Cumulative Target Values					Frequency	Data Source/ Methods	Responsible for Data Collection	Comments
				FY13 EFY05	FY14 EFY06	FY15 EFY07	FY16 FFY08	FY17 EFY09				
1. a/ Student Teacher Ratio (Grades 5-8) ( <i>Staffing</i> )		%	51	46.6	45	43.5	42	41	Annual	EMIS	MoE	
1. b. Proportion of qualified primary school teachers (Disaggregated by gender + Regions) ( <i>Staffing</i> )		%	47.2	72	83	95	96	97	Annual	EMIS	MoE	
2. Ratio of health extension workers to population (Disaggregated by Regions) ( <i>Staffing</i> )		%	1:2,578	1:2,500	1:2,500	1:2,500	1:2,500	1:2,500	Annual	HMIS	MoH	
3. Agricultural extension services beneficiaries ( <i>Direct Beneficiaries</i> )		Number	0	11,400,000	12,800,000	14,600,000	14,800,000	14,900,000	Annual	MoA Reports	MoA	
4. Reduced non functioning water supplies schemes (disaggregated by regions + Urban/Rural) ( <i>Operations</i> )		%	20	14	12	10	9	8	Annual	Annual	MoWE reports	
5. Roads in fair and good condition ( <i>Operations</i> )	X	%	82	84.6	85.9	86.7	87	88	Annual	ERA MIS	ERA	
6. Citizens who are informed about Woreda budget ( <i>Transparency</i> )		%	19	21	23	25	25	25	Annual	survey report/ WCBS	EMCP	
7. Citizens who report that Woreda officials have actively sought the views of people in their Kebele on improving quality of basic services ( <i>Accountability</i> )		%	48	50	50	55	55	55	Annual	Survey/ WCBS	MA	
8. WoFEDs <sup>12</sup> that have effectively rolled out IBEX ( <i>Financial Management</i> )		Number	na	734	800	900	900	900	Annual	MoFED report		

<sup>12</sup> Woreda Finance and Economic Development Office. There are approximately 900 woredas in Ethiopia; this number changes regularly due to the creation of new woredas.

	Intermediate Results and Indicators											
	Intermediate Result 1: Improved availability of qualified staff and operational resources for delivery of basic services											
Intermediate Results Indicators	Core	UOM	Baseline (FY11) (EFY03)	Target Values			FY16 EFY08	FY17 EFY09	Frequency	Data Source/ Methodology	Responsible for Data Collection	Comments
				FY13 EFY05	FY14 EFY06	FY15 EFY07						
1. Health extension workers deployed		Number	30,900	34,000	36,000	40,000	40,000	40,000	Annual	Administrative data	FMOH	
2. Qualified Primary School Teachers		Number	145,511	175,000	215,000	245,000	275,000	300,000	Annual	Administrative data	FMOE	
3. Woreda road desks with appropriate staff(Disaggregated by Regions)		Number	155	390	470	560	600	650	Annual	ERA MIS	ERA	
4. Development agents with specialization on Agro-ecological zones and high value crops		Number	5,130	9,000	9,900	12,000	12,000	12,000	Annual	MoA M IS	MoA	
Intermediate Result 2: Improved transparency and fiduciary assurance regarding the use of public funds												
6. Woredas that post the refined and simplified budget and expenditure template to the public		%	70	80	90	100	100	100	Annual	survey report	EMCP/MoFED	
7. Basic service units that post the standardized service delivery template		%	25	30	40	50	60	70	Annual	survey report	EMCP/MoFED	
8. Audit coverage of the annual budget a. ORAG <sup>13</sup>		%	30	35	40	45	50	60	Annual	Audit report	MoFED/OFAG	

<sup>13</sup> % woreda sectoral offices audited by regional auditor general annually

	Intermediate Results and Indicators											
	Intermediate Result 1: Improved availability of qualified staff and operational resources for delivery of basic services											
Intermediate Results Indicators	Core	UOM	Baseline (FY11) (EFY03)	Target Values			FY16 EFY08	FY17 EFY09	Frequency	Data Source/ Methodology	Responsible for Data Collection	Comments
				FY13 EFY05	FY14 EFY06	FY15 EFY07						
b. OFAG <sup>14</sup>		%	90	92	95	97	100	100	Annual	Audit report	EMCP/MoFED /OFAG	
c. Woredas that implemented prior period Audit recommendations		%	5	20	25	30	40	60	Annual			
• woreda that publicly post all procurement award decisions		Number	0	200	400	600	700	900				
Intermediate Result 3: Improved citizens' engagement on quality of basic services delivery												
10. Woredas where PBS Social Accountability Implementing Partners (SAIP) facilitate the use of Social Accountability tools		Number	50	100	150	175	320	400	Annual	Survey	MA	
11. SAIP woredas that have developed joint action plans for service quality improvement based on interface meetings between service users and providers		Number	na	70	120	150	300	400	Annual	Survey	MA	
12. Regions with functioning GRMs consistent with best international practice		Number	2	5	7	9	11	11	Annual	Survey	EMCP/COPCU /Federal Ombudsman	
13. Number of regions preparing and adopting standardize manual and guidelines Grievance Redress Mechanisms		Number	3	6	8	11	11	11	Annual			
14. Regions Submit the PBS the quarterly Interim Financial Reports (IFR) to COPCU without major deficiencies		Number	4	7	8	11	11	11	Annual	Administrative data	COPCU	

<sup>14</sup> % federal agencies and ministries audited by the federal auditor annually

Intermediate Results Indicators	Core	UOM	Intermediate Result 4: Strengthened M&E systems at central, federal, and sub-national levels									
				Intermediate Results and Indicators								
				Intermediate Result 1: Improved availability of qualified staff and operational resources for delivery of basic services								
			Baseline (FY11) (EFY03)	Target Values					Frequency	Data Source/ Methodology	Responsible for Data Collection	Comments
				FY13 EFY05	FY14 EFY06	FY15 EFY07	FY16 EFY08	FY17 EFY09				
18. Number of PBS sectors with their indicators assessed through implementation of EDQAF		Number per year	2	2	2	2	2	2	Annual	EDQAF reports	CSA	
19. Woredas that rolled out the new Education MIS		Number	0	300	600	900	900	900	Annual	EMIS project implementation report	MoE	
20. Improved community health management information systems a) Proportion of health centres implementing the new HMIS		%	72	80	90	100	100	100	Annual	HMIS	MoH	
b) Proportion of health posts implementing CHIS c) <sup>15</sup>		%	22	50	75	100	100	100	Annual	HMIS	MoH	
21. Woredas that rolled out the new WASH MIS <sup>16</sup>		%	50	300	600	900	900	900	Annual	WASH MIS	MoWE	
22. Strengthened MoA's MIS		Qualitative	No MIS	Develop MIS	MIS with data for all regions	Web Enabled MIS operational	Continued implementation of the new Web Based MIS	Continued implementation of the new Web Based MIS	Annual	MIS development progress report	MoA	
23. Development of ERA's MIS		Qualitative	Web based MIS operational	data available in four regions	data available in all regions	System Updating, and production of annual reports	Continued implementation of the new MIS	Continued implementation of the new MIS	Annual	MIS development progress report	ERA	
24. Regions with up-to- date facility information through geo-referenced system (using CSA's branch offices)		Number	0	8	9	11	11	11		Various reports	CSA	

<sup>15</sup> CHIS:-community health information system

<sup>16</sup> Woredas that roll out the new WASH MIS under PBS support only.

## Annex 2: Activities and Cost Breakdown

Sub-program B: *Strengthening Local Transparency and Accountability Systems*

Component B1: *Citizen's Engagement*

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
Sub-component B1a: Financial Transparency and Accountability									
	Training and workshops for woreda citizens to raise awareness and understanding of public budgeting and planning process: 100 participants per woreda			134,311,920	7,461,773	1,865,443	3,730,887	1,865,443	EMCP
	Disclosure of local public budget issues through mass media			25,559,600	1,419,978	473,326	473,326	473,326	EMCP
	Develop FTA templates to disclose audit and procurement activities			2,500,000	138,889	138,889			COPCU/EMCP
	Citizen participation on pre-budget (planning stage)			5,715,000	317,500			317,500	EMCP
	Orientation on service delivery templates for woreda Health, Education, Agriculture, water and woreda Finance offices : 2 participants per sector			5,809,665	322,759		322,759		EMCP
	Procuring of bill-boards and suggestion boxes for posting templates and getting feed back in regions and woredas			26,303,796	1,461,322	730,661	730,661		EMCP

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
	Refining and simplifying the budget and expenditure and service facility templates			2,486,900	138,161	138,161			EMCP
	Printing and dissemination of FTA Templates by regions to post the budget information in woerdas and service delivery centers			7,428,000	412,667	137,556	137,556	137,556	EMCP
	Intra regional workshops to support cross regional & cross-woreda experience sharing			2,886,960	160,387		80,193	80,193	EMCP
	Experience sharing and Practical Training on FTA initiatives in regional and/or international practices			2,100,000	116,667		116,667		COPCU/EMCP
	Conduct annual review meeting with regions on FTA performance issues			906,475	50,360	16,787	16,787	16,787	EMCP
	Impact Assessment survey on budget literacy of citizens			2,493,684	138,538			138,538	COPCU/EMCP
	Salary and Operational expenses			5,598,000	311,000	103,667	103,667	103,667	EMCP
	<b>Total</b>			<b>224,100,000</b>	<b>12,450,000</b>	<b>3,604,489</b>	<b>5,712,502</b>	<b>3,133,009</b>	

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
Sub-component B1c: Grievance Redress Mechanism(GRM)									
	Strength EIO’s internal capacity by designing procedures, guideline and manual for GRM at regional and Federal level (in-house and hiring consultants)			2,700,000	150,000		150,000		EIO/COPCU
	Capacity building training for EIO staff both at head office and branch office (investigators, trainers, planning, communication and result based report writing) on grievance handling and redressing mechanism (In-house)			3,240,000	180,000	30,000	100,000	50,000	EIO
	Conducting study on existing grievance hearing and redressing mechanism at federal and regional state and system strengthening (Hiring consultants)			2,700,000	150,000	50,000	100,000		EIO/COPCU
	Designing procedures, guideline, manuals to have similar standard procedures in the country (Hiring consultants)			2,520,000	140,000	40,000	100,000		EIO/COPCU
	Printing of procedural mannuals and guidelines			3,060,000	170,000	20,000	75,000	75,000	EIO

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
	Conduct training for staffs of regional grievance hearing offices <b>(In-house)</b>			4,500,000	250,000	50,000	100,000	100,000	EIO
	Provide training on grievance redressing mechanism for key stakeholders			2,700,000	150,000	50,000	50,000	50,000	EIO
	Capacity building training & exposure visit on international practice on grievance redressing mechanism			2,160,000	120,000	0	60,000	60,000	EIO
	Awareness creation for citizens on opportunities and procedures for grievance handling in regions(by publication of magazine, brochures, newspapers, articles, billboard, etc, and by promotional activities through audio and visual (radio & TV) - <b>(Procurement of services)</b>								
	. EIO's (federal level)			6,480,000	360,000	80,000	140,000	140,000	EIO
	. Regional support (9 regions and 2 city administrations)			5,400,000	300,000	50,000	125,000	125,000	EIO
	Procurement of office equipment			900,000	50,000		50,000		EIO/COPCU
	<b>Total</b>			<b>36,360,000</b>	<b>2,020,000</b>	<b>370000</b>	<b>1050000</b>	<b>600000</b>	

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
Component B2: Local Public Financial Management									
B2a: Woreda PFM & procurement strengthening									
	Providing facilities to strengthen Woreda PFM activities (procuring photocopy and fax machine)			50,244,000	2,791,333	2,791,333			COPCU
	Conduct awareness creation workshops on PFM activities for Woreda Council and Cabinet members; WoFEDs heads and deputy heads (including Zones)			61,482,120	3,415,673	1,138,558	1,138,558	1,138,558	EMCP/ BoFEDS
	Strengthening Woreda capacity for effective management and implementation of the existing pool system (covering procurement, accounts, budget, treasury, property management and internal audit)			51,703,292	2,872,405	957,468	957,468	957,468	EMCP /PPPA/ BoFEDs
	Develop simplified procurement directives for woredas and give trainings for all woredas procurement staffs			15,656,683	869,816	289,939	289,939	289,939	EMCP /PPPA/ BoFEDs
	Strengthen woreda-level internal audit operations by establishing Audit committee for 400 woredas			27,360,000	1,520,001	506,667	506,667	506,667	EMC/BoFEDs

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
	Internal audit conference on issues of woreda level Audit (Zones to be included) twice a year			34,129,200	1,896,067	632,022	632,022	632,022	EMCP/ BoFEDS
	Conduct need assessment study to identify woredas hard wares and office equipment need (year 2) & Procure accordingly (year 3)			21,200,000	400,909		100,000	300,909	EMCP/ BoFEDS
	Roll out of the following manuals at Woreda level (Liquidity/cash management, single treasury and commitment control, Performance audit, Procurement standard bid documents)			17,481,120	971,173	323,724	323,724	323,724	EMCP/ BoFEDS
	Operating Expenses-stationeries			13,651,200	758,400	252,800	252,800	252,800	EMCP/ BoFEDS
	Transport allowance for woreda PFM teams			68,256,000	3,792,000	1,264,000	1,264,000	1,264,000	EMCP/ BoFEDS
	Massive trainings for woreda finance office employees on PFM components			33,786,720	1,877,040	625,680	625,680	625,680	EMCP/ BoFEDS
	Procurement of 13 vehicles for regions that do have zones (exclusively to support woredas).			14,040,000	780,000		780,000		EMCP/ BoFEDS

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
	Procurement of 14 vehicles for regions who do not have zones (exclusively to support woredas) (3 for Afar, 4 for Tigray, 3 for Benishangul-Gumuz, 4 for Somalie) .			15,120,000	840,000		840,000		EMCP/ BoFEDS
	<b>Total</b>			<b>410,126,697</b>	<b>22,784,817</b>	<b>8,782,191</b>	<b>7,710,858</b>	<b>6,291,767</b>	
<b>B2b: IBEX roll-out and support</b>									
	Operation costs for IBEX support and rollout at MoFED, BoFEDs, ZoFEDs and WoFEDs			13,572,155	754,009	251,336	231,336	251,336	EMCP
	Procurement of windows server 2008 for each Regions			3,850,000	213,889	213,889			COPCU/EMCP
	Salary and operational expenses for IBEX support unit (ISU) at MoFED.			16,119,688	895,538	298,513	298,513	298,513	EMCP
	Operational, service and material costs to connect woredas, zones, regional sector bureaus and federal bodies with woredanet network			64,024,583	3,556,921		3,556,921		COPCU/EMCP
	<b>Total</b>			<b>97,566,426</b>	<b>5,420,357</b>	<b>763,738</b>	<b>4,106,770</b>	<b>549,849</b>	

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
Sub-Component B2c: Regional training & Program Support									
	Roll out of the following manuals at Federal and regional (Liquidity/cash management, single treasury and commitment control, Performance audit, Procurement standard bid documents)			21,725,380	1,206,966	603,483	603,483		EMC/PPPA
	Conduct internal audit forum with Federal and Rgional/City administration twice ayear			3,490,710	193,928	64,643	64,643	64,643	EMC/PPPA
	Providing facilities for PFM Teams at Zones So that they can give adequate support to Woredas			8,456,000	469,778	432,196	18,791	18,791	COPCU/EMCP
	Procuring of 12 vehicles for Regions and 3 for EMCP PFM support activities (AA 3, Amhara 2, Oromia 3, SNNP 2, Diredawa 1, Harari 1)			16,200,000	900,000		900,000		
	Costs for contract employees at the Federal and Regional levels			131,965,200	7,331,400	2,443,800	2,443,800	2,443,800	COPCU/EMCP

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
	Operating expenses to support PFM (including procurement) activities at Woredas, Zones, Regions and Federal levels, (including transportation allowance, transportation cost, fuel, maintenance of vehicles, office refreshments, per diems, costs for special study teams, other goods and services).			25,940,492	1,441,138	480,379	480,379	480,379	EMCP/COPCU
	Operational costs to support timely reporting and closure of accounts at federal, regional and woredas			892,800	49,600	16,533	16,533	16,533	COPCU/EMCP
	Costs associated with PFM short term trainings at the Federal and Regional level			32,700,000	1,816,667	605,556	605,556	605,556	COPCU/EMCP
	Costs associated with PFM institutionalized trainings at the Federal and Regional level			22,143,000	1,230,167		615,083	615,083	COPCU/EMCP
	In- house Short term trainings on procurement and property management			10,414,470	578,582	192,861	192,861	192,861	PPPA /EMCP/ BoFED
	Establishing Ethiopian Institute of Procurement and Asset management (EIPAM) and provide institutionalized trainings			38,850,000	2,158,333	719,444	719,444	719,444	PPPA/EMCP

No.	Activity Item	Unit cost	Quant.	Total cost		Estimated Budget in USD			Responsible body
						Year 1	Year 2	Year 3	
				In Birr	In USD	January 2013-December/2013	January 2014-December/2014	January 2015-December/2015	
	Workshops , awereness creations and Forums on Procurement and property administration			3,148,870	174,937	58,312	58,312	58,312	PPPA/ EMCP/ BoFED
	Administrative and operating costs and goods for COPCU including conference hall facilities			32,918,792	1,828,822	609,607	609,607	609,607	COPCU
	<b>Total</b>			<b>348,845,714</b>	<b>19,380,317</b>	<b>6,226,814</b>	<b>7,328,493</b>	<b>5,825,010</b>	
<b>Sub-component B2d: Support to External Audit &amp; Parliament</b>									
	<b>Strengthening External Audit</b>								OFAG
	Increase Woreda-based audit coverage from 26% to over 50%			32,814,900	1,823,050	607,683	607,683	607,683	OFAG
	Carry out Woreda-level continuous audits			32,400,018	1,800,001	600,000	600,000	600,000	OFAG
	To be allocated bt OFAG			6,785,082	376,949	125,650	125,650	125,650	OFAG
	<b>Sub total</b>			<b>72,000,000</b>	<b>4,000,000</b>	<b>1,333,333</b>	<b>1,333,333</b>	<b>1,333,333</b>	OFAG
	<b>Enhance External Scrutiny (Strengthen PAC oversight capacity)</b>								
	Strengthening the capacity of Public Accounts, Budget and Finance, Agriculture and Social Affairs standing Committees at Federal, Regional and Woreda levels to discharge their oversight responsibilities			18,000,000	1,000,000	333,333	333,333	333,333	COPCU
	<b>Sub total</b>			<b>18,000,000</b>	<b>1,000,000</b>	<b>333,333</b>	<b>333,333</b>	<b>333,333</b>	
	<b>Total</b>			<b>90,000,000</b>	<b>5,000,000</b>	<b>1,666,667</b>	<b>1,666,667</b>	<b>1,666,667</b>	

## SUB-PROGRAM B3: Managing for Results (MfR)

### SUB-PROGRAM-B3: Ministry of Education COSTS

#### 1. *Goods: Woredal level EMIS rollout*

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
						January 2013-December 2013	January 2014-December 2014	January 2015-December 2015	
1	Cables: CAT 5e UTP cable will allow a network access point to be 95cm away from the switch in structured cabling. It also allows 100Mbps and 100 MHz. CAT 6e (with 250 MHz) could be offered as option.	83	300	448,200	24,900	24,900			MoE/COPCU
2	switches	138	650	1,614,600	89,700	89,700			MoE/COPCU
3	Desk top computer	666	650	7,792,200	432,900	432,900			MoE/COPCU
4	UPS	111	650	1,298,700	72,150	72,150			MoE/COPCU
5	Divider	22	650	257,400	14,300	14,300			MoE/COPCU
6	Software			11,411,100	633,950	633,950			MoE/COPCU
7	Anti-virus	2500	11	495,000	27,500	27,500			MoE/COPCU
8	school based application software	27777	1	499,986	27,777	27,777			MoE/COPCU
	<b>Sub-total</b>			<b>23,817,186</b>	<b>1,323,177</b>	<b>1,323,177</b>			

#### 2. *Services: Consultancy*

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
						January 2013-December 2013	January 2014-December 2014	January 2015-December 2015	
1	Data Quality Assessment (internal validation)	200,000	1	3,600,000	200,000		200,000		MoE/COPCU
2	Service Facility/Delivery Survey (2 times)	210,000	2	7,560,000	420,000	210,000		210,000	MoE/COPCU
3	Staff tracking study	200,000	1	3,600,000	200,000	200,000			MoE/COPCU
	<b>Sub-total</b>			<b>14,760,000</b>	<b>820,000</b>	<b>410,000</b>	<b>200,000</b>	<b>210,000</b>	
	<b>Total(MoE)</b>			<b>38,577,186</b>	<b>2,143,177</b>	<b>1,733,177</b>	<b>200,000</b>	<b>210,000</b>	

## SUB-PROGRAM-B3: Ministry of Health COST

### 1. Goods: Health Post and Health Center level Community Health Information System Strengthening

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	YR 1	YR 2	YR 3	
1	Printing cost for HMIS Materials for four Regions	3,250,000	1	58,500,000	3,250,000			3,250,000	MoH/COPCU
2	MPI box for 50 % (1500) of Health Centers	333	1,500	9,000,000	500,000			500,000	MoH/COPCU
3	Server procurement and installation for Master database at the Federal level	20,000	1	360,000	20,000			20,000	MoH/COPCU
4	Standard Shelves for the rest of 50 % Health posts (7500)	222	7500	30,000,000	500,000			500,000	MoH/COPCU
	<b>Sub-total</b>			<b>76,860,000</b>	<b>4,270,000</b>			<b>4,270,000</b>	

### 2. Consultancy Services

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	YR 1	YR 2	YR 3	
1	Health Facility Survey (Service Delivery Indicator –SDI) Survey	300,000	2	10,800,000	600,000	300,000		300,000	MoH/COPCU
2	Patient Satisfaction survey	200,000	1	3,600,000	200,000		200,000		MoH/COPCU
	<b>Sub-total</b>			<b>14,400,000</b>	<b>800,000</b>	<b>300,000</b>	<b>200,000</b>	<b>300,000</b>	

### 3. Operational Cost

No.	Item	Unit Cost	Quant.	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	YR 1	YR 2	YR 3	
1	Capacity building training on software data management and analysis [(208 perdiem*140ppl*5days)+370transport*140ppl]*11regions/18	78.5	1120	1,580,202	120,000			120,000	MoH/COPCU
	HMIS supportive supervision [(208 perdiem*70ppl*5days)+285transport*70ppl]*2times*11regions/18	73.5	1120	1,485,000	112,800	37600	37600	37600	MoH/COPCU
2	Training on operating the master database	1400	18	450,000	25,000			25,000	MoH/COPCU
	<b>Sub-total</b>			<b>4,640,400</b>	<b>257,800</b>	<b>37,600</b>	<b>37,600</b>	<b>182,600</b>	
	<b>Total(MoH)</b>			<b>95,900,400</b>	<b>5,327,800</b>	<b>337,600</b>	<b>237,600</b>	<b>4,752,600</b>	

### SUB-PROGRAM-B3: Ministry of Water and Energy COST

#### 1. Goods: WASH MIS Strengthening

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Procurement of computers, cables, and other accessories for woreda MIS roll out (390 woredas)	2000	390	14,040,000	780,000		780,000		MoWE/COPCU
	<b>Sub-total</b>			<b>14,040,000</b>	<b>780,000</b>		<b>780,000</b>		

#### 2. Consultancy Services

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Service Delivery and Facility Survey	300,000	2	10,800,000	600,000	100,000	200,000	300,000	MoWE/COPCU
2	System Updating to synchronize with NWI (technical support)	123,800	1	2,228,400	123,800		123,800		MoWE/COPCU
3	Internal validation and Data Quality Assessment	200,000	1	1,800,000	100,000	100,000			MoWE/COPCU
	<b>Sub-total</b>			<b>14,828,400</b>	<b>823,800</b>	<b>200,000</b>	<b>323,800</b>	<b>300,000</b>	

### 3. Operational Cost

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Training on the MIS application (2person/woreda) [(208 per diem*2ppl*5days)+450transport*2ppl]*115 woredas/18	83	230	343,566	19,087		19,087		MoWE
2	MIS software manual distribution			1,286,388	71,466		71,466		MoWE
3	Travel & per diem for trainers			84,240	4,680		4,680		MoWE
4	Fuel cost for trainers			1,368,864	76,048		76,048		MoWE
5	Salary			370,656	20,592		20,592		MoWE
6	CDMA & monthly refill			54,000	3,000	1000	1000	1000	MoWE
7	Computer with accessories and photocopy			144,000	8,000	8,000			MoWE
8	Travel and per diem			900,000	50,000	50,000			MoWE
9	Fuel			360,000	20,000	20,000			MoWE
10	Telephone – mobile			9,072	504	504			MoWE
11	Telephone – landline			12,960	720	720			MoWE
12	Stationery			42,120	2,340	2,340			MoWE
13	IT and M&E staff supportive supervision at Federal			1,482,624	82,368	27456	27456	27456	MoWE
	Sub-total			6,458,490	358,805	110,020	220,329	28,456	
	Total (MoWE)			35,326,890	1,962,605	310,020	1,324,129	328,456	

### SUB-PROGRAM-B3: Ministry of Agriculture COST

#### 1. Goods: MIS Strengthening

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Procurement of computers, cables, and other accessories for woreda MIS roll out (250 woredas)	2000	250	9,000,000	500,000		500,000		MoWE/COPCU
	<b>Sub-total</b>			<b>9,000,000</b>	<b>500,000</b>		<b>500,000</b>		

#### 2. Surveys, Assessments and Analytical works

No.	Item	Unit Cost	Quant	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Expanding the new AGMIS to the remaining regions(as a follow-up to PBSII)	400,000	1	7, 200,000	400,000	400,000			MoA
2	Trainings for phase 2 regions on the new MIS (follow up from PBS 2)	200,000	1	3,600,000	200,000		200,000		MoA
3	DAs tracking survey	200,000	1	3,600,000	200,000	200,000			MoA
4	Facility survey	300,000	1	5,400,000	300,000			300,000	MoA
	<b>Sub-total</b>			<b>198400,000</b>	<b>1,100,000</b>	<b>600,000</b>	<b>200,000</b>	<b>300,000</b>	MoA

### 3. Operational Cost

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	MIS supportive supervision [(208 per diem*2ppl*5days)+450transport*2ppl]*453woredas/18	83	906	1,350,000	75,000	25000	25000	25000	MOA
2	Training – data quality, analysis and management[(208 per diem*2ppl*5days)+450transport*2ppl]*362woredas/18	83	723	1,080,000	60,000	0	0	60,000	MoA
3	Undertaking semiannual reviews on Agriculture service delivery with stakeholders, Annual cost: [(208 per diem*2ppl*5days)+450transport*2ppl]*300woredas/18	50,000	2 per annum	5,400,000	300,000	100,000	100,000	100,000	MoA
	<b>Sub-total</b>			<b>7,830,000</b>	<b>435000</b>	<b>125,000</b>	<b>125000</b>	<b>185,000</b>	
	<b>Total (MoA)</b>			<b>36,630,000</b>	<b>2,035,000</b>	<b>725,000</b>	<b>825,000</b>	<b>485,000</b>	

## SUB-PROGRAM-B3: Central Statistics Agency COST

### 1. Goods

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Procurement of Cars for System Assessment	50,000	10	9,00,000	500,000	500,000	0	0	CSA
	<b>Sub-Total</b>			<b>9,00,000</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	

### 2. Surveys and Assessments

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Implementing EDQAF (two sectors per year)	300000	6	32,400,000	1,800,000	600,000	600,000	600,000	CSA
2	Geo-referenced rural facility data for regions	145,455	10	26,190,000	1,455,000	485,000	485,000	485,000	CSA
3	Water system assessment		1	3,600,000	200,000	200,000			CSA
4	Agriculture system assessment		1	3,600,000	200,000	200,000			CSA
5	Woreda Poverty Profile and Mapping		1	2,610,000	145,000	145,000			CSA
	<b>Sub-total</b>			<b>68,400,000</b>	<b>3,800,000</b>	<b>1,630,000</b>	<b>1,085,000</b>	<b>1,085,000</b>	

### 3. Operational

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	IT support to statistical data dissemination			3,600,000	200,000	150,000	50,000	0	CSA
2	Statistical advocacy and improving information availability and dissemination (workshops and dissemination of data for stakeholders)	100,000	3	5,400,000	300,000	100,000	100,000	100,000	CSA
3	Support to disaggregation of data by gender at decentralized level (11 regions)	9091	11	1,800,000	100,000	50,000	0	50,000	CSA
4	Trainings for regions sector bureaus (based on the findings of the sector data quality assessment) 11 regions*5 sectors*3ppl +5federal bureaus*2ppl)+450*transport*150	9445	11 regions	1,870,200	103,900	0	0	103,900	CSA
5	Agricultural Census (208per diem*24ppl*5 days+450transport*24ppl)*1000woredas Note: if CSA can not secure funds for mid-term Demography and Health Survey(DHS) this amount will be used for DHS.	2,000	1000 woredas	36,000,000	2,000,000	0	0	2,000,000	CSA
	<b>Sub-total</b>			<b>48,670,200</b>	<b>2,703,900</b>	<b>300,000</b>	<b>150,000</b>	<b>2,253,900</b>	
	<b>Total CSA</b>			<b>126,070,200</b>	<b>7,003,900</b>	<b>2,430,000</b>	<b>1,235,000</b>	<b>3,338,900</b>	

## SUB-PROGRAM-B3: Ethiopian Road Authority Cost

### 1. Goods

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Baseline data collection for all regions	100000	10	18000000	1,000,000	400,000	400,000	200,000	
2	Procurement of computers and servers for the MIS system	25,000	20	9,000,000	500,000	500,000	0	0	EAR/MoFED
3	Procurement of computers & GPS for woreda level offices	1,000	200	3,600,000	200,000	200,000	0	0	EAR/MoFED
	<b>Sub Total</b>			<b>30,600,000</b>	<b>1,700,000</b>	<b>1,100,000</b>	<b>400,000</b>	<b>200,000</b>	

### 2. Surveys and Assessments

No.	Item	Unit Cost	Quant	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Consultancy for training woreda staff on the new MIS	200000	1	3,600,000	200,000	0	0	200,000	EAR/MoFED
	<b>Sub Total</b>			<b>3,600,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	EAR/MoFED

### 3. Operational

No.	Item	Unit Cost	Quant	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Training on the new MIS for regions and woredas [(208perdiem*2ppl*5days)+400transport*2ppl]*1000 woreda/18	160	1000	2,880,000	160,000	-	0	160,000	ERA/MoFED
	<b>Sub Total</b>			<b>2,880,000</b>	<b>160,000</b>	<b>-</b>	<b>-</b>	<b>160,000</b>	
	<b>Total ERA</b>			<b>37,080,000</b>	<b>2,060,000</b>	<b>1,100,000</b>	<b>400,000</b>	<b>560,000</b>	

## MoFED/COPCU

### 1. Goods

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Procurement of computers (Laptops)	2,000	15	540,000	30,000	30,000	0	0	COPCU
	<b>Sub Total</b>	<b>2,000</b>	<b>15</b>	<b>540,000</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	

### 2. Surveys and Assessments

No.	Item	Unit Cost	Quant	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	Implementing Results Based Management training for decentralized levels (11 regions including operational)	338,331	11	66,989,610	3,721,645	1,240,548	1,240,548	1,240,548	COPCU
2	Effectiveness (linking financing and results) study (on two sectors) and experience sharing (Agriculture and Water)	275,000	2	9,900,000	550,000		275,000	275,000	COPCU
3	Equity in access to basic services through socio-economic study(follow up from PBS 2) 2 studies	400,00	2	14,400,000	800,000	400,000		400,000	COPCU
4	Basic service staff tracking studies (four PBS sectors)	200,000	4	14,400,000	800,000	200,000	400,000	200,000	COPCU
5	Sustainability studies	200,000	1	3,600,000	200,000			200,000	COPCU
6	Study on innovative mechanisms of effective service delivery (data Collection)		200,000	3,600,000	200,000	200,000			COPCU
	<b>Sub-Total</b>			<b>112,889,610</b>	<b>6,271,645</b>	<b>2,040,548</b>	<b>1,915,548</b>	<b>2,315,548</b>	COPCU

### 3. Operational

No.	Item	Unit Cost	Quantity	Total Cost		Estimated Budget In USD			Responsible Body
				In Birr	In USD	Year 1	Year 2	Year 3	
1	International training on project effectiveness measurements, monitoring and evaluation (5ppl(1400transport+10,000 tuition fee+5,000 accommodation)	16,400	5	1,476,000	82,000	-	82,000		MoFED
2	In-country training on project management and coordination for MfR (including staff from CSA, MoE, MoH, MoA, ERA, and MoWE) 3 times in PBS-3 period yearly cost=[(208perdiem*25ppl*5days)+280transport*25ppl)+11,200 Refreshment and hall rent]/18	296	25	139,806	7,767	2,589	2,589	2,589	
3	Graduate level continuing education for Macro, General Accounts and COPCU staff	20,000	4	1,440,000	80,000	40,000	20,000	20,000	
	<b>Sub Total</b>			<b>3,055,806</b>	<b>169,767</b>	<b>42,589</b>	<b>104,589</b>	<b>22,589</b>	
	<b>Total (MoFED/COPCU)</b>			<b>116,485,398</b>	<b>6,471,411</b>	<b>2,113,137</b>	<b>2,020,137</b>	<b>2,338,137</b>	

## Annex 3: Detail Cost Estimation

**Sub- Program B:** *Strengthening Local transparency and Accountability Systems*

**Component B1:** *Citizen's Engagement*

**Sub component B1a:** *Financial Transparency and accountability (FTA)*

S.No	Activities/ Detail tasks	Budget (in Birr)
	<b>Training and workshops for woreda citizens to raise awareness and understanding of public budgeting and planning process: 100 participants per woreda</b>	
	<b>Year 1 for citizen training:-</b>	
	· Number of woredas 948	
	· Number of participants $948 \times 100 = 94,800$	
	for year 1	
	<b>Year 1 for citizen training:-</b>	
	· Number of woredas 948	
	· Number of participants $948 \times 100 = 94,800$	
	· Participant allowance $94,800 \times 2 \text{ days} \times 124 \text{ birr/day}$	23,510,400
	· Trainers per diem of regions and Zones $(56 \times 3 + 11 \times 5) \times 165 \text{ birr} \times 4 \text{ days}$	147,180
	· Per diem cost for MoFED FTA experts $(25 \text{ days} \times 5 \times 208 \text{ birr})$	26,000
	· Transportation cost for MoFED FTA experts $(2000 \text{ birr} \times 5 \text{ fta})$	10,000
	· Refreshment 40 birr twice a day $\times 94,800 \text{ participants} \times 2 \text{ days}$	7,584,000
	· Printing of Training materials $94,800 \times 15 \text{ birr}$	1,422,000
	· Hall rent $948 \text{ woredas} \times 400 \text{ birr} \times 2 \text{ days}$	758,400
	· Stationeries lump sum	120,000
	<b>Sub-Total year 1</b>	<b>33,577,980</b>
	<b>Year 2 for citizen training first batch</b>	
	· Number of woredas 948	
	· Number of participants $948 \times 100 = 94,800$	
	· Participant allowance $94,800 \times 2 \text{ days} \times 124 \text{ birr/day}$	23,510,400
	· Trainers per diem of regions and Zones $(56 \times 3 + 11 \times 5) \times 165 \text{ birr} \times 4 \text{ days}$	147,180
	· Per diem cost for MoFED FTA experts $(25 \text{ days} \times 5 \times 208 \text{ birr})$	26,000

S.No	Activities/ Detail tasks	Budget (in Birr)
	· Transportation cost for MoFED FTA experts (2000birr*5fta)	10,000
	· Refreshment 40 birr twice a day*94800participants*2days	7,584,000
	· Printing of Training materials 94800*15birr	1,422,000
	· Hall rent 948woredas*400birr*2days	758,400
	· Stationeries lump sum	120,000
	<b>Sub-Total year 2</b>	<b>33,577,980</b>
	<b>Year 2 for citizen training second batch:-</b>	
	Number of woredas 948	
	· Number of participants 948*100=94,800	
	· Participant allowance 94,800*2days*124 birr/day	23,510,400
	· Trainers per diem of regions and Zones (56*3+11*5)*165birr*4days	147,180
	· Per diem cost for MoFED FTA experts (25days*5*208birr)	26,000
	· Transportation cost for MoFED FTA experts (2000birr*5fta)	10,000
	· Refreshment 40 birr twice a day*94800participants*2days	7,584,000
	· Printing of Training materials 94800*15birr	1,422,000
	· Hall rent 948woredas*400birr*2days	758,400
	· Stationeries lump sum	120,000
	<b>Sub-Total year 2</b>	<b>33,577,980</b>
	<b>Year 3</b>	
	Number of woredas 948	
	· Number of participants 948*100=94,800	
	· Participant allowance 94,800*2days*124 birr/day	23,510,400
	· Trainers per diem of regions and Zones (56*3+11*5)*165birr*4days	147,180
	· Per diem cost for MoFED FTA experts (25days*5*208birr)	26,000
	· Transportation cost for MoFED FTA experts (2000birr*5fta)	10,000
	· Refreshment 40 birr twice a day*94800participants*2days	7,584,000
	· Printing of Training materials 94800*15birr	1,422,000
	· Hall rent 948woredas*400birr*2days	758,400
	· Stationeries lump sum	120,000
	<b>Sub-Total year 3</b>	<b>33,577,980</b>
	<b>Total</b>	<b>134,311,920</b>

S.No	Activities/ Detail tasks	Budget (in Birr)
	<b>Disclosure of local public budget issues through mass media</b>	
	<b>Year 1-3</b>	
	<b>Design of media disclosure by MoFED for 3 years</b>	
	· Sponsoring program 250,000birr*2years	500,000
	· By drama – contracting artists 772,800 birr*2years	1,545,600
	· Disclosing main overview of FTA activities by purchasing air time 300,000birr*2years	600,000
	<b>Sub- Total at MoFED</b>	<b>2,645,600</b>
	<b>Design of media disclosure by Regions for 3 years</b>	
	11 regions*500,000birr*3years	16,500,000
	<b>Sub-Total</b>	<b>16,500,000</b>
	<b>Innovative activities</b>	
	3 woredas from one region will be selected for innovative activities	
	For one woreda a maximum of 50,000 birr can be rewarded.	
	11 regions *3=33 woreds/year*3	
	MoFED 1	
	A total of 33 :-33/year*3years* 50,000birr	5,940,000.00
	School men media and clubs 1000*474 of 948 woredas*1	474,000
	<b>Total</b>	<b>25,559,600</b>
	<b>Develop FTA templates to disclose audit and procurement activities</b>	
	Consultant fee and customization	<b>2,500,000</b>
	<b>Citizen participation on pre-budget (planning stage)</b>	
	20 Percent of 948woredas*90 citizens*2 days *165	5,643,000
	· Stationeries lump sum	72,000
	<b>Total</b>	<b>5,715,000</b>
	<b>Orientation on service delivery templates for woreda Health, Education, Agriculture, water and Finance offices : 2 participants per sector</b>	
	Per diem for participants 165 birr*948*10 participant*3days	4,692,600
	Per diem for MoFED FTA experts (25*5*208)	26,000
	Transport cost for MoFED FTA experts (2000birr*5)	10,000
	Refreshment 40 birr*9480 participants*2days	758,400

S.No	Activities/ Detail tasks	Budget (in Birr)
	Trainer's per diem 165 birr*167 trainers*3days	82,665
		240,000
	<b>Total</b>	<b>5,809,665</b>
	<b>Procuring of bill-boards and suggestion boxes for posting templates and getting feed back in regions and woredas</b>	
	Year 1 and 2:- 948 woredas+56 zones =1004*3 bill boards*8733birr	26,303,796
	<b>Total</b>	<b>26,303,796</b>
	<b>Refining and simplifying the budget and expenditure and service facility templates</b>	
	Per diem 30days* 20 experts*138 birr to refine the templates	82,800
	Debrezit Management institute boarding 450*20*30	270,000
	printing cost 2 templates * 50 pages* 993 copies *2.5 birr	248,250
	Transport cost 11 experts*2000 birr +5 experts*200 birr	23,000
	Per diem of Workshop on the refined templates 3days*30 experts*165birr*11 region	163,350
	Hall rent for Workshop on the refined the templates 3times*700birr* 11 region	23,100
	Refreshment for Workshop on the refined the templates 3times*30 experts*40*11 regions	39,600
	Woreda level workshops 948*40 participants*40 birr refreshment	1,516,800
	. Stationeries lump sum	120,000
	<b>Total</b>	<b>2,486,900</b>
	<b>Printing and dissemination of FTA Templates by regions to post the budget information in woerdas and service delivery centers</b>	
	· Year 1: Quarterly 20 birr*(948 wored+56 zone+11 region)*4times/year*30 kebeles	2,436,000
	· Year 2: Quarterly 15 birr*(926 wored+56 zone+11 region)*4times/year*30 kebeles	2,436,000
	· Year 3: Quarterly 15birr*(926 wored+56 zone+11 region)*4 times/year*30 kebeles	2,436,000
	. Stationeries lump sum	120,000
	<b>Total</b>	<b>7,428,000</b>
	<b>Intra regional workshops to support cross regional &amp; cross-woreda experience sharing</b>	

S.No	Activities/ Detail tasks	Budget (in Birr)
	<b>Year3</b>	
	Intra- regional experience sharing workshops	
	Per diem expenses 8 regions in average (2701woredas FTA+40 regional FTA)*4days*165birr	1,809,060
	Per diem for MoFED FTA experts (25days*5fta*208birr)	26,000
	Transport for 8 regions 300birr*2741participants	822,300
	Refreshment expense 40 birr*2741 members	109,600
	. Stationeries lump sum	120,000
	<b>Sub-Total year 3</b>	<b>2,886,960</b>
	<b>Total</b>	<b>2,886,960</b>
	<b>Experience sharing and Practical Training on FTA initiatives in regional and/or international practices</b>	
	<b>For year 2 :-</b>	
	Tuition fee for the training 1500 USD/person 1500*20participants*17.5 birr	525,000
	Boarding and Lodging 1500 USD/person 1500*20 participants* 17 .5 birr	525,000
	International tickets 20 participants*1500 USD/person*17 .5birr	525,000
	Per diem for 20 participants for 15 days 100 USD/person (20*15*100*17.5)	525,000
	<b>Total</b>	<b>2,100,000</b>
	<b>Conduct annual review meeting with regions on FTA performance issues</b>	
	· Per diem for FTA teams from 11 regions 5 members for 2 days meeting (5 * 6days*208birr)	68,640
	· Per diem for Regional BOFED heads 11*6*208birr	5,709
	·Per diem for FTA teams from MOFED 5*2days*208birr	2,080
	· Per diem for MOFED Officials 3*2 days*208birr	1,248
	· Drivers from MOFED 3*5days*208birr	3,120
	· Hall rent for 3 days*2000 birr per day	6,000
	Hotel accommodation for 60 participants 900 birr per individual for 3 days	162,000
	· Transport for 55 regional FTA team members 800/person 800 birr*55	44,000
	. Fuel for review meeting 100 litter*3 times* 20 birr	6,000
	. Stationary for the meeting	3,362

S.No	Activities/ Detail tasks	Budget (in Birr)
	<b>For year 1</b>	<b>302,159</b>
	<b>Year 2</b>	
	· Per diem for FTA teams from 11 regions 5 members for 2 days meeting ( 5 * 6days*208birr)	68,640
	· Per diem for Regional BOFED heads 11*6*208birr	5,709
	·Per diem for FTA teams from MOFED 5*2days*208birr	2,080
	· Per diem for MOFED Officials 3*2 days*208birr	1,248
	· Drivers from MOFED 3*5days*208birr	3,120
	· Hall rent for 3 days*2000 birr per day	6,000
	Hotel accommodation for 60 participants 900 birr per individual for 3 days	162,000
	· Transport for 55 regional FTA team members 800/person 800 birr*55	44,000
	. Fuel for review meeting 100 litter*3 times* 20 birr	6,000
	. Stationary for the meeting	3,361
	<b>For year 2</b>	<b>302,158</b>
	<b>Year 3</b>	
	· Per diem for FTA teams from 11 regions 5 members for 2 days meeting (5 * 6 days*208birr)	68,640
	· Per diem for Regional BOFED heads 11*6*208birr	5,709
	·Per diem for FTA teams from MOFED 5*2days*208birr	2,080
	· Per diem for MOFED Officials 3*2 days*208birr	1,248
	· Drivers from MOFED 3*5days*208birr	3,120
	· Hall rent for 3 days*2000 birr per day	6,000
	. Hotel accommodation for 60 participants 900 birr per individual for 3 days	162,000
	· Transport for 55 regional FTA team members 800/person 800 birr*55	44,000
	. Fuel for review meeting 100 litter*3 times* 20 birr	6,000
	. Stationary for the meeting	3,361
	<b>For year 3</b>	<b>302,158</b>
	<b>Total</b>	<b>906,475</b>
	<b>Impact Assessment survey on budget literacy of citizens (Consultancy)</b>	
	Impact Assessment survey on budget literacy of citizens	<b>2,493,684</b>
	<b>Salary</b>	

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Budget (in Birr)</b>
	<b>At MoFED level</b>	
	FTA team leader 1*36 months*10700	385,200
	Senior FTA Expert 4*36 months*8700	1,252,800
	<b>At BoFED level</b>	
	Senior FTA Focal person 11*36 months*10000	3,960,000
	<b>Total</b>	<b>5,598,000</b>
	<b>Total</b>	<b>224,100,000</b>

**Component B2: Local Public Financial Management****Sub Component B2a: Woreda PFM and Procurement Strengthening**

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Amount in Birr</b>
	Providing facilities to strengthen Woreda PFM activities (procuring photocopy and fax machine)	
	Photo copy machine 948 unites X birr 35,000 ( one for each woreda and town)	33,180,000
	Fax machine 948 unites X birr 18,000 ( one for each Woreda and town)	17,064,000
	<b>Sub-Total</b>	<b>50,244,000</b>
	Conduct awareness creation workshops on PFM activities for Woreda Council and Cabinet members; WoFEDs heads and deputy heads (including zones)	
	<b>At Woreda/ Town level</b>	
	. Facilities for 142,200 participants, ( 150 for each Woreda/Town) meeting hall (Including lunch, 2 times refreshment, bottled water, etc.)	
	- Lunch 142,200 participants ( 948 Woredas/ Towns each 150 participants)* 2 days*100 birr	28,440,000
	- Refreshment 142,200 participants*2 times a day *2 days*20 birr	11,376,000
	- Rent 948 training halls*2 days*500 birr	948,000
	. Fuel for transportation ( 948*50 litter*20 birr)	948,000
	. Trainers fee for 948 trainers* 2 days*500	948,000
	. Subsistence allowance for out of pocket expenses for 948 training coordinators (1 for each Woreda) 948* 2 days*85	161,160
	. Subsistence allowance for out of pocket expenses for 1896 supporting staffs (2 finance staffs for each Woreda /city)1896*85	161,160
	. Printing, duplicating and binding training Materials 14,2200 copies*100 birr)	14,220,000
	<b>At Zonal level</b>	
	. Facilities for 8,400 participants ( about 150 at each Zone/ sub City) meeting hall (Including lunch, 2 times refreshment, bottled water, etc.)	
	- Lunch 8,400 participants* 2 days*150 birr	2,520,000
	- Refreshment 8,400 participants*2 times a day *2 days*20 birr	672,000
	- Rent 56 training halls*2 days*1000 birr	112,000
	. Fuel for transportation ( 56*50 litter*20 birr)	56,000
	. Trainers fee for 56 trainers* 2 days*500	56,000
	. subsistence allowance for out of pocket expenses for 56 training coordinators (1 for each zone)56* 2 days*85	9,520

S.No	Activities/ Detail tasks	Amount in Birr
	. subsistence allowance for out of pocket expenses for 168 supporting staffs (2 finance and 1 drivers for each Zone)168*85	14,280
	. Printing, duplicating and binding training Materials 8,400 copies*100 birr)	840,000
	<b>Sub-Total</b>	<b>61,482,120</b>
	<b>Strengthening Woreda capacity for effective management and implementation of the existing pool system (covering accounts, budget, treasury, property management and internal audit)</b>	
	<b>Revise and distribute Pool Manual</b>	
	<b>Organize professional study team of 15 members ( 11 from BoFED &amp; 4 from MoFED) and revises the existing Woreda and Zone financial pool service manual at Debrezite management institute training center for one month</b>	
	Facility cost ( Meal, refreshment, bed room and study room) 15 team members*30 days* birr 500 accommodation	225,000
	Subsistence allowance for out of pocket expenses 15 team members*30 days* birr 138	62,100
	Transportation cost 10 team members* birr 2000 +5 team members* birr 100	20,500
	Facility cost for high level evaluation team 10 members *4 days* birr 500 accommodation	20,000
	Subsistence allowance for out of pocket expenses for high level evaluation team (4 MoFED, 2 Oromia and 2 Addis Ababa BoFEDs PFM officials) 10 team members*4 times a month* birr 138	5,520
	Transportation cost for high level evaluation team,10 team members* 100 liters* birr 20	20,000
	Facility cost for coordinator, finance staffs, drivers 1*30* birr 500 + 3*4* birr 500 accommodation	21,000
	subsistence allowance for out of pocket expenses for coordinator and supporting staffs 1*30* birr 138+ 3*8* birr 138	7,452
	Transportation cost for coordinator and supporting staffs 8 times*25 liters* birr 20	4,000
	Translation, Printing and distribution of draft Pool manual (Lump sum)	10,000
	<b>Conduct 3 days workshop at Debrezite Management Institute with BoFED heads and deputy heads and MoFED PFM directories to discuss and improve the manual with their comments.</b>	
	Facility cost 50 participants*3 days* birr 500 accommodation	75,000

S.No	Activities/ Detail tasks	Amount in Birr
	Subsistence allowance for out of pocket expenses 50 participants*3 days* birr 138	20,700
	Transportation cost 30 Participants* birr 2000 +20 participants* birr 800 transportation	76,000
	Facility cost for coordinator, finance staffs, drivers 5*3* birr 500 accommodation	7,500
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 5*3* birr 138	2,070
	Transportation cost for coordinator and supporting staffs 2*25 liters* birr 20	1,000
	Translation, printing and distribution of draft manuals 50 copies*birr 200	10,000
	<b>Distribute the final Pool Manual to all Woreda oFED, Zone oFED and BoFED</b>	
	To all Woreda oFED (each 2 copies) 948 woredas*2 copies* birr 200	379,200
	To all Zone oFED (each1 copy) 56 Zones*1 copy* birr 200	11,200
	To all BoFED (each 2 copies) 11 BoFED*2 copies* birr 200	4,400
	<b>Conduct 10 days TOT training on Pool manual at Debrezite for 60 regional BoFED staffs</b>	
	Facility cost 60 participants*10 days* birr 500 accommodation	300,000
	Transportation cost 40 trainees* birr 2000 +20 team trainees* birr 100	82,000
	Facility cost for coordinator, finance staffs, drivers 5*10* birr 500 accommodation	25,000
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 5*10* birr 85	4,250
	Transportation cost for coordinator and supporting staffs 2*25 liters* birr 20	1,000
	Translation, Printing and distribution of pool manual & training documents 60 copies*birr 200	12,000
	<b>Over all training on Pool manual at Woreda level(including Zones)</b>	
	The training will be conducted at Regional/ Zonal centers and each training will have variable costs of birr 305 per trainees ( including birr 100 for lunch, birr 40 for refreshment, 165 per dime) and birr 200 fixed costs for transportation, training module and others).	
	35 trainees*948 Woredas/ Towns (33,180 trainees)*4 days*birr 305+33,180*birr 200 facility	47,115,600
	40 trainees*56 Zones (2,240 trainees)*4 days*birr 305+2,240*birr 200 facility	3,180,800
	<b>Sub-Total</b>	<b>51,703,292</b>
	<b>Develop simplified procurement directives for Woredas and give trainings for all Woredas procurement staffs</b>	

S.No	Activities/ Detail tasks	Amount in Birr
	<b>Organize professional study team to simplify procurement directives for Woredas 5 members from PPPA at Debrezite management institute training center for 15 days</b>	
	Facility cost ( Meal, refreshment, bed room and study room) 5 team members*15 days* birr 500 accommodation	37,500
	Subsistence allowance for out of pocket expenses 5 team members*15 days* birr 138	10,350
	Fuel for transportation 100 liters* birr 20	2,000
	Facility cost for high level evaluation team 10 members *4 days* birr 500 accommodation	20,000
	Facility cost for coordinator, finance staffs, drivers 3*2* birr 500 accommodation	3,000
	subsistence allowance for out of pocket expenses for coordinator and supporting staffs 3*2* birr 138	828
	Printing and distribution of draft simplified procurement directives for Woredas (Lump sum)	2,000
	<b>Conduct 2 days workshop at Debrezite Management Institute with BoFEDs and MoFED officials and experts and improve the manual with their comments.</b>	
	Facility cost 40 participants*2 days* birr 500 accommodation	40,000
	Subsistence allowance for out of pocket expenses 40 participants*2 days* birr 138	11,040
	Transportation cost 30 participants* birr 2000 +10 team members* birr 800 transportation	68,000
	Facility cost for coordinator, finance staffs, drivers 5*2* birr 500 accommodation	5,000
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 5*2* birr 138	1,380
	Transportation cost for coordinator and supporting staffs 2*25 liters* birr 20	1,000
	Printing and distribution of draft manuals 40 copies*birr 200	8,000
	<b>Distribute the final simplified procurement directives to all Woreda oFED</b>	
	948 Woredas *2 copies* birr 200	379,200
	<b>Conduct 5 days TOT training on simplified procurement directives at Debrezite for 60 regional BoFED staffs</b>	
	Facility cost 60 participants*5 days* birr 500 accommodation	150,000
	Transportation cost 40 trainees* birr 2000 +20 team trainees* birr 100	82,000

S.No	Activities/ Detail tasks	Amount in Birr
	Facility cost for coordinator, finance staffs, drivers 5*5* birr 500 accommodation	12,500
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 5*5* birr 85	2,125
	Transportation cost for coordinator and supporting staffs 2*25 liters* birr 20	1,000
	Translation, Printing and distribution of Simplified procurement directives & training documents 60 copies*birr 200	12,000
	<b>Over all training on Simplified procurement directives at Woreda level(including Zones)</b>	
	The training will be conducted at Regional/ Zonal centers and each training will have variable costs of birr 305 per trainees ( including birr 100 for lunch, birr 40 for refreshment, 165 per dime) and birr 200 fixed costs for transportation, training module and others).	
	11 trainees*948 Woredas/ Towns (10,428 trainees)*4 days*birr 305+10428*birr 200 facility	14,807,760
	<b>Sub-Total</b>	<b>15,656,683</b>
	<b>Strengthen Woreda -level internal audit operations by establishing Audit committee for 400 Woredas</b>	
	Establish Audit committee for 400 selected Woredas	
	In selected Woreda 3 members from sector office and 1 secretariat for the team	
	Transport allowance for 3 members each 500 birr and 400 birr for secretariat	
	Audit committee 3 members* 400 Woredas * 500 birr* 36 months	21,600,000
	One secretariat*400woreda *400 birr	5,760,000
	<b>Sub-Total</b>	<b>27,360,000</b>
	<b>Internal audit conference on issues of woreda level Audit (Zones to be included) twice a year</b>	
	Undertake internal audit conference twice a year for two days	34,129,200
	<b>Sub-Total</b>	<b>34,129,200</b>
	<b>Conduct need assessment study to identify Woredas hard wares and office equipment need (year 2) &amp; Procure accordingly (year 3)</b>	
	In year 2 there will be a need assessment study for Woredas whether Woredas need additional hard wares and Equipments lump sum	1,800,000
	In year 3 Procure accordingly (lump sum)	5,416,362
	<b>Sub-Total</b>	<b>7,216,362</b>

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Amount in Birr</b>
	<b>Roll out of the following manuals at Woreda level (Liquidity/cash management, single treasury and commitment control, Performance audit, Procurement standard bid documents)</b>	
	<b><i>Printing and distribution of the manuals</i></b>	
	Print and distribute the Liquidity/ Cash management single treasury and commitment control manual for 948 Woreda/ Town oFED, 2 copies for each*100 birr	189,600
	Print and distribute the Performance audit manual for 948 Woreda/ Town oFED, 2 copies for each* 100 birr	189,600
	Print and distribute Standard Bid Documents (SBD, about 15 type) for 948 Woreda/ Town oFED, 2 copies for each* 500 birr	948,000
	<b><i>Trainings on the manuals manual</i></b>	
	The training will be conducted at Regional/ Zonal centers and each training will have variable costs of birr 305 per trainees ( including birr 100 for lunch, birr 40 for refreshment, 165 per dime) and birr 200 fixed costs for transportation, training module and others).	
	6 trainees*948 Woredas/ Towns (5,688 trainees)*4 days*birr 305+5688*birr 200	8,076,960
	Training on Performance audit manual	
	3 trainees*948 Woredas/ Towns (2,844 trainees)*5 days*birr 305+2844*birr 200	4,038,480
	<b><i>Training on Standard Bid Documents</i></b>	
	3 trainees*948 Woredas/ Towns (2,844 trainees)*5 days*birr 305+2844*birr 200	4,038,480
	<b><i>Training on liquidity management STA and commitment con. Manuals</i></b>	
	<b>Sub-Total</b>	<b>17,481,120</b>
	<b>Operating Expenses- stationeries</b>	
	Stationery; 400 birr lamp sum per month*948 Woredas/ cities*36 months	13,651,200
	<b>Sub-Total</b>	<b>13,651,200</b>
	<b>Transport allowance for Woreda PFM teams</b>	
	4 team members* 500 birr*948 Woreda/Town*36 months	68,256,000
	<b>Sub-Total</b>	<b>68,256,000</b>

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Amount in Birr</b>
	<b>Massive trainings for woreda finance office employees on PFM components</b>	
	The training will be conducted at Zonal / Woreda centers and each training will have variable costs of birr 305 per trainees ( including birr 100 for lunch, birr 40 for refreshment, 165 per dime) and birr 200 fixed costs for transportation, training module and others).	
	9 trainees*948 Woredas/ Towns (8532 trainees)*4 days*birr 305+8532*birr 100 facility for 3 years	<b>33,786,720</b>
	<b>Procurement of 13 vehicles for regions who do have zones (exclusively to support Woredas).</b>	
	13 vehicles @ USD 60,000*18 birr in year 2	14,040,000
	<b>Sub-Total</b>	<b>14,040,000</b>
	<b>Procurement of 14 vehicles for regions who do not have zones (exclusively to support Woredas) (3 for Afar,4 for Tigray, 3 for Benishangul-Gumuz, 4 for Somalie) .</b>	
	14 vehicles @ USD 60,000*18 birr in year 2	15,120,000
	<b>Sub-Total</b>	<b>15,120,000</b>
	<b>Total 1</b>	<b>410,126,697</b>

## Sub-Component B2b: IBEX Rollout and Support

S.No	Activities/ Detail tasks	Budget (in Birr)
	<b>Operational costs for IBEX support and rollout at MoFED, BoFEDs, ZoFEDs and WoFEDs</b>	
	<b>Cost for IBEX roll out</b>	
	Roll out of IBEX-1.3 to the remaining 212 Woredas by regions and Zones IT experts	600,000
	Roll out of the updated IBEX-2 to all public bodies at all levels by MoFED IT and ISU staffs	2,600,000
	<b>Support for IBEX system at BoFED level (3 IT experts)</b>	
	3 IT experts each region = 33 x 10 days per month x 36 months x birr 165 per dium = 33x10x36x165 months	1,960,200
	<b>Support for IBEX system at Zone/Sub city level (2 IT experts)</b>	
	Per dium for 2 IT experts* 56 zones for 10 days/month/person 165 birr/day for 36 months	6,652,800
	<b>Sub-Sub-Total</b>	<b>11,813,000</b>
	<b>Technology Training for 132 trainees (3 from each region, 1 from each zone and 15 from MoFED)</b>	
	Training fee	1,240,845
	Per diem 117 trainees*22 days*165 birr	424,710
	Transportation for trainee 800 birr on average/trainee 117	93,600
	<b>Sub-Sub-Total</b>	<b>1,759,155</b>
	<b>Sub-Total</b>	<b>13,572,155</b>
	<b>Procurement of windows server 2008 for each Regions</b>	
	Procurement of windows server 2008 300 CAL 11*350000	3,850,000
	<b>Sub total</b>	<b>3,850,000</b>
	<b>Salary and operational expenses for IBEX support unit (ISU) at MoFED.</b>	
	<b>a) Salaries:-</b>	
	IT Technical Lead @ 30,720/month x 36 x 2	2,211,840
	Senior Procedural and IT advisor @ 30,238/month x 36 x 1	1,088,568
	Senior software Developer@ 20,000/month x 36 x 2	1,440,000
	Developer @16,800/month*36x1	604,800
	Developer @13,900/month*36x1	500,400
	Developer @9,025/month*36x1	324,900
	Network specialist@10,830*36x1	389,880
	Finance and administration manager @ 9,900/month x 36	356,400

S.No	Activities/ Detail tasks	Budget (in Birr)
	Administrative assistant @ 6,500/month x 36	234,000
	Accountant @8,500 x 36 x 1	306,000
	Casher @4500*36*1	162,000
	Drivers @ 2500/month x 36 x 1	90,000
	Drivers @ 2000/month x 36 x 7	504,000
	Cleaner/ Messenger @ 1200/month x 36 x 1	43,200
	Cleaner/ Messenger @ 825/month x 36 x 1	29,700
	<b>Sub-Sub-Total</b>	<b>8,285,688</b>
	<b>b) Operating expenses</b>	
	Communication @ 4,000/month x 36	144,000
	Equipment maintenance @ 3,000/month x 36	108,000
	Postage @ 300/month x 36	10,800
	Stationeries and computer accessories @ 8,000/month x 36	288,000
	Other materials @ 3,000/month x 36	108,000
	Fuel for 8 cars providing transportation service for reform activities field works and IBEX support for Federal Public bodies at Addis Ababa 8000 birr per month*8*36 months	2,304,000
	Maintenance costs for 8 cars *5000 kms. Per month*36 months/5000 kms.*8500 birr	2,448,000
	Spare parts for 8 cars i.e. tyre, battery and others at a fixed rate(50,000 birr per car per year) 8*50,000*3 years	1,200,000
	Per diem for Various IBEX Support activities provided by MoFED professional staffs for Federal Public bodies and Regions/City administrations BoFEDs; 15 staffs per month*for 10 days*36 months*208 birr+ 100,000 air ticket fee in lump sum	1,223,200
	<b>Sub-Sub-Total</b>	<b>7,834,000</b>
	<b>Sub-Total</b>	<b>16,119,688</b>
	<b>Operational, service and material costs to connect woredas, zones, regional sector bureaus and federal bodies with woredanet network</b>	
	<b>Connecting 355 Woredas, 17 ZoFEDs, 335 Regional sector Bureaus' and 171 Federal Public Bodies to woredanet network infrastructure</b>	
	Installation, configuration including materials for Ethio- telecom for last mile connectivity	25,000,000
	Local area network connectivity costs	12,814,583
	Project follow up, Quality assurance and verification, validation and acceptance of the work, change control and management	2,000,000

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Budget (in Birr)</b>
	<b>Building Data Center for Regional BoFEDs</b>	
	Air Conditioner 9*250000	2,250,000
	UPS and Power Distribution unit 9*600000	5,400,000
	Raised floor 9*200000	1,800,000
	Wall cladding 9*120000	1,800,000
	Fire alarm and suppression system 9*150000	1,350,000
	Electric system equipments 9*170000	1,530,000
	Access control system 9*50000	450,000
	Server rack and wiring cabinet and cable management accessories 9*500000	4,500,000
	False ceiling and lighting 9*70000	630,000
	Installation and Commissioning 9*500000	4,500,000
	<b>Sub-Total</b>	<b>64,024,583</b>
	<b>Total</b>	<b>97,566,426</b>

## Sub-Component B2c: Regional Training and Program Support

S.No	Activities/ Detail tasks	Amount in Birr
	<b>Roll out of the following manuals at Federal and Regional levels (Liquidity/cash management, single treasury and commitment control, Performance audit, Procurement standard bid documents)</b>	
	<b>At Federal level</b>	
	Translate, print and distribute the Liquidity/ Cash management single treasury and commitment control manual for 150 Federal public bodies, 2 copier for each*100 birr	30,000
	Translate, print and distribute the Performance audit manual for 150 Federal public bodies, 2 copies for each* 100 birr	30,000
	Translate, print and distribute Standard Bid Documents (SBD, about 15 type) for 150 Federal public bodies, 2 copies for each* 500 birr	150,000
	Translate, print and distribute Liquidity/ Cash management single treasury and commitment control manual, Performance audit manual and Standard Bid Documents (SBD, about 15 type) for 11 Region/ City administration BoFEDs , 2 copies each, birr 11*2* 700 birr	15,400
	<b>Over all trainings on Liquidity/ Cash management single treasury and commitment control manual for federal public bodies trainees (Training facilities, refreshment, training materials and transportation costs)</b>	
	630 trainees from Addis Ababa federal public bodies, *4 days*birr 200 for facilities	504,000
	270 trainees from out of Addis Ababa federal public bodies, *4 days*birr 200 for facilities	324,000
	Per diem for 270 trainees from out of Addis Ababa federal public bodies, *birr*6 208	336,960
	Transportation for 270 trainees from out of Addis Ababa federal public bodies, *birr 1500	405,000
	Subsistence allowance for out of pocket expenses for trainees from Addis Ababa federal public bodies 630*4 days* birr 30	75,600
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 5*4 days* 3times*birr 85	5,100
	<b>Over all trainings on Performance Audit manual for federal public bodies trainees (Training facilities, refreshment, training materials and transportation costs)</b>	
	630 trainees from Addis Ababa federal public bodies, *4 days*birr 200 for facilities	504,000

S.No	Activities/ Detail tasks	Amount in Birr
	270 trainees from out of Addis Ababa federal public bodies, *4 days*birr 200 for facilities	324,000
	Per diem for 270 trainees from out of Addis Ababa federal public bodies, *birr*6 208	336,960
	Transportation for 270 trainees from out of Addis Ababa federal public bodies, *birr 1500	405,000
	Subsistence allowance for out of pocket expenses for trainees from Addis Ababa federal public bodies 630*4 days* birr 30	75,600
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 5*4 days* 3times*birr 85	5,100
	<b>Over all trainings on Standard bid document manual for federal public bodies trainees (Training facilities, refreshment, training materials and transportation costs)</b>	
	630 trainees from Addis Ababa federal public bodies, *4 days*birr 200 for facilities	504,000
	270 trainees from out of Addis Ababa federal public bodies, *4 days*birr 200 for facilities	324,000
	Per diem for 270 trainees from out of Addis Ababa federal public bodies, *birr*6 208	336,960
	Transportation for 270 trainees from out of Addis Ababa federal public bodies, *birr 1500	405,000
	Subsistence allowance for out of pocket expenses for trainees from Addis Ababa federal public bodies 630*4 days* birr 30	75,600
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 5*4 days* 3times*birr 85	5,100
	<b>ToT Trainings on Liquidity/ Cash management single treasury and commitment control manual for regional/ city administration (Accommodation cost for Debrezite management institute, training materials and transportation costs) for BoFEDs at federal level</b>	
	180 trainees from Regional/ city administration BoFEDs, *10 days*birr 500 for accommodation	360,000
	Per diem for 180 trainees 4 days* birr 208	149,760
	Transportation for 180 trainees from out of Addis Ababa federal public bodies, *birr 1500 for each participant	270,000
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 22*2 days* 3 times*birr 85	11,220
	<b>ToT Trainings on Performance Audit manual for regional/ city administration (Accommodation cost for Debrezite management institute, training materials and transportation costs) for BoFEDs at federal level</b>	

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Amount in Birr</b>
	180 trainees from Regional/ city administration BoFEDs, *10 days*birr 500 for accommodation	360,000
	Per diem for 180 trainees 4 days* birr 208	149,760
	Transportation for 180 trainees from out of Addis Ababa federal public bodies, *birr 1500 for each participant	270,000
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 22*2 days* 3 times*birr 85	11,220
	<b>ToT Trainings on standard bid document manuals for regional/ city administration (Accommodation cost for Debrezite management institute, training materials and transportation costs) for BoFEDs at federal level</b>	
	180 trainees from Regional/ city administration BoFEDs, *10 days*birr 500 for accommodation	360,000
	Per diem for 180 trainees 4 days* birr 208	149,760
	Transportation for 180 trainees from out of Addis Ababa federal public bodies, *birr 1500 for each participant	270,000
	Subsistence allowance for out of pocket expenses for coordinator and supporting staffs 22*2 days* 3 times*birr 85	11,220
	<b>Sub-Sub-Total</b>	<b>7,550,320</b>
	<b>At Regional level</b>	
	<b>Printing and distribution of new PFM manuals including translation cost</b>	
	Liquidity/ Cash management single treasury and commitment control manual for 350 regional sector bureaus, 1 copy for each*100 birr	35,000
	Performance audit manual for 350 regional sector bureaus, 1 copy for each*100 birr	35,000
	Standard Bid Documents (SBD, about 15 type) for 350 regional sector bureaus, 1 copy for each*500 birr	175,000
	<b>Over all training on Liquidity/ Cash management, single treasury and commitment control manual for 350 regional/ city administration sector bureaus and Zonal oFEDs 4200 professionals at regional level</b>	
	<b>Training facilities, refreshment, training material and transportation cost</b>	
	4200 trainees*4 days*birr 150 for facilities	2,520,000
	Per diem for 1400 trainees out of regional city centers*6*birr 165	1,386,000
	Transportation cost for 1400 trainees out of regional city centers*birr 500	700,000
	Subsistence allowance for out of pocket expenses for coordinators and supporting staffs 22*2 days* 3times*birr 85	11,220

S.No	Activities/ Detail tasks	Amount in Birr
	<b>Over all training on Performance audit manual for 350 regional/ city administration sector bureaus and Zonal oFEDs 4200 professionals at regional level</b>	
	<b>Training facilities, refreshment, training material and transportation cost</b>	
	4200 trainees*4 days*birr 150 for facilities	2,520,000
	Per diem for 1400 trainees out of regional city centers*6*birr 165	1,386,000
	Transportation cost for 1400 trainees out of regional city centers*birr 500	700,000
	Subsistence allowance for out of pocket expenses for coordinators and supporting staffs 22*2 days* 3times*birr 85	11,220
	<b>Over all training on Standard bid document manual for 350 regional/ city administration sector bureaus and Zonal oFEDs 4200 professionals at regional level</b>	
	<b>Training facilities, refreshment, training material and transportation cost</b>	
	4200 trainees*4 days*birr 150 for facilities	2,520,000
	Per diem for 1400 trainees out of regional city centers*6*birr 165	1,386,000
	Transportation cost for 1400 trainees out of regional city centers*birr 500	700,000
	subsistence allowance for out of pocket expenses for coordinators and supporting staffs 22*2 days* 3times*birr 85	11,220
	<b>Sub-Sub-Total</b>	<b>14,096,660</b>
	<b>At Zonal level</b>	
	<b>Printing and distributing new PFM manuals including translation costs</b>	
	Liquidity/ Cash management single treasury and commitment control manual for 56 Zone oFEDs, 2 copies for each*100 birr	11,200
	Performance audit manual for 56 Zone oFEDs, 2 copies for each* 100 birr	11,200
	Standard Bid Documents (SBD, about 15 type) for 56 Zone oFEDs, 2 copies for each* 500 birr	56,000
	<b>Sub-Sub-Total</b>	<b>78,400</b>
	<b>Sub-Total</b>	<b>21,725,380</b>
	<b>Conduct internal audit forum with Federal and Regional/City administration twice a year</b>	
	<b>At Federal level</b>	
	Facility cost 300 participants*twice a year*1 day* birr 200 accommodation* 3 years	360,000

S.No	Activities/ Detail tasks	Amount in Birr
	Transportation cost 20 participants outside of Addis Ababa* birr 2000 +40 participants* birr 1000 *3 years	480,000
	Facilitation cost for coordinator, finance staffs, drivers 5*3* birr 85*2*3 years	5,100
	<b>Sub-Sub-Total</b>	<b>845,100</b>
	<b>At Regional level</b>	
	Facility cost 150 participants per region*11 region*twice a year*1 day* birr 200 accommodation* 3 years	1,980,000
	Transportation cost 20 participants outside of regional capital cities*11 region birr 500*3 years* twice a year	660,000
	Facilitation cost for coordinators, finance staffs, drivers 2*11* birr 85*2*3 years	5,610
	<b>Sub-Sub-Total</b>	<b>2,645,610</b>
	<b>Sub-Total</b>	<b>3,490,710</b>
	<b>Providing facilities for PFM Teams at Zones So that they can give adequate support to Woredas</b>	
	Photo copy machine 56 unites X birr 35,000 ( one for each Zone and Sub cities)	1,960,000
	Fax machine 56 unites X birr 18,000 ( one for each Zone and Sub city)	1,008,000
	Lap top for 4 IT staffs* 56 zones units X birr 20,000 ( Four for each Zone and Sub city)	4,480,000
	Supporting costs ;500 birr lamp sum per month*56 zones/sub cities*36 months	1,008,000
	<b>Sub-Total</b>	<b>8,456,000</b>
	<b>Procuring of 12 vehicles for Regions and 3 for EMCP PFM support activities</b>	
	Procuring of 12 additional vehicles for Regions (3 for Oromia, 2 for Amhara, 2 for SNNP,3 for Addis Ababa, 1 for Harari and 1 for Dire Dawa)	
	12 vehicles @ USD 60,000*18 birr in year 2	12,960,000
	Procuring of 3 vehicles for EMCP regional PFM support activities	
	3 vehicles @ USD 60,000*18 birr in year 2	3,240,000
	<b>Sub-Total</b>	<b>16,200,000</b>
	<b>Costs for contract employees at the Federal and Regional levels</b>	
	<b>Strengthening human resources</b>	
	<b>Extend contract for the existing and recruit additional staffs for Federal, Regional and Zonal PFM activities ; and having 366 contract staffs for 36 months , including 27 for MoFED, 3 for PPA, 171 for BoFEDs' and 313 for ZoFEDs'.</b>	
	<b>Salary for 366 contract employees for account, IT, procurement and drivers at Federal, regional and Zonal levels.</b>	
	<b>For MoFED</b>	

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Amount in Birr</b>
	Senior accountant 8*36 months*8700	2,505,600
	Accountant 2*36*7100	511,200
	IT administrator 1*36 months*12700	457,200
	Senior IT expert 1*36 months*10200	367,200
	IT expert 10*36 months*8700	3,132,000
	PFM reform coordinator3*36 months*8700	939,600
	Procedural trainer 2*36 months*12700	914,400
	<b>For PPA</b>	
	Procurement coordinator 1*36 months*12700	457,200
	Senior procurement specialist 1*36 months*10700	385,200
	Procurement expert 1*36 months*8700	313,200
	<b>Sub-Sub-Total</b>	<b>9,982,800</b>
	<b>For BoFEDs</b>	
	Senior accountant 80*36 months*8000 birr	23,040,000
	Accountant 36*36 months*6500 birr	8,424,000
	Senior Procurement Specialist 11*36 months*9000 birr	3,564,000
	Procurement expert 11*36 months*8000	3,168,000
	IT administrator 11*36*12000	4,752,000
	Senior IT expert 11*36 months*9000 birr	3,564,000
	IT expert 11*36 months*7200 birr	2,851,200
	Driver 11*36*1500	594,000
	Casher 11*36*4500	1,782,000
	<b>Sub-Sub-Total</b>	<b>51,739,200</b>
	<b>At ZoFED</b>	
	Senior accountant 56*36 months*8000 birr	5,760,000
	Senior IT expert 56*36 months*9000 birr	18,144,000
	IT expert 56*36 months*7200 birr	14,515,200
	Internal auditor(Accountant) 56*36 months*6500 birr	13,104,000
	Procurment expert 56*36 months*8000	16,128,000
	Driver 48*24*1500	2,592,000
	<b>Sub-Sub-Total</b>	<b>70,243,200</b>
	<b>Sub total</b>	<b>131,965,200</b>

S.No	Activities/ Detail tasks	Amount in Birr
	<b>Operating expenses to support PFM activities at Zones, Regions and Federal levels, (including transportation allowance, transportation cost, fuel, maintenance of vehicles, office refreshments, per diems, costs for special study teams, other goods and services).</b>	
	<b>Transport allowance for reform implementation teams at MoFED, BoFEDs and ZoFEDs levels</b> <i>- The teams are responsible to coordinate, implement and provide Supports for all PFM reforms including FTA, IT, Procurement and Audit.</i>	
	<b>At MoFED level</b>	
	EMCP higher coordinators and supervisors 1* birr 2500 per month*36	90,000
	EMCP 4 senior experts*1200 birr*36	172,800
	EMCP 8 supporting staffs*750 birr*36 months	216,000
	EMCP 6 PFM team managers and 6 directories*1000 birr*36 months	432,000
	EMCP 6 PFM teams 29 members *850 birr*36 months	887,400
	Drivers 20*500*36 months	360,000
	<b>Sub-Sub-Total</b>	<b>2,158,200</b>
	<b>At BoFEDs level</b>	
	7 PFM team members* 600 birr*11 regions*36 months	1,663,200
	<b>At ZoFEDs level</b>	
	6 PFM team members* 500 birr*56 Zones*36 months	<b>6,048,000</b>
	<b>Sub-Sub-Total</b>	<b>7,711,200</b>
	<b>Special study team cost staying outside Addis Ababa</b>	
	<b>Every quarter of a year 4 study teams of 6 members would be deployed for 15 days</b>	
	Subsistence allowance for out of pocket expenses 24 members* for 15 days *3 years*138 birr	596,160
	Accommodation cost for 24 members* for 15 days *3 years*500 birr	540,000
	Transportation cost (100 liter* 48 times*20 birr)	96,000
	<b>Sub-Sub-Total</b>	<b>1,232,160</b>
	<b>Supporting costs</b>	
	<b>For EMCP</b>	
	Office Refreshment for 10 meetings on average per month*10 participants on each*36 months*20 birr	72,000
	Per diem for Various supports provided by MoFED professional staffs for Federal Public bodies and Regions/City administrations BoFEDs; 4 staffs per month*for 10 days*36 months*208 birr	299,520
	Fixed assets and services; 95,252 birr (lump sum)	95,252
	Fuel, 160 liter per month for 36 months at 20 birr per liter	115,200
	<b>Sub-Sub-Total</b>	<b>581,972</b>

S.No	Activities/ Detail tasks	Amount in Birr
	<b>At regional level</b>	
	Per diem for field works; 5 days field work in each month for all regional PFM reform team members and one driver; 4 members*11 regions*5 days*36 months*165 birr	1,306,800
	Transportation cost 1500 kms per month/ 5 litter fuel*11 regions*36 months*20 birr	2,376,000
	Car Maintenance; 1500 kms per month/5000*36 months*11 regions*8500 birr	1,009,800
	Spare parts for 11 cars i.e. tyre, battery and others at a fixed rate(10,000 birr per car per year)	330,000
	<b>Sub-Sub-Total</b>	<b>5,022,600</b>
	<b>At Zonal level</b>	
	Per diem for 5 days field work in each month for all Zonal PFM team members and one driver;3 members*56 Zones*3 days*36 months*165 birr	2,993,760
	Transportation cost 500 kms per month/ 5 litter fuel*56 zones/sub cities*36 months*20 birr	4,032,000
	Car Maintenance; 500 kms per month/5000*36 months*56 zones*8500 birr	1,713,600
	Spare parts for 33 cars i.e. tyre, battery and others at a fixed rate(5,000 birr per car per year)	495,000
	<b>Sub-Sub-Total</b>	<b>9,234,360</b>
	<b>Sub-Total</b>	<b>25,940,492</b>
	<b>Operational costs to support timely reporting and closure of accounts at federal, regional and woredas</b>	
	Transportation cost 1000 kms per month/ 5 litter fuel (for 11 BoFED and 145 Federal public bodies )*36 months*20 birr	144,000
	Per diem 5 experts and 5 drivers * 10 days per month* 36 months*208 birr	748,800
	<b>Sub-Total</b>	<b>892,800</b>
	<b>Costs associated with PFM short term trainings at the Federal and Regional level for 3 years</b>	
	<b>Short term trainings</b>	
	In-house short term trainings for three years (for Budget, Accounts, Internal audit and IT)	
	<b>At Federal level</b>	
	4 modules*525,000 *3	6,300,000
	<b>At BoFEDs level</b>	
	4 modules*200,000 birr*11 regions*3	26,400,000
	<b>Sub-Total</b>	<b>32,700,000</b>

S.No	Activities/ Detail tasks	Amount in Birr
	<b>Costs associated with PFM institutionalized trainings at the Federal and Regional level</b>	
	<b>At Federal level institutionalized training in year 2 and 3</b>	
	Provide 3 months training on PFM (Legal frameworks, procurement and property administrations, budget preparation and administration, cash management and disbursement, accounts, financial and performance audits, financial information system and internal control system) 100 federal staffs each year at nodal training agency	
	Tuition fees 100 trainees* 5000*2	1,000,000
	Accommodation cost 100 trainees*100 birr*90 days*2	1,800,000
	<b>At Regional level institutionalized training in year 2 and 3</b>	
	Provide 3 months training on PFM (Legal frameworks, procurement and property administrations, budget preparation and administration, cash management and disbursement, financial and performance audits, financial information system and internal control system) 667 staffs each year drawn from regional sector bureaus, ZoFEDs and WoFEDs at nodal training agency	
	Tuition fees 667 trainees* 5000*2	6,670,000
	Accommodation cost 667 trainees*100 birr*90 days*2	12,006,000
	Transportation cost 667 trainees*500 birr*2	667,000
	<b>Sub-Total for year 2 and 3</b>	<b>22,143,000</b>
	<b>Sub-Total</b>	<b>22,143,000</b>
	<b>8 days In- house short term training on procurement and property management for 3 years.</b>	
	<b>At Federal level</b>	
	645,590 birr*3 years	1,936,770
	<b>At BoFEDs level</b>	
	255,900 birr*11 regions*3 years	8,477,700
	<b>Sub-Total</b>	<b>10,414,470</b>
	<b>Establishing Ethiopian Institute of Procurement and Asset management (EIPAM) and provide institutionalized trainings year 1-3</b>	
	<b>At Federal level</b>	
	Provide 3 months training on procurement and property administrations for Federal and Regional staffs for 900 trainees per year* 3 years at nodal training center	
	Tuition fees (900 trainees*3* 5000)	13,500,000
	Accommodation cost (900 trainees*100 birr*90 days*3)	24,300,000
	Transportation cost (700 trainees*1000 birr*3 years)	1,050,000
	<b>Sub-Total</b>	<b>38,850,000</b>

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Amount in Birr</b>
	<b>Workshops, awareness creations and Forums on Procurement and property administration</b>	
	<b>At federal level</b>	
	<b>Conduct annual workshops with suppliers twice a year</b>	
	Facility cost 450 participants*1 day* birr 200 accommodation* 3 years*2	540,000
	<b>Conduct annual forum with regional Procurement and property administration regulatory and suppliers twice a year</b>	
	Facilitation cost 100 participants*1 day* birr 200 accommodation* 3 years*2	120,000
	Transportation cost 12 participants from region* birr 2000 +10 participants* birr 100 *3 years*2	150,000
	Facilitation cost for coordinator, finance staffs, drivers 5*3* birr 85*3 years*2	7,650
	<b>Awareness creation at Federal level with relevant bodies on procurement and property administration issues (Lump sum)</b>	<b>500,000</b>
	<b>Media dissemination on Procurement and property administration (Lump sum)</b>	<b>500,000</b>
	<b>Sub-Sub-Total</b>	<b>1,817,650</b>
	<b>At Regional level</b>	
	<b>Conduct annual workshops with suppliers on Procurement and property administration twice a year</b>	
	Facility cost 100 participants*11 regions*1 day* birr 200 accommodation* 3 years*2	1,320,000
	Facility cost for coordinator, finance staffs 2*11* birr 85*3 years*2	11,220
	<b>Sub-Sub-Total</b>	<b>1,331,220</b>
	<b>Sub total</b>	<b>3,148,870</b>
	<b>Administrative and operating costs and goods for COPCU</b>	
	<b>Salary for contract employees at MoFED</b>	
	Senior procurement specialist 4*36 months*10700	1,540,800
	procurement expert 3*36 months*8700	939,600
	Senior accountant 7*36 months*8700	2,192,400
	Senior public finance specialist 1*36 months*10700	385,200
	Public finance expert 1*36 months*7100	255,600
	Senior social protection specialist 1*10700*36months	385,200
	Social protection expert 1*7100*36 months	255,600
	Senior social accountability specialist 1*10700*36 months	385,200
	Social accountability expert 1*7100*36 months	255,600
	channel One Program Coordinator 1*12700*36 months	457,200

S.No	Activities/ Detail tasks	Amount in Birr
	Assistant program co-coordinator 1*10700*36 months	385,200
	project senior expert 1*36 months*8700	313,200
	project expert 1*36 months*7100	255,600
	senior monitoring and evaluation expert 1*36months*8700	306,000
	Monitoring and evaluation expert 1*36*7100	255,600
	cashier 1*36 months*4500	162,000
	Drivers 8*36 months*2000	576,000
	Channel one programs coordinator for 11 regions*36*10000	3,960,000
	<b>Sub-Sub-Total</b>	<b>13,266,000</b>
	<b>Copcu transport allowance for regular staff</b>	
	COPCU heads 1*2500*36 months	90,000
	Copcu vice heads 3*1500 birr*36 months	162,000
	Directors 5*1000*36 months	180,000
	Senior experts 10*1200*36 months	432,000
	Experts 20*1000*36 months	720,000
	Supporting staffs 10*750*36 months	270,000
	Drivers 4*500*36 months	72,000
	<b>Sub-Sub-Total</b>	<b>1,926,000</b>
	<b>Operational expenses</b>	
	Fuel for 2 cars providing transportation of daily activities of PBS at COPCU 2cars,30liters per day,22days per month, for 36 months, 20 birr per liter)	1,020,159
	Fuel for 2 cars providing transportation service for PBS activities field works(five times per annum on ten regions for one year *2000 liter per trip*17.89birr/liter)	644,040
	Fuel for COPCU Head, 160 liter per month for 36 months at 20 birr per liter	115,200
	Maintenance costs for 5 cars service(5000km in 3 months and 4 times a year to be serviced at birr 2500 each service)	180,000
	Spare parts for 5 cars i.e. tyre, battery and others at a fixed rate(15000 birr per year)	54,000
	Office Refreshment for 10 meetings on average per month*10 participants on each at *42 birr*36 months	151,200
	Per diem for PBS activities/field visit to support by MoFED professional staffs for Federal Public bodies and Regions/City administrations BoFEDs; 5 staffs per month*for 15 days*12 months*208 birr	673,920
	<b>Sub-Sub-Total</b>	<b>2,838,519</b>
	<b>JRIS/JBAR meeting and training</b>	
	. JRIS/JBAR meeting 2 times in a year, 200 participants, 5 days, 300birr per day per participant	2,160,000

<b>S.No</b>	<b>Activities/ Detail tasks</b>	<b>Amount in Birr</b>
	. JRIS/JBAR meeting stationery 2 *a year *15000 for note book, pen, binder printing paper, and toner	108,000
	. Training 2 times in one year(11Region+33Zone)44 participants for15days allowance at 208 birr	988,416
	<b>Sub-Sub-Total</b>	<b>3,256,416</b>
	<b>Procurement of Eight vehicles,4 in year one and 4 in year 2, USD 60,000 each*8*18 birr</b>	8,640,000
	<b>Sub-Sub-Total</b>	<b>8,640,000</b>
	<b>Office Furniture</b>	
	Desk top computer(30 computers at 18000birr each)	621,000
	Ups(30ups at 6000birr each)	207,000
	flash disk (30 ups at 600 birr each)	64,800
	Photo copier(big)(4 photocopier at 98000 birr each)	450,800
	Printer(15 printer at 8000 birr each)	138,000
	Color printer(2 printer at 17000 each)	39,100
	Scanner ( 4 scanner at 6000 birr each)	27,600
	L shape Table( 10 table at 8500 birr each)	97,750
	Guest chair(10 chair at 1000 birr each)	11,500
	Swivel chair(10 swivel at 2500 birr each)	28,750
	lap top(15 laptop at 17000 each)	293,250
	others	5,060
	<b>Sub-Sub-Total</b>	<b>1,984,610</b>
	<b>Office supplies</b>	<b>1,007,247</b>
	<b>Sub-Total</b>	<b>32,918,792</b>
	<b>Total</b>	<b>348,845,714</b>

ANNEX 4: ANNUAL (First Year) WORK PROGRAM AND BUDGET

ing Local Transparency and Accountability System  
agement  
ncial Transparency and Accountability

1 <sup>st</sup> Quarter Jan.-Mar.	FY2005 4 <sup>th</sup> Quarter 2013 April-June	FY2006 1 <sup>st</sup> Quarter 2013 July-Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.-Dec.	Annual Estimated Budget(USD)	Responsible Body
Budgets to of training Participants	Awaking citizens (100 from each woreda) on budget preparation and utilization. (316 Woredas)  Performance Monitoring and evaluation.	Awaking citizens (100 from each woreda) on budget preparation and utilization. (316 Woredas)  Performance Monitoring and evaluation.	Awaking citizens (100 from each woreda) on budget preparation and utilization. (316 Woredas)  Performance Monitoring and evaluation.	1,865,443	COP CU/ BOFED/ZOFED and WOFED/EMCP/ FTA Unit
Budgets to  Award	Budget and expenditure information disclosed to the public through mass media.	Budget and expenditure information disclosed to the public through mass media.  Performance Monitoring and evaluation.	Budget and expenditure information disclosed to the public through mass media. Performance Monitoring and evaluation.	473,326	COP CU/ BOFED/ZOFED and WOFED/EMCP/ FTA Unit
	Advertise and award consultant 1.2.	Preparing financial transparency and accountability templates for procurement and audit	Evaluation and translation, customization and roll out of the prepared procurement and Audit	138,889	MOFED/EMCP/COP CU/FTA Unit.

Citizen participation on pre-budget (planning stage)						
<b>Activity</b>	<b>FY2005 3<sup>rd</sup> Quarter 2013 Jan.-Mar.</b>	<b>FY2005 4<sup>rd</sup> Quarter 2013 April-June</b>	<b>FY2006 1<sup>st</sup> Quarter 2013 July-Sept.</b>	<b>FY2006 2<sup>nd</sup> Quarter 2013 Oct.-Dec.</b>	<b>Annual Estimated Budget</b>	<b>Responsible Body</b>
Orientation on service delivery templates for woreda Health, Education, Agriculture, water and woreda Finance offices : 2 participants per sector for 3 days	Transfer of Budgets to Regions.  Preparation of training documents.  Selection of Participants and venue.	Awaking employees from woreda Health, Education, Agriculture, Water and Woreda Finance Offices: 2 participants per Sector for 3 days.	Awaking employees from woreda Health, Education, Agriculture, Water and Woreda Finance Offices: 2 participants per Sector for 3 days.  Performance Monitoring and evaluation.	Awaking employees from woreda Health, Education, Agriculture, Water and Woreda Finance Offices: 2 participants per Sector for 3 days.  Performance Monitoring and evaluation.		COP CU/  BOFED/ZOFED and WOFED/EMCP/ FTA Unit
Procuring of bill-boards and suggestion boxes for posting templates and getting feed back in regions and woredas	Transfer of Budgets to Regions. Preparation of Specification for purchase of bill boards. Preparation of tender documents.	Evaluation and award on contract.  Transfer of Money for payment of the purchase of bill Boards with Suggestion Boxes.	Delivery of Bill boards with suggestion boxes for Zones, Woredas and Service Delivery Centers.  Performance Monitoring and evaluation.	Posting of Zonal, Woreda and Service Delivery Budget and Expenditure templates on the procured Bill Boards.  Performance Monitoring and evaluation.	730,661	COP CU/ BOFED/ZOFED and WOFED/ EMCIP/ FTA Unit
Refining and simplifying the budget and expenditure and service facility templates	Preparation of TOR and related activities to facilitate the venue.	-- calling the refining team, identify the templates to be refined and simplified & perform the activity at the selected venue.	-Discussion on the refined and simplified templates & come up with the refined & simplified prototype templates to be utilized after translation and customization.	-Translation, customization & roll out of the refined and simplified prototype templates.	138,161	EMCIP/ FTA Unit & BOFED
Printing and dissemination of FTA Temples by regions to post the budget information in woerdas and service delivery	-Transfer of Budgets to Regions.  - Preparation of the bid document for printing of the refined & simplified	-Award the contract for the winner printing company & collect the print out of templates. -Distribute it to woreda & service delivery units,	-posting the budget & expenditure information in Woredas & service delivery standards in the Service Delivery	-posting the budget & expenditure information in Woredas & service delivery standards in the Service Delivery	137,556	COP CU/ BOFED/ZOFED and WOFED/ EMCIP/ FTA Unit

centers	templates.		Units to the public. - Performance Monitoring and evaluation.	Units to the public. - Performance Monitoring and evaluation.		
<b>Activity</b>	<b>FY2005 3<sup>rd</sup> Quarter 2013 Jan.-Mar.</b>	<b>FY2005 4<sup>rd</sup> Quarter 2013 April-June</b>	<b>FY2006 1<sup>st</sup> Quarter 2013 July-Sept.</b>	<b>FY2006 2<sup>nd</sup> Quarter 2013 Oct.-Dec.</b>	<b>Annual Estimated Budget</b>	<b>Responsible Body</b>
Experience sharing and Practical Training on FTA initiatives in regional and/or international practices	<ul style="list-style-type: none"> <li>Develop TOR &amp; get approval</li> </ul>	<ul style="list-style-type: none"> <li>Conduct the experience sharing and practical training</li> </ul>	Develop TOR & get approval	Conduct the experience sharing and practical training		COP CU/EMCP/FTA UNIT/BOFEDs
Conduct annual review meeting with regions on FTA performance issues	<ul style="list-style-type: none"> <li>-Develop TOR and get approval</li> <li>-Prepare the venue &amp; call the participants,</li> <li>-Deliver the meeting and Prepare the report and submit to MOFED/EMCP.</li> </ul>				16,787	COP CU/EMCP/FTA UNIT
Salary and Operational expenses	<ul style="list-style-type: none"> <li>-Renew contract for employees.</li> <li>-Transfer the budget to the regions.</li> </ul>	Renew contract for employees. Transfer the budget to the regions	<ul style="list-style-type: none"> <li>- Renew contract for employees.</li> <li>Transfer the budget to the regions.</li> </ul>	Renew contract for employees.  Transfer the budget to the regions.	103,667	COP CU/EMCP & BoFED

**Sub Program B:** *Strengthening Local Transparency and Accountability System*  
**Component B2:** *Local Public Financial Management*  
**Sub-Component B2a:** *Woreda PFM and Procurement Strengthening*

Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan.-Mar.	FY2005 4 <sup>th</sup> Quarter 2013 April-June	FY2006 1 <sup>st</sup> Quarter 2013 July-Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.-Dec.	Annual Estimated Budget	Responsible Body
Providing facilities to strengthen Woreda PFM activities (procuring photocopy and fax machine)	<ul style="list-style-type: none"> <li>Develop specification</li> <li>Preparation of tender documents</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation and award of contract</li> <li>Delivery of goods</li> </ul>			2,791,333	
Conduct awareness creation workshops on PFM activities for Woreda Council and Cabinet members; WoFEDs heads and deputy heads ( including Zones)	<ul style="list-style-type: none"> <li>Undertake awareness enhancement workshops for woreda council and cabinet member WoFED Heads and deputy heads for not less than 150 participants per woreda</li> </ul>	<ul style="list-style-type: none"> <li>Undertake awareness enhancement workshop for zonal council and cabinet member, ZoFED heads and deputies for 2 days for not less than 150 participant per zone.</li> </ul>			1,138,558	
Strengthening Woreda capacity for effective management and implementation of the existing pool system (covering procurement, accounts, budget, treasury, property management and internal audit)	<ul style="list-style-type: none"> <li>Duplicating and distributing the woreda and zonal financial pool system directives</li> <li>Organizing discussions forum to discuss on pool system with 50 participants from region/city administration</li> <li>Completing the financial pool system directive and distribute to users.</li> </ul>	<ul style="list-style-type: none"> <li>Giving training for 60 trainers from region/city administration for 10 days on the financial pool system directive</li> <li>Getting 35 professionals from each woreda trained for 4 days by trained trainers on the financial pool system directive</li> <li>Getting 40 professionals from each zone trained for 4 days by trained trainers on the financial pool system directive</li> </ul>			957,468	

<b>Activity</b>	<b>FY2005 3<sup>rd</sup> Quarter 2013 Jan.-Mar.</b>	<b>FY2005 4<sup>rd</sup> Quarter 2013 April-June</b>	<b>FY2006 1<sup>st</sup> Quarter 2013 July-Sept.</b>	<b>FY2006 2<sup>nd</sup> Quarter 2013 Oct.-Dec.</b>	<b>Annual Estimated Budget</b>	<b>Responsible Body</b>
Development of simplified procurement directives for woredas	<ul style="list-style-type: none"> <li>Preparing a manual to enable woredas perform small scale procurement</li> </ul>	<ul style="list-style-type: none"> <li>Finalizing and distributing the small scale procurement manual</li> </ul>			289,939	
Capacity building and trainings for 948 Woreda procurement staffs	<ul style="list-style-type: none"> <li>Conducting a two-day workshops to discuss the draft manual on small scale procurement</li> </ul>	<ul style="list-style-type: none"> <li>Provide a five day training on the manual for trainers at regional/city administration level</li> <li>Offering a five-day training on the small scale procurement manual for 2000 professionals representing woredas</li> </ul>				
Strengthen woreda-level internal audit operations by establishing Audit committee for 400 woredas					506,667	
Internal audit conference on issues of woreda level Audit (Zones to be included) twice a year					632,022	
Roll out of the following manuals at Woreda level (Liquidity/cash management, single treasury and commitment control, Performance audit, Procurement standard bid documents)					323,724	
Operating Expenses- stationeries					252,800	
Transport allowance for woreda PFM teams					1,264,000	
Different training for woreda finance office employees on PFM components					625,680	

**Sub Program B:**        *Strengthening Local Transparency and Accountability System*

**Component B2:**       *Local Public Financial Management*

**Sub-Component B2b:** *IBEX Roll-out and Support*

Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan.-Mar.	FY2005 4 <sup>rd</sup> Quarter 2013 April-June	FY2006 1 <sup>st</sup> Quarter 2013 July-Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.-Dec.	Annual Estimated Budget	Responsible Body
Operation costs for IBEX support and rollout at MoFED, BoFEDs, ZoFEDs and WoFEDs	<ul style="list-style-type: none"> <li>Supporting IBEX users in Federal , Regional/City administration public bodies</li> <li>Providing training for professional from public bodies using IBEX</li> <li>Rolling out IBEX 1.3 to woredas</li> </ul>	<ul style="list-style-type: none"> <li>Supporting IBEX users in Federal , Regional/City administration public bodies</li> </ul>			251,336	
Procurement of windows server 2008 for each Regions					213,889	
Salary and operational expenses for IBEX support unit (ISU) at MoFED.					298,513	

**Sub Program B:**       *Strengthening Local Transparency and Accountability System*  
**Component B2:**     *Local Public Financial Management*  
**Sub-Component B2c:**       *Regional Training and Program Support*

Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan.-Mar.	FY2005 4 <sup>rd</sup> Quarter 2013 April-June	FY2006 1 <sup>st</sup> Quarter 2013 July-Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.-Dec.	Annual Estimated Budget	Responsible Body
Roll out of the following manuals at Federal and regional (Liquidity/cash management, single treasury and commitment control, Performance audit, Procurement standard bid documents)	<ul style="list-style-type: none"> <li>• Training 95 trainers on the manual for 10 days at Regional/City administration level</li> <li>• Giving training on the liquidity mag't, Treasury single Account (TSA) and commitment control manual for Regional/City administration sector bureaus professionals</li> <li>• Giving training on the liquidity mag't, Treasury single Account (TSA) and commitment control manual for Woreda Sector offices professionals</li> </ul>	<ul style="list-style-type: none"> <li>• Giving training on the liquidity mag't, Treasury single Account (TSA) and commitment control manual for Regional/City administration sector bureaus professionals</li> <li>• Giving training on the liquidity mag't, Treasury single Account (TSA) and commitment control manual for Woreda Sector offices professionals</li> </ul>			603,483	
Conduct internal audit forum with Federal and Regional/City administration twice a year					64,643	
Providing facilities for PFM Teams at Zones So that they can give adequate support to Woredas					432,196	
Costs for contract employees at the Federal and Regional levels					2,443,800	

Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan.-Mar.	FY2005 4 <sup>th</sup> Quarter 2013 April-June	FY2006 1 <sup>st</sup> Quarter 2013 July-Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.-Dec.	Annual Estimated Budget	Responsible Body
Operating expenses to support PFM (including procurement) activities at Woredas, Zones, Regions and Federal levels, (including transportation allowance, transportation cost, fuel, maintenance of vehicles, office refreshments, per diems, costs for special study teams, other goods and services).					480,379	
Operational costs to support timely reporting and closure of accounts at federal, regional and woredas					16,533	
Costs associated with PFM short term trainings at the Federal and Regional level	<ul style="list-style-type: none"> <li>• Providing training for 125 senior accountant at a federal level</li> <li>• Giving training for 50 trainers on the performance audit manual at the Federal level for 10 days</li> <li>• Giving trainings for 438 professionals at the Federal level on performance audit manual</li> <li>• Providing training for trainers for 180 professionals at regional/city administration levels on performance audit manual</li> <li>• Giving training on performance audit manual by trained trainers for 1400 Regional/city administration sector bureaus professionals for 4 days.</li> <li>• Train Woreda professionals on the manual for 4 days</li> </ul>	<ul style="list-style-type: none"> <li>• Providing training for 125 senior accountant at a federal level</li> <li>• Giving training for 250 professional at regional/city administration level on accounts, reporting, IBEX based financial statement preparation</li> <li>• Train Woreda professionals on the manual for 4 days</li> <li>• Undertake a workshop to discuss on the TOR with 800 woreda professional in their respective regions/city administration</li> <li>• Establish woreda audit committee in selected woredas</li> <li>• Conduct training on financial audit for 272 Federal professionals</li> <li>• Conduct a forum with internal auditors from Federal Public bodies</li> </ul>			605,556	

Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan.-Mar.	FY2005 4 <sup>th</sup> Quarter 2013 April-June	FY2006 1 <sup>st</sup> Quarter 2013 July-Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.-Dec.	Annual Estimated Budget	Responsible Body
	<ul style="list-style-type: none"> <li>• Prepare TOR to establish internal audit committees</li> <li>• Undertaking a workshop to discuss on the TOR with 50 participants from region/city administration</li> <li>• Organize a workshop at regional/city administration for 825 participants</li> </ul>	<ul style="list-style-type: none"> <li>• Organize a workshop at regional/city administration for 825 participants</li> <li>• Organize a workshop at regional/city administration levels for 1896 internal auditors for sector bureaus</li> <li>• Giving training for 1896 internal auditors selected from woredas as financial audit and inspection</li> </ul> <p>Organizing a two-day workshops for 825 internal auditors from zones and woredas</p>				
Short term trainings on procurement and property management	<ul style="list-style-type: none"> <li>• Train 90 trainers selected from Federal and Regional/City administration public bodies</li> <li>• Provide a 3 day awareness enhancement training on public procurement and property administration for 90 media experts</li> <li>• Giving a two day awareness enhancement training on public procurement laws for 250 participants representing the business community</li> <li>• Giving a two day awareness enhancement training on public procurement law for 200 representatives of micro and small scale enterprise</li> </ul>					

Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan.-Mar.	FY2005 4 <sup>rd</sup> Quarter 2013 April-June	FY2006 1 <sup>st</sup> Quarter 2013 July-Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.-Dec.	Annual Estimated Budget	Responsible Body
	<ul style="list-style-type: none"> <li>Giving a two days awareness enhancement training for 60 trainees working in ethics and anti-corruption commission, Auditor General and justice on public procurement implementation at Federal, Regional/City administration level</li> <li>Providing a 10 days training by a consultant for 40 professions working in procurement, property administration on how compliance is addressed, performance audit is performed at a Federal, Regional/City administration level</li> </ul>				192,861	
Establishing Ethiopian Institute of Procurement and Asset management (EIPAM) and provide institutionalized trainings	<ul style="list-style-type: none"> <li>Analyzing and approving the training module prepared by the consultant</li> </ul>	<ul style="list-style-type: none"> <li>Providing institutionalized training in Civil Service University to Federal and Regional/City administration procurement professionals.</li> </ul>			719,444	
Workshops , awareness creations and Forums on Procurement and property administration		<p>Conduct consultation meeting with Ethiopian trade sector association council representatives.</p> <p>Conduct discussion forums with regional/cityadministration professional.</p>			58,312	
Administrative and operating costs and goods for COPCU					609,607	

**Sub Program B:**       *Strengthening Local Transparency and Accountability System*

**Component B2:**     *Local Public Financial Management*

**Sub-Component B2d:**       *Support to External Audit and Parliament*

Activity	FY2005 3rd Quarter 2013 Jan.-Mar.	FY2005 4rd Quarter 2013 April-June	FY2006 1st Quarter 2013 July-Sept.	FY2006 2nd Quarter 2013 Oct.-Dec.	Annual Estimated Budget	Responsible Body
Increase Woreda-based audit coverage from 26% to over 50%					607,683	
Carry out Woreda-level continuous audits					600,000	
To be allocated bt OFAG					125,650	
Strengthening the capacity of Public Accounts, Budget and Finance, Agriculture and Social Affairs standing Committees at Federal, Regional and Woreda levels to discharge their oversight responsibilities					333,333	

**COMPONENT B3: Managing for Results (M4R)**  
**SUB-COMPONENT B3a, B3b & B3c**

**Ministry of Education**

No.	Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan. – March	FY2005 4 <sup>th</sup> Quarter 2013 April – June	FY2006 1 <sup>st</sup> Quarter 2013 July – Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.. – Dec.	Annual Estimated Budget USD Jan.-Dec	Responsible Body
1	Cables: CAT 5e UTP cable will allow a network access point to be 95cm away from the switch in structured cabling. It also allows 100Mbps and 100 MHz. CAT 6e (with 250 MHz) could be offered as option.					24,900	MoE/COPCU
2	switches					89,700	MoE/COPCU
3	Desk top computer					432,900	MoE/COPCU
4	UPS					72,150	MoE/COPCU
5	Divider					14,300	MoE/COPCU
6	Software					633,950	MoE/COPCU
7	Anti-virus					27,500	MoE/COPCU
8	school based application software					27,777	MoE/COPCU
9	Service Facility/Delivery Survey (2 times)					210,000	MoE/COPCU
10	Staff tracking study					200,000	MoE/COPCU
	<b>Total for year one</b>					<b>1,733,177</b>	

## Ministry of Health

No.	Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan. – March	FY2005 4 <sup>th</sup> Quarter 2013 April – June	FY2006 1 <sup>st</sup> Quarter 2013 July – Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.. – Dec.	Annual Estimated Budget USD Jan.- Dec	Responsible Body
1	Health Facility Survey (Service Delivery Indicator –SDI) Survey					300,000	MoH/COPCU
2	HMIS supportive supervision [(208 perdiem*70ppl*5days)+285transport*70ppl]*2times*11regions/18	Operational Cost	Operational Cost	Operational Cost	Operational Cost	37,600	MoH/COPCU
	<b>Total for year one</b>					<b>337,600</b>	

## Ministry of Water and Energy

No.	Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan. – March	FY2005 4 <sup>th</sup> Quarter 2013 April – June	FY2006 1 <sup>st</sup> Quarter 2013 July – Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.. – Dec.	Annual Estimated Budget USD Jan.-Dec	Responsible Body
1	Service Delivery and Facility Survey					100,000	MoWE
2	Internal validation and Data Quality Assessment					100,000	MoWE
3	CDMA & monthly refill	Operational Cost	Operational Cost	Operational Cost	Operational Cost	1,000	MoWE
4	Computer with accessories and photocopy	“	“	“	“	8,000	MoWE
5	Travel and per diem	“	“	“	“	50,000	MoWE
6	Fuel	“	“	“	“	20,000	MoWE
7	Telephone – mobile	“	“	“	“	504	MoWE
8	Telephone – landline	“	“	“	“	720	MoWE
9	Stationery	“	“	“	“	2,340	MoWE
10	IT and M&E staff supportive supervision at Federal	“	“	“	“	27,456	MoWE
	<b>Total for year One</b>					<b>310,020</b>	

## Ministry of Agriculture

No.	Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan. – March	FY2005 4 <sup>th</sup> Quarter 2013 April – June	FY2006 1 <sup>st</sup> Quarter 2013 July – Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct.. – Dec.	Annual Estimated Budget USD Jan.-Dec	Responsible Body
1	Expanding the new AGMIS to the remaining regions(as a follow-up to PBSII)					400,000	MoA
2	DAs tracking survey					200,000	MoA
3	MIS supportive supervision [(208 per diem*2ppl*5 days)+450 transport*2ppl]*453 Woredas/18	Operational Cost	Operational Cost	Operational Cost	Operational Cost	25000	MOA
4	Undertaking semiannual reviews on Agriculture service delivery with stakeholders, Annual cost: [(208 per diem*2ppl*5days)+450transport*2ppl]*300woredas/18	Operational Cost	Operational Cost	Operational Cost	Operational Cost	100,000	MoA
	<b>Total for year one</b>					<b>725,000</b>	

## Central Statistics Agency

No.	Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan. – March	FY2005 4 <sup>th</sup> Quarter 2013 April – June	FY2006 1 <sup>st</sup> Quarter 2013 July – Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct. – Dec.	Annual Estimated Budget USD Jan.-Dec	Responsible Body
1	Procurement of Cars for System Assessment					500,000	CSA
2	Implementing EDQAF (two sectors per year)					600,000	CSA
3	Geo-referenced rural facility data for regions					485,000	CSA
4	Water system assessment					200,000	
5	Agriculture system assessment					200,000	
6	Woreda Poverty Profile & mapping					145,000	
7	IT support to statistical data dissemination	Operational Cost	Operational Cost	Operational Cost	Operational Cost	150,000	CSA
8	Statistical advocacy and improving information availability and dissemination (workshops and dissemination of data for stakeholders)	Operational Cost	Operational Cost	Operational Cost	Operational Cost	100,000	CSA
9	Support to disaggregation of data by gender at decentralized level (11 regions)	Operational Cost	Operational Cost	Operational Cost	Operational Cost	50,000	CSA
	<b>Total for year one</b>					<b>2,430,000</b>	

## Ethiopian Road Authority

No.	Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan. – March	FY2005 4 <sup>th</sup> Quarter 2013 April – June	FY2006 1 <sup>st</sup> Quarter 2013 July – Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct. – Dec.	Annual Estimated Budget Jan.- Dec	Responsible Body
1	Baseline data collection for all regions					400,000	ERA
2	Procurement of computers and servers for the MIS system					500,000	ERA/MoFED
3	Procurement of computers & GPS for Woreda level offices					200,000	ERA/MoFED
	<b>Total for year one</b>					<b>1,100,000</b>	

**MoFED/COPCU**

No.	Activity	FY2005 3 <sup>rd</sup> Quarter 2013 Jan. – March	FY2005 4 <sup>th</sup> Quarter 2013 April – June	FY2006 1 <sup>st</sup> Quarter 2013 July – Sept.	FY2006 2 <sup>nd</sup> Quarter 2013 Oct. – Dec.	Annual Estimated Budget USD Jan.-Dec	Responsible Body
1	Procurement of computers (Laptops)					30,000	COPCU
2	Implementing Results Based Management training for decentralized levels (11 regions including operational)					1,240,548	COPCU
3	Equity in access to basic services through socio-economic study(follow up from PBS 2) 2 studies					400,000	COPCU
4	Basic service staff tracking studies (four PBS sectors)					200,000	COPCU
5	Study on innovative mechanisms of effective service delivery (data Collection)					200,000	COPCU
6	In-country training on project management and coordination for M4R (including staff from CSA, MoE, MoH, MoA, ERA, and MoWE) 3 times in PBS-3 period yearly cost=[(208perdiem*25ppl*5days)+280transport*25ppl)+11,200 Refreshment and hall rent]/18	Operational	Operational	Operational	Operational	2,589	MoFED
7	Graduate level continuing education for Macro, General Accounts and COPCU staff	Operational	Operational	Operational	Operational	40,000	MoFED
<b>Total for year one</b>						<b>2,113,137</b>	

## **Annex 5**

### **Financial Monitoring Reports**

### **Ministry of Finance and Economic Development**

### **Promoting Basic Service Program Phase III**

### **Sub Program A**

### **Interim Unaudited Financial Report**

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#### **Content**

Discussion of Financial Performance, Notes & Explanations

Consolidated Statement of Sources and Uses of Fund

Statement of use of fund by program activity

Statement of Expenditure forecasts

Statement of Designated accounts by each sub program

Statement of recurrent Expenditure summery

Ministry of Finance and Economic Development (MOFED)  
Promoting of Basic Services Program Phase III Project (PBS)

**Discussion of Financial Performance, Notes & Explanations**

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting of Basic Services Program Phase III Project (PBS)**  
**Consolidated Statement of Sources and Uses of Funds**  
**For the Quarter Ending XXXXX In Million ETB**

*In Birr*

	Quarter (ii)		Cumulative (ii)	
<b><u>Opening Balance</u></b>				
Designated Account Sub-Program A/ <sup>iii</sup>	XXXXXX			
<b>Total Opening Balance</b>		XXXXXX		
Sources:				
Government	XXXXXX		XXXXXX	
IDA	XXXXXX		XXXXXX	
Donor XXX (TF)	XXXXXX		XXXXXX	
Donor YYY (TF)	XXXXXX		XXXXXX	
Donor ===	XXXXXX		XXXXXX	
<b>Total Sources</b>		XXXXXX		XXXXXX
Available Funds		XXXXXX		XXXXXX
Program Expenditure:				
Sub Program A				
Basic Sector Expenditure	<u>XXXXXX</u>		<u>XXXXXX</u>	
<b>Total Expenditure</b>		XXXXXX		XXXXXX
Excess of income over Expenditure		XXXXXX		XXXXXX
Add: Gain from foreign exchange rate difference		XXXXXX		XXXXXX
<b>Net Available Fund</b>		XXXXXX		XXXXXX
Less: Bank service charges		XXXXXX		XXXXXX
<b>Closing Balance</b>		XXXXXX		XXXXXX
Designated Account Sub-Program A/ <sup>iii</sup>		XXXXXX		XXXXXX
<b><u>Total Closing Balance</u></b>		<u>XXXXXX</u>		<u>XXXXXX</u>

Note:

- i) The amounts are drawn from the accounts of the Program
- ii) From the start of the program to date.
- iii) The following exchange rates were used for conversation: IUS Dollar=xx Birr (for both opening and closing balance of DA)
- iv) These other balances include cash, receivables and payables, if any
- v) Expenditure Segregation based on Agreed Jabar Form

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting of Basic Services Program Phase III Project (PBS)**  
**Consolidated Statement of Sources and Users of Funds**  
**For the Quarter Ending XXXXX In Million ETB**

*In USD*

	<b>Quarter (ii)</b>		<b>Cumulative (ii)</b>	
<b><u>Opening Balance</u></b>				
Designated Account Sub-Program A/ <sup>iii</sup>	XXXXXX			
	<u>XXXXXX</u>			
<b>Total Opening Balance</b>		<b>XXXXXX</b>		
<b>Sources:</b>				
Government	XXXXXX		XXXXXX	
IDA	XXXXXX		XXXXXX	
Donor XXX (IF)	XXXXXX		XXXXXX	
Donor YYY (IF)	XXXXXX		XXXXXX	
Donor ===	XXXXXX		XXXXXX	
<b>Total Sources</b>		XXXXXX		XXXXXX
Available Funds		XXXXXX		XXXXXX
Program Expenditure:				
Sub Program A				
Basic Sector Expenditure	<u>XXXXXX</u>		<u>XXXXXX</u>	
<b>Total Expenditure</b>		XXXXXX		XXXXXX
Excess of income over Expenditure		XXXXXX		XXXXXX
Add: Gain from foreign exchange rate difference		XXXXXX		XXXXXX
<b>Net Available Fund</b>		XXXXXX		XXXXXX
Less: Bank service charges		XXXXXX		XXXXXX
<b>Closing Balance</b>		XXXXXX		XXXXXX
Designated Account Sub-Program A/ <sup>iii</sup>		XXXXXX		XXXXXX
<b>Total Closing Balance</b>		<u>XXXXXX</u>		<u>XXXXXX</u>

**Note:**

- vi) The amounts are drawn from the accounts of the Program
- vii) From the start of the program to date.
- viii) The following exchange rates were used for conversation: IUS Dollar=xx Birr (for both opening and closing balance of DA)
- ix) These other balances include cash, receivables and payables, if any
- x) Expenditure Segregation based on Agreed Jabar Form

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting of Basic Services (PBS) Program Phase III**  
**Statement of Uses of Funds by Program Activity Sub-Program A1**  
**For the Quarter Ending**

**In 000'**

Sub-Component Activities/i	Actual/II		Plan		Variance	
	Current Quarter	Cumulative to Date/iii	Current Quarter	Cumulative to Date/iii	Current Quarter	Cumulative to Date/iii
1. Education						
2. Health						
3. Agri. And Rural Dev. & Natural Res.						
4. Water Supply and Sanitation Services						
5. Rural Roads						
<b>Grand Total Expenditures/iv</b>						

**Apportionment**

No	Financers	Financing Share (%)	Actual Expenditure of the Quarter Million ETB	Actual Expenditure of the Quarter Million USD
1	Federal/Regional Government			
2	IDA			
3	Donor XXXXX(IF XXX)			
4	Donor YYYYYY (IF XXXX)			
<b>Total</b>				

**Notes:**

/i: The items under "Program Activities" will be those agreed between the Borrower and the Donors at the time of appraisal: as reflected in the PAD

/ii: The amounts are drawn from the ledger accounts of the Program

/iii: These are from the start of the program to date figures

/iv: Agrees with total expenditures noted in the "Statement of Sources and users of fund"

/V: The numbers in this column are obtained by multiplying the total expenditure by the financing share of each partner noted in the previous column.

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting of Basic Services (PBS) Program Phase III**  
**Block Gant Transfer Forecast**  
**For the Quarter Ended on XXXXXXXX**  
**In Birr and USD Dollars**

Sub-Component Activities/i	Cash Requirement for Quarter ending XXXXXXXX Birr	Cash Requirement for Quarter ending XXXXXXX Birr	Current Cash Requirement for the 6 months ending xxxxxxx Birr	Cash Requirement for Quarter ending XXXXXXX Birr
Sub Program A				
Health				
Agriculture & Nat. res				
Education				
Water and Sanitation				
Roads				
Sub-total-Sub Program A				
Grand Total				

**Note:**

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS) Program Phase III**  
**Summary of Cash Forecast**  
**As at XXXXXXXX**

In Birrs and USD  
dollars/ii

	(a)	(b)	(c)	(d)
	Cash Requirement for Quarter ending XXXXXXX	Cash Requirement for Quarter ending XXXXXXX	Cash Requirement for the 6 months ending XXXXXX	Cash Requirement for the 6 months ending XXXXXX
Component /Sub Component	Birr	Birr	Birr	USD/iii
Forecasted total Expenditure <sup>i</sup>				
Sub Program A				
Total				
Less Cash Balance at XXX				
Designated Account Sub-Program A				
Cash and Bank				
Receivables				
Payables				
Total				
Net Cash Requirement				
Appointment of Net Cash Requirement by Fairness:				
Government				
IDA				
Donor XXX (IF)				
Donor YYY (IF)				
Donor ZZZ (IF)				
Total				

**Note:**

/i: Agrees with the Forecast Expenditure statement shown below

/ii: Assume Designated Account currency is US dollars (USD)

/iii: Notes down Exchange rates ruling on the reporting dates are used to convert Birr to USD and vice versa (USD to Birr)

/iv: Same as the closing balance of the Designated Account shown in Designated Account (IDA) Statement

**Ministry of Finance and Economic Development (MoFED)**  
**Protection of Basic Services Program Phase III Project (PBS)**  
**Designated Account (DA) Statement Sub-Program A**  
**For the Quarter on XXXXXXXX**  
**In USD Dollars**

USD

Description	Total	IDA	Donor xxx	Donor yyy	Donor zzz
Opening Balance					
Donor advance during the period					
Refunded to Donors from DA during the quarter					
Available					
Less:					
Transfers out of the DA to the treasury during the quarter					
Bank Service Charges					
<b>Total Transfer and Bank Service Charges</b>					
<b>DA closing balance as at xxxxxxxx</b>					

**Ministry of Finance and Economic Development (MoFED)**  
**Protection of Basic Services Program Phase II Project (PBS)**  
**Statement of Recurrent Expenditure at Regional and Woreda Level**  
**For the First Quarter Ended XXXXXXXX Million ETB**

	Regional Total								
	Bureau Level			Woreda Level			Regional Level		
	Salary	Oper.Expn.	Total	Salary	Oper.Expn.	Total	Salary	Oper.Expn.	Total
<b>Admin. &amp; Gen. Service</b>									
Organ of the State									
Regional Council									
Audit Beuro									
Population Office									
Justice									
Public Order									
o/w Police									
General Service									
Information									
Finance & Economic Devel. Beuro									
Revenue Beuro									
Civil Service									
Investment Office									
<b>Economic Service</b>									
Agriculture & Ruarl Devel.									
o/w: Food Security									
Natural Resource									
o/w: Waer									
Trade & Industry, Tourism									
Mining & Energy									
Trade & Tourism									
Transport & Communication									
Construction									
o/w:									
Road Construction									
Urban Development									
<b>Social Service</b>									
Education									
o/w:									
Primary & Junior Education									
Secondary School Education									
Technical Education									
Higher Education									
Culture & Sport									
Health									
o/w:									
Primary Health, Clinic & Health Station									
Hospitals									
Malaria Prevention									
Nurses Training									
HIV/AIDS Office									
Social Affairs									
DPPC									
Miscellaneous									
<b>Grand Total</b>									

Basic Services Sub Program A1 Recurrent Expenditure									
Description	Bureau Level			Woreda Level			Regional Level		
	Salary	Oper.Expn.	Total	Salary	Oper.Expn.	Total	Salary	Oper.Expn.	Total
Education (excluding higher education)									
Health (including HIV/AIDS)									
Agriculture & Rural Development									
Natural Resource									
Water Supply and Sanitation									
Rural Road									
<b>Total</b>									

## **Annex 6**

### **Ministry of Finance and Economic Development**

### **Promoting Basic Services Program Phase III Project**

### **Sub Program B**

### **Interim Unaudited Financial Report**

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#### **Content**

Discussion of Financial Performance, Notes & Explanations

Consolidated Statement of Sources and Uses of Fund

Statement of use of funds by sub-programs

Statement of Designated accounts by each sub-program

Statement of Cash Forecasts

Statement of Expenditure forecast

Statement of Fund Transfer

Sub-program expenditure summary

Statement of Uses of Funds by Activity and Implementing Agency

Statement of Fund Movement

Aging Analysis of Transfer

List of Contracts subject to Bank's Prior review

Schedule of Commitments

Status of Major Procurements

Ministry of Finance and Economic Development (MOFED)  
Promoting of Basic Services Program Phase III Project (PBS)

**Discussion of Financial Performance, Notes & Explanations**

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS) III Sub-Program B**  
**Consolidated Statement of Sources and Uses of Funds**  
**For the Quarter Ending XXXXX**

*In Birr*

	Current Quarter		Cumulative	
<b><u>Opening Balance (from previous IFR)</u></b>				
Designated Account (B1 and B2)	XXXXXX			
Designated Account (B1 and B3)	XXXXXX			
Other Balance (cash/Bank Balances plus receivable minus payables)	XXXXXX			
<b>Total Opening Balance</b>		<b>XXXXXX</b>		
Sources!:				
Government	XXXXXX		XXXXXX	
IDA	XXXXXX		XXXXXX	
Donor XXX (TF xxxx)	XXXXXX		XXXXXX	
Donor YYY (TF xxxx)	XXXXXX		XXXXXX	
<b>Total Sources</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
<b>Available Funds</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
<i>Program Expenditure:</i>				
Sub Program B1***	XXXXXX		XXXXXX	
Sub Program B2	XXXXXX		XXXXXX	
Sub Program B3	XXXXXX		XXXXXX	
<b>Total Expenditure</b>		<b>(XXXXXX)</b>		<b>(XXXXXX)</b>
<b>Excess of income over Expenditure</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
Foreign exchange differences (Loss/Gain)		XXXXXX		XXXXXX
Bank Service Charge		(XXXXXX)		(XXXXXX)
<b>Net Available Fund</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
<b>Closing Balance:</b>				
Designated Account (B1, B2)		XXXXXX		XXXXXX
Designated Account (B3)		XXXXXX		XXXXXX
Other Balance (cash/bank balance plus receivables minus payables)				
Cash In Safe (Regions)		XXXXXX		XXXXXX
Cash At Bank at (regions)		XXXXXX		XXXXXX
Cash at Bank at MoFED		XXXXXX		XXXXXX
Advances		XXXXXX		XXXXXX
Payables		XXXXXX		XXXXXX
<b>Total Other Balances</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
<b>Total Closing Balance</b>		<b>XXXXXX</b>		<b>XXXXXX</b>

**Note:**

/i: The amounts are drawn from the accounts of the Program

/ii: The following rates were used for conversion: 1 US Dollar==xx Birr

/iii: From the start of the program to date.

/iv: These other balances include cash, receivables and payables, if any

\*\*\*: Expenditure under this sub program excluding B1b (Social Accountability)

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS) III Sub-Program B**  
**Consolidated Statement of Sources and Uses of Funds**  
**For the Quarter Ending XXXXX**

*In USD*

	Current Quarter		Cumulative	
<b>Opening Balance (from previous IFR)</b>				
Designated Account (B1 and B2)	XXXXXX			
Designated Account (B1 and B3)	XXXXXX			
Other Balance (cash/Bank Balances plus receivable minus payables)	XXXXXX			
<b>Total Opening Balance</b>		<b>XXXXXX</b>		
<b>Sources:</b>				
Government	XXXXXX		XXXXXX	
IDA	XXXXXX		XXXXXX	
Donor XXX (TF xxxx)	XXXXXX		XXXXXX	
Donor YYY (TF xxxx)	XXXXXX		XXXXXX	
<b>Total Sources</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
<b>Available Funds</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
<i>Program Expenditure:</i>				
Sub Program B1***	XXXXXX		XXXXXX	
Sub Program B2	XXXXXX		XXXXXX	
Sub Program B3	XXXXXX		XXXXXX	
<b>Total Expenditure</b>		<b>(XXXXXX)</b>		<b>(XXXXXX)</b>
<b>Excess of income over Expenditure</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
Foreign exchange differences (Loss/Gain)	XXXXXX		XXXXXX	
Bank Service Charge	(XXXXXX)		(XXXXXX)	
<b>Net Available Fund</b>		<b>XXXXXX</b>		<b>XXXXXX</b>
<b>Closing Balance:</b>				
Designated Account (B1, B2)		XXXXXX		XXXXXX
Designated Account (B3)		XXXXXX		XXXXXX
Other Balance (cash/bank balance plus receivables minus payables)				
Cash In Safe (Regions)	XXXXXX		XXXXXX	
Cash At Bank at (regions)	XXXXXX		XXXXXX	
<i>Cash at Bank at MoFED</i>	XXXXXX		XXXXXX	
<i>Advances</i>	XXXXXX		XXXXXX	
<i>Payables</i>	XXXXXX		XXXXXX	
<b>Total Other Balances</b>	XXXXXX		XXXXXX	
<b>Total Closing Balance</b>		<b>XXXXXX</b>		<b>XXXXXX</b>

**Note:**

- /i: The amounts are drawn from the accounts of the Program  
 /ii: The following rates were used for conversion: 1 US Dollar==xx Birr  
 /iii: From the start of the program to date.  
 /iv: These other balances include cash, receivables and payables, if any  
 \*\*\*: Expenditure under this sub program excluding B1b (Social Accountability)

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS) Sub-program B**  
**Statement of Uses of Funds by Program Activity Sub-Program B1, B2 and B3**  
**For the Quarter Ending xxxxxx**

Sub-Component	Current Quarter			Actual		In Birr Total PAD	
	Plan*	Actual	Variance	Actual to Date	Actual Budget*	PAD Budget*	Cumulative Actual*
Component B1: Citizen's Engagement B1a: Financial Transparency & Accountability B1c: Grievance redress mechanisms  <b>Total Component B1</b> B2a: Woreda PFM & Procurement Strengthening B2b: IBEX roll-over out and support B2c: Regional Training and Program Support B2d: Support of External Audit B2e: Support to Council  <b>Total Component B2</b> <b>Component B3: Managing for Results</b> B3a: Strengthening M&E Systems B3b: Analytic Works  <b>Total Component B3</b>							
<b>Grand Total</b>							

**Apportionment**

Financers	Financing Share (%)	Actual Expenditure of the Quarter ETB	Actual Expenditure of the Quarter USD
Government IDA Donor XXX (TF XXX)  Donor YYY (TF XXXX)			
<b>Total Sources</b>			

**Notes:** Detail activities under each sub component should indicated on Operational Manual.

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS) II Sub-Program B**  
**Designated Account (DA) Statement Sub-Program B1 and B2**  
**Form xxxx to xxxxx**

*In USD Dollarr*

Description	Total	IDA	Donor xxxx	Donor yyy
Opening Balance _____	-	-	-	-
Donor advance during the quarter _____ to _____	-	-	-	-
Refunded to Donors from IDA during the quarter _____ to _____	-	-	-	-
Less: Transfers out of the DA to the treasury during the quarter	-	-	-	-
DA closing balance as xxxxxxxxxxxx carried forward to next period/iii	-	-	-	-
Bank balance as per bank statement	-			
Difference (if any)	-	-	-	-

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS) II Sub-Program B**  
**Designated Account (DA) Statement Sub-Program B3**  
**Form xxxx to xxxxx**

*In USD Dollarr*

Description	Total	IDA	Donor xxxx	Donor yyy
<b>Opening Balance</b>	-	-	-	-
Donor advance during the quarter	-	-	-	-
Refunded to Donors from IDA during the quarter	-	-	-	-
<b>Less:</b> Transfers out of the DA to the treasury during the quarter	-	-	-	-
DA closing balance as xxxxxxxxxxxx carried forward to next period/iii	-	-	-	-
Bank balance as per bank statement	-			
Difference	-	-	-	-

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS) Sub-Program B1, B2 and B3**  
**Summary Cash Forecast for Sub-program B**  
**As at xxxxxxxx**

*In Birr & USD Dollars*

Components/Sub-Program	(a) Cash Requirement for Quarter ending xxxxxxx	(b) Cash Requirement for Quarter ending xxxxxxx	(c) Cash Requirement for six months ending xxxx	Cash Requirement for six months ending xxxx
	Birr	Birr	Birr	USD
<b>Forecasted Total Expenditure</b>				
Component B1	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Component B2	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Component B3	xxxxxx	xxxxxx	xxxxxx	xxxxxx
<b>Total</b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>xxxxxx</b>
Less: Amount to be paid through Direct Payment or Special Commitment	-	-	xxxxxx	xxxxxx
Less: AD Balance end of reporting Quarter			xxxxxx	xxxxxx
Other Balance end of reporting Quarter			xxxxxx	xxxxxx
Total Balance			xxxxxx	xxxxxx
<b>Total Cash Requirement</b>				
<b>Apportionment of Net Cash Requirement by Financers:</b>				
IDA				xxxxxx
Donor xxx (TF xxxxx)				xxxxxx
Donor yyy (TF xxxxx)				xxxxxx
<b>Total</b>				xxxxxx

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS III)**  
**Expenditure Forecast**  
**As at xxxxxxxx**

*In Birr & USD Dollars*

Components/Sub-Component	Cash Requirement for Quarter ending xxxxxxxx	Cash Requirement for Quarter ending xxxxxxxx	Cash Requirement for six months ending xxxxxxxx	Cash Requirement for six months ending xxxxxxxx
	Birr	Birr	Birr	USD
<b>Component B1: Citizen's Engagement</b>				
B1a: Financial Transparency and Accountability				
B1b: Social Accountability				
B1c: Grievance redress mechanisms				
<b>Total Component B1</b>				
<b>Component B2: Local Public Financial Management</b>				
B2a: Woreda PFM & Procurement Strengthening				
B2b: IBEX roll-out and support				
B2c: Regional Training and Program Support				
B2d: Support to external audit				
B2e: Support to council				
<b>Total Component B2</b>				
<b>Component B3 Managing for Results</b>				
B3a: Strengthening M&E Systems				
B3b: Analytic Works				
<b>Total Component B3</b>				
<b>Grand Total</b>				

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services Program Phase III Sub-Program B1, B2 and B3**  
**Fund Transfer Statement (From Birr Account)**  
**From xxxxxxxx to xxxxxxxx**

[illegible]

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS III)**  
**Sub-program B1 Expenditure Summary**  
**From xxxxxxxx to xxxxxxxx**

Region/Federal	Salary Expenses	Operational Expenses	Procurement of Goods and Services	Total
Total Expenditure				

**Sub-program B2 Expenditure Summary**  
**From xxxxxxxx to xxxxxxxx**

Region/Federal	Salary Expenses	Operational Expenses	Procurement of Goods and Services	Total
Total Expenditure				

**Sub-program B3 Expenditure Summary**  
**From xxxxxxxx to xxxxxxxx**

Region/Federal	Salary Expenses	Operational Expenses	Procurement of Goods and Services	Total
Total Expenditure				

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services Phase III Sub-Program B**  
**Statement of Use of Fund by Activity and Implementing Agency – Actual Expenditures**  
**Incurred**  
**For the Quarter Ended xxxxxxxx**

*In Birr*

Region/Sub-Component	Current Quarter		Cumulative for the Year	
	Planned	Actual	Planned	Actual
<b>Implementing Agency 1</b>				
B1a: Financial Transparency and Accountability				
B1b: Social Accountability				
B1c: Grievance redress mechanisms				
B2a: Woreda PFM & Procurement Strengthening				
B2b: IBEX roll-out and support				
B2c: Regional Training and Program Support				
B2d: Support to external audit				
B2e: Support to council				
<b>Total</b>				
<b>Implementing Agency 2</b>				
B1a: Financial Transparency and Accountability				
B1b: Social Accountability				
B1c: Grievance redress mechanisms				
B2a: Woreda PFM & Procurement Strengthening				
B2b: IBEX roll-out and support				
B2c: Regional Training and Program Support				
B2d: Support to external audit				
B2e: Support to council				
<b>Grand Total</b>				

**Note: Implementing Agencies are MoFED, BOFEDs, OFAG, CSA, MoWE and MoA.**

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS III) Sub-Program B**  
**(PBS III) Sub-Program B**  
**Fund Movement For the Quarter Ended xxxxxxxx**

S/No.	Region	Opening Balance	Transfer for the Quarter	Total Fund Available	Expenditure	Closing Balances	Cash in Safe	Cash at Bank	Advances	Payables	Ending Balances
<i>Total</i>											

**Ministry of Finance and Economic Development (MoFED)**  
**Promoting Basic Services (PBS III) Sub-Program B**  
**Aging Analysis of Advances Sub-Program B**  
**As at xxxxxxxx**

Region/Federal	Cumulative Advance	Cumulative Reported Expenditure	Ending Balance	%age of Cumulative Expenditure Transfer	Aging of Un Settled Advances (Ending Balance)				A>24m
					A<3 m	3m>A<6m	6m>A<9m	12m<A<24m	
Tigray									
Afar									
Amhara									
Oromiya									
Somale									
Benshagul & Gumuz									
SNNPR									
Gambella									
Harari									
Dire Dawa									
Addis Ababa									
OFAG									
MoFED									
CSA									
MoWR									
<b>Total</b>									

**Note:**

“A” refers to age  
“M” refers to months

**Ministry of Finance and Economic Development (MoFED)**  
**Project Name: Promoting Basic Service (PBS III) Sub-Program B**  
**Payments Made During Reporting Period (xxxxxx to xxxxxx)**  
**Against Contracts Subject to the Bank's Prior Review**

[illegible]

<p align="center"><b>Ministry of Finance and Economic Development (MoFED)</b>  <b>Program Name: Promoting Basic Service (PBS III) Sub-Program B</b>  <b>Schedule of Commitments as on Reporting Date</b></p>	
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[illegible]

**These are Major Commitments at .....**

**Ministry of Finance and Economic Development (MoFED)**  
**Program Name: Promoting Basic Service (PBS III) For all Sub-Program B**  
**Status of Major Procurements (Above USD 100,000 from Procurement Plan)**  
**As of End of Quarter Date (DD/MM/YYYY)**

[illegible]

# Annex 7

## Interim Unaudited Financial Report (IFR) Format for Sub-Program B (Regions & Implementing Entities)

### ymdb¾ bJT wÀ fœB ¶±RT Recurrent Expenditure Report

m¼£  
ME/HE 22

wR  
Month

ymNG T m¼b@t\$  M	mlÃq\$ _R
Name of Public Body:	Code
yPéG%Ñ  M	mlÃq\$ _R
Name of Program:	Code
y % KFl#  M	mlÃq\$ _R
Name of Sub Agency:	Code
yN;#S PéG%Ñ  M	mlÃq\$ _R
Name of Sub Program:	Code
yPéjKt\$  M	mlÃq\$ _R
Name of Project:	Code
yÍYÂNS MNu	mlÃq\$ _R
Source of Finance:	Code
yÆNK fœB q\$ _R	
Bank Account Number:	

y fœB mdb Account Code	y fœB mGlÃ Account Description	XSk ²Ê ÃlW wÀ YTD Expenditure			
		Ãb!T Debit		KÊÃ!T Credit	
6111	lÎ, \%t@C dmwZ Salaries to permanent staff				
6112	lmk\$KÃ \%êET dmwZ Salaries to military staff				
6113	l÷NT%T \%t@C MNÃ Wages to contract staff				
6114	lqN \%t@C MNÃ Wages to casual staff				
6115	lWu y÷NT%T \%t@C MNÃ Wages to external contract staff				
6116	l\%t@C y,drg# ytlÃ† KfÃâC Miscellaneous payments to staff				
6121	lÎ, \%t@C xbl Allowances to permanent staff				
6122	lmk\$KÃ \%êET xbl Allowances to military staff				
6123	l÷NT%T \%t@C xbl Allowances to contract staff				
6124	lWu y÷NT%T \%t@C xbl Allowances to external contract staff				
6131	lÎ, \%t@C y-#r- mēō Government contribution to permanent staff pension				
6132	lmk\$KÃ \%êET xÆST y-#r- mēō Government contribution to military staff pensions				
6211	ldNB LBS½ lLBS½ lF%>Ã xLU LBS Uniforms, clothing, bedding				
6212	lx\$QE yb!é : "âC Office supplies				
6213	l?TmT Printing				
6214	lx\$QE y?KMÃ : "âC Medical supplies				
6215	lx\$QE yTMHRT : "âC Educational supplies				
6216	lMGB Food				
6217	lnÃJÃ QÆèC Fuel and lubricants				
y,øR DMR Balance Carried Forward					

yfœB mdB Account Code	yfœB mGlÃ Account Description	XSk ²Ê ÃlW wÃ YTD Expenditure			
		Ãb!T Debit		KÊÃ!T Credit	
	yør DMR Balance Brought Forward				
6218	l1@lÖC xSqE : "ãC Other material and supplies				
6219	l1lÃ† mœŦÃãCÃ mÚ?FT Miscellaneous equipment				
6221	lGBRÃ½ ldN XÃ lÆHR GB>èC Agriculture, forestry and marine inputs				
6222	lXNSúT ?KMÃ y,Ãg1G1# xSqE : "ãC XÃ mDhn!èC Veterinary supplies and drugs				
6223	lMRMR XÃ lLŸT xSqE : "ãC Research and development supplies				
6224	lÖR mœŦÃÃ _YT Ammunition and ordinance				
6231	lWlÖ xbl Per diem				
6232	lT%NS±RT KFÃ Transport fees				
6233	lmStNGl Official entertainment				
6241	lt>kRpŦãC XÃ l1@lÖC mÜÜŦãC :Dút XÃ _gÃ Maintenance and repair of vehicles and other transport				
6242	lxwÉPSN XÃ jLÆãC :Dút XÃ _gÃ Maintenance and repair of aircraft and boats				
6243	lPSNT½ lŸ>nŦ XÃ lmœŦÃ :Dút XÃ _gÃ Maintenance and repair of plant, and machinery, and equipment				
6244	l?NÉ½ lqšúq\$S XÃ ltgÈÈ,ãC :Dút XÃ _gÃ Maintenance and repair of buildings, furnishings and fixtures				
6245	lm\rt LŸT :Dút XÃ _gÃ Maintenance and repair of infrastructure				
6246	lw-d%êE LŸT :Dút XÃ _gÃ Maintenance and repair of military equipment				
6251	bWL y,f]Ñ yNÃ xgLGlöèC Contracted professional services				
6252	lk!%Y Rent				
6253	lŸS-wqEÃ Advertising				
6254	lx!N¹#%NS Insurance				
6255	lunT Freight				
6256	lxgLGlÖT KFÃãC Fees and charges				
6257	lx@l@KTŦK xgLGlÖT KFÃ Electric charges				
6258	lt&l@÷Ñn!k@>N xgLGlÖT KFÃ Telecommunication charges				
6259	lW`½ ±S- XÃ l1@lÖC xgLGlÖT KFÃãC Water and other utilities				
6271	lxgR WS_  L-Ã Local training				
6272	lWu xgR  L-Ã External training				
6281	lm-ÆbqEÃ MGB KMCT Stocks of food				
6282	lnÃJ KMCT Stocks of fuel				
6283	l1@lÖC ym-ÆbqEÃ KMCT Other stocks				
6311	lt>kRpŦãC XÃ l1@lÖC XNdt>kRpŦ §1# mÜÜŦãC mGŦ Purchase of vehicles and other vehicular transport				
	y,øR DMR Balance Carried Forward				

yfæB mðB Account Code	yfæB mGlÁ Account Description	XSk ²Ê ÁlW wÁ YTD Expenditure			
		Áb!T Debit		KÊÁ!T Credit	
	yør DMR Balance Brought Forward				
6312	l×WÉPŠñC½ ljlÆāC w.z.t. mGĬ Purchase of aircraft, boats, etc.				
6313	lPŠNT½ lŸ>nŦ XĀ lmœŦĀ mGĬ Purchase of plant, machinery and equipment				
6314	l?NÉ½ lqšúq\$S XĀ ltgĒĒ,āC mGĬ Purchase of buildings, furnishings and fixtures				
6315	lqND kBèC XĀ lŸÜÜĬ y,Wl# XNSúT mGĬ Purchase of livestock and transport animals				
6316	lw-d%êE mœŦĀāC mGĬ Purchase of military equipment				
6325	lw-d%êE xgLGlÖT l,Wl# GNÆ-āC Construction for military purposes				
6412	ltĬāC XĀ DRJèC XRĀ-½ mēôĀ D~Ÿ Grants, contributions and subsidies to institutions and enterprises				
6414	l>lm xqF DRJèC mēô Contributions to international organizations				
6416	lGlsĭC XĀ DRJèC µœ Compensation to individuals and institutions				
6417	lGlsĭC XRĀ- XĀ Sō- Grants and gratuities to individuals				
6419	L† L† KFĀāC Miscellaneous payments				
	DMR ¼wd fæB Ÿm² z¾¼ Total (To Trial Balance)				

yupE-L bjT wÀ fœB ¶±RT  
**Capital Expenditure Report**

wR  
Month

ymNG T m4b@t\$  M	mlÃq\$ _R
Name of Public Body:	Code
yPéG%Ñ  M	mlÃq\$ _R
Name of Program:	Code
y % KF1#  M	mlÃq\$ _R
Name of Sub Agency:	Code
yN; #S PéG%Ñ  M	mlÃq\$ _R
Name of Sub Program:	Code
yPéjKt\$  M	mlÃq\$ _R
Name of Project:	Code
yÍYÂNS MNu	mlÃq\$ _R
Source of Finance:	Code
yÆNK fœB q\$ _R	
Bank Account Number:	

y fœB mdB Account Code	y fœB mGlÃ Account Description	XSk zÊ Ã1W wÀ YTD Expenditure			
		Áb!T Debit		KÊÄ!T Credit	
6111	lÎ, \%t@C d mwZ Salaries to permanent staff				
6112	l mk\$ kÃ \%êET d mwZ Salaries to military staff				
6113	l ÷NT%T \%t@C MNÃ Wages to contract staff				
6114	l qN \%t@C MNÃ Wages to casual staff				
6115	l Wu y ÷NT%T \%t@C MNÃ Wages to external contract staff				
6116	l \%t@C y, drg# ytlÃ† KFÃãC Miscellaneous payments to staff				
6121	lÎ, \%t@C x bL Allowances to permanent staff				
6122	l mk\$ kÃ \%êET x bL Allowances to military staff				
6123	l ÷NT%T \%t@C x bL Allowances to contract staff				
6124	l Wu y ÷NT%T \%t@C x bL Allowances to external contract staff				
6131	lÎ, \%t@C y-#r- m êô Government contribution to permanent staff pension				
6132	l mk\$ kÃ \%êET xÊST y-#r- m êô Government contribution to military staff pensions				
6211	l dNB LBS½ l LBS½ l F%>Ã xLU LBS Uniforms, clothing, bedding				
6212	l x\$ qE y b! é : "ãC Office supplies				
6213	l ?TmT Printing				
6214	l x\$ qE y ?KMÃ : "ãC Medical supplies				
6215	l x\$ qE y TMHRT : "ãC Educational supplies				
6216	l MGB Food				
6217	l nÃJÃ QÆèC Fuel and lubricants				
y, øR DMR Balance Carried Forward					

yÉœB mdB Account Code	yÉœB mGlÁ Account Description	XSk ²Ê ÁlW wÀ YTD Expenditure			
		Áb!T Debit		KÊÄ!T Credit	
	yør DMR Balance Brought Forward				
6218	ll@lÖC xSqE : "äC Other material and supplies				
6219	ltlÄ† mœŹÄäCÄ mü?FT Miscellaneous equipment				
6221	lGBRÄ½ ldN XÄ lÆHR GB>èC Agriculture, forestry and marine inputs				
6222	lXNSúT ?KMÄ y,ÄglGl# xSqE : "äC XÄ mDhn!èC Veterinary supplies and drugs				
6223	lMRMR XÄ lL¥T xSqE : "äC Research and development supplies				
6224	lÖR mœŹÄÄ _YT Ammunition and ordinance				
6231	lWlÖ xbl Per diem				
6232	lT%NS±RT KFÄ Transport fees				
6233	lmStNGì Official entertainment				
6241	lt>kRpŹäC XÄ ll@lÖC müÜŹäC :Dút XÄ _gÄ Maintenance and repair of vehicles and other transport				
6242	lxWéPSN XÄ jLÆäC :Dút XÄ _gÄ Maintenance and repair of aircraft and boats				
6243	lPSNT½ l¥>nŹ XÄ lmœŹÄ :Dút XÄ _gÄ Maintenance and repair of plant, and machinery, and equipment				
6244	l?NÉ½ lq\$úq\$S XÄ ltgÈÈ,äC :Dút XÄ _gÄ Maintenance and repair of buildings, furnishings and fixtures				
6245	lm\rt L¥T :Dút XÄ _gÄ Maintenance and repair of infrastructure				
6246	lw-d%èE L¥T :Dút XÄ _gÄ Maintenance and repair of military equipment				
6251	bWL y,£]N yNÄ xgLGlÖèC Contracted professional services				
6252	lk!%Y Rent				
6253	l¥S-wqEÄ Advertising				
6254	lx!N¹ #%NS Insurance				
6255	lunT Freight				
6256	lxgLGlÖT KFÄäC Fees and charges				
6257	lx@l@KTŹK xgLGlÖT KFÄ Electric charges				
6258	lt&l@÷Nn!k@>N xgLGlÖT KFÄ Telecommunication charges				
6259	lW`½ ±S- XÄ ll@lÖC xgLGlÖT KFÄäC Water and other utilities				
6271	lxgR WS_  L-Ä Local training				
6272	lWu xgR  L-Ä External training				
6281	lm-ÆbqEÄ MGB KMCT Stocks of food				
6282	lnÄJ KMCT Stocks of fuel				
6283	ll@lÖC ym-ÆbqEÄ KMCT Other stocks				
6311	lt>kRpŹäC XÄ ll@lÖC XNdt>kRpŹ \$l# müÜŹäC mGİ Purchase of vehicles and other vehicular transport				
	y,øR DMR Balance Carried Forward				

y£œB mdB Account Code	y£œB mGlÅ Account Description	XSk ²Ê ÅlW wÅ YTD Expenditure			
		Åb!T Debit		KÊÅ!T Credit	
	yør DMR Balance Brought Forward				
6312	l×WÉP\$ñC½ ljlÆāC w.z.t. mGĬ Purchase of aircraft, boats, etc.				
6313	lP\$NT½ lŸ>nŦ XÅ lmœŦĀ mGĬ Purchase of plant, machinery and equipment				
6314	l?NÉ½ lq\$úq\$S XÅ ltgĒĒ,āC mGĬ Purchase of buildings, furnishings and fixtures				
6315	lqND kBèC XÅ lŸÜÜĬ y,Wl# XNSúT mGĬ Purchase of livestock and transport animals				
6316	lw-d%êE mœŦĀāC mGĬ Purchase of military equipment				
6325	lw-d%êE xgLGlÖT l,Wl# GNÆ-āC Construction for military purposes				
6412	ltĬāC XÅ DRJèC XRĀ-½ mēôĀ D~Ÿ Grants, contributions and subsidies to institutions and enterprises				
6414	l>lM xqF DRJèC mēô Contributions to international organizations				
6416	lGlsĭC XÅ DRJèC µœ Compensation to individuals and institutions				
6417	lGlsĭC XRĀ- XÅ Sō- Grants and gratuities to individuals				
6419	L† L† KFĀāC Miscellaneous payments				
	DMR ¼wd £œB Ÿm² z¾¼ <b>Total (To Trial Balance)</b>				

ygNzB ZWWR £œB ¶±RT

Transfer Report

	4001					4002					4003					4004				
	qN Date	Áb!T Debit		KÊÄ!T Credit		qN Date	Áb!T Debit		KÊÄ!T Credit		qN Date	Áb!T Debit		KÊÄ!T Credit		qN Date	Áb!T Debit		KÊÄ!T Credit	
DMR																				
Total																				
ytÈ% XNQS"s@																				
Net Activity																				
bw,, mjm¶Ã yør																				
BOM Balance																				
bw,, m=rš y,øR																				
EOM Balance																				

ygNzB ZWWR £œB ¶±RT

**Transfer Report**

	4005					4006					4007									
	qN Date	Áb!T Debit		KÊÄ!T Credit		qN Date	Áb!T Debit		KÊÄ!T Credit		qN Date	Áb!T Debit		KÊÄ!T Credit		qN Date	Áb!T Debit		KÊÄ!T Credit	
DMR																				
Total																				
ytÈ% XNQS"s@																				
Net Activity																				
bw,, mjm¶Ã yør																				
BOM Balance																				
bw,, m=rš y,øR																				
EOM Balance																				

ytsBúb! £æiC ¶±RT

Receivables Report

Month

ymNG|T m4b@t\$ |M

Name of Public Body:

yPéG%Ñ |M

Name of Program:

y|% KFl# |M

Name of Sub Agency:

yN;#S PéG%Ñ |M

Name of Sub Program:

yPéjKt\$ |M

Name of Project:

yÍYÂNS MNu

Source of Finance:

yÆNK £æB q\$\_R

Bank Account Number:

mlÃq\$\_R

Code

mlÃq\$\_R

Code

mlÃq\$\_R

Code

mlÃq\$\_R

Code

mlÃq\$\_R

Code

mlÃq\$\_R

Code

y£æB mdB Account Code	y£æB mGlÃ Account Description	XSk ²Ê ÃlW wÃ YTD Expenditure			
		Áb!T Debit		KÊÃ!T Credit	
4201	L† L† QD,Ã KFAãC Suspense				
4202	y_Ê gNzB g#DlT Cash Shortage				
4203	l\%t@C QD,Ã KFA Advance to Staff				
4204	y¥~b%êE zRF L¥T PéG%M QD,Ã KFA Advance for SSDP				
4205	k,q_lW >mT bJT l\%t@C QD,Ã KFA Advance for Staff from next year's budget				
4206	k,q_lW >mT bJT lmdb¼ wÃ QD,Ã KFA Advance for recurrent expenditures from next year's budget				
4207	k,q_lW >mT bJT lppE~L wÃ QD,Ã KFA Advance for Capital expenditures from next year's budget				
4208	lKLlÖC QD,Ã KFA Advance to regions				
4209	lÆlbbJT m4b@èC l@lÖC QD,Ã KFAãC Other advance to BI				
4210	bmNG T m ¶Ã b@T WS_ l@lÖC QD,Ã KFAãC Other advances within government				
4251	l % tÎ%ôC QD,Ã KFA Advance to contractors				
4252	lx¥p¶ãC QD,Ã KFA Advance to Consultants				
4253	l:" xQ%b!ãC QD,Ã KFA Advance to suppliers				
4254	kmNG ~êE m4b@èC Wu l@lÖC QD,Ã KFAãC Other advances outside government				
4271	lgbÊ ¥~b%T Peasant associations				
4272	l?BrT  % ¥~b%T Cooperatives				
4273	lGlsîCÃ lGL DRJèC Individuals and private organization				
4274	l@lÖC Others				
DMR ¼wd £æB ¥m² z¼¼ Total to Trial Balance					

# ytkÍY fœiC ¶±RT Payables Report

m¼f  
ME/Hf 26

wR  
Month

ymNG T m¼b@t\$  M	mlÃq\$ _R
Name of Public Body:	Code
yPÉG%Ñ  M	mlÃq\$ _R
Name of Program:	Code
y % KFl#  M	mlÃq\$ _R
Name of Sub Agency:	Code
yN;#S PÉG%Ñ  M	mlÃq\$ _R
Name of Sub Program:	Code
yPéjKt\$  M	mlÃq\$ _R
Name of Project:	Code
yÍYÂNS MNu	mlÃq\$ _R
Source of Finance:	Code
yÆNK fœB q\$ _R	
Bank Account Number:	

yfœB mdB Account Code	yfœB mGlÃ Account Description	XSk ²Ê ÃlW wÃ YTD Expenditure			
		Áb!T Debit		KÊÄ!T Credit	
5001	yCé- g!z@ tkÍY fœiC Grace period payables				
5002	L† L† tkÍY fœiC Sundry Creditors				
5003	y-#r- mœô tkÍY fœiC Pension Contribution Payable				
5004	ydmwZ tkÍY fœiC Salary Payable				
5006	êEZ çLÃ!NG -KS With-holding Tax				
5021	l\%t@C tkÍY fœiC Due to Staff				
5022	ks.z.S.P lg.x@.L. ,¼R tkÍY fœiC Due to MoFED for SSDP				
5023	k,q_lw >mT bJT k\%t@C lgNzBÃ x!÷ñ, L¥T ,¼R tkÍY fœiC Due to MoFED for Staff from next year's budget				
5024	k,q_lw >mT bJT kmdb¾ wÃ lgNzBÃ x!÷ñ, L¥T ,¼R tkÍY fœiC Due to MoFED for recurrent expenditures from next year's budget				
5025	k,q_lw >mT bJT kúpE-L wÃ lgNzBÃ x!÷ñ, L¥T ,¼R tkÍY fœiC Due to MoFED for Capital expenditures from next year's budget				
5026	lKlLöC tkÍY fœiC Due to regions				
5027	l@lÖC lg.x!.L. ,¼R tkÍY fœiC Other payables to MoFED				
5028	bmNG T m ¶Ã b@T WS_ l@lÖC tkÍY fœiC Other Payables within government				
5051	yq#M,,K mÃiãC Custom deposits				
5052	yFRD b@T mÃiãC Court deposits				
5053	yçSpE-L mÃiãC Hospital deposits				
5054	l@lÖC mÃiãC Other deposits				
5061	y÷NT%T mÃiãC Retention on contract				
DMR ¼wd fœB ¥m² z¾¼ Total to Trial Balance					

y£úB ¥m² z¾

Trial Balance

wR

Month

ymNG|T m¼b@t\$ |M

Name of Public Body:

yPéG%Ñ |M

Name of Program:

y|% KFl# |M

Name of Sub Agency:

yN;#S PÉG%Ñ |M

Name of Sub Program:

yPéjKt\$ |M

Name of Project:

yÍYÂNS MNu

Source of Finance:

yÆNK £œB q\$\_R

Bank Account Number:

mlÃq\$\_R

Code

mlÃq\$\_R

Code

mlÃq\$\_R

Code

mlÃq\$\_R

Code

mlÃq\$\_R

Code

mlÃq\$\_R

Code

y£œB mdB Account Code	y£œB mGlÃ Account Description	XSk ²Ê ÃlW wÀ YTD Expenditure			
		Áb!T Debit		KÊÄ!T Credit	
	xgR WS_ gb!½ :RÃ~½ BDR £œB ¶±RT Revenues/Assistance/Loan: (From Revenue/Assistance/Loan Report)				
	wÃâCY( Expenditures:				
	mdb¾ wÃ ¼kmdb¾ wÃ £œB ¶±RèC DMR¾ Recurrent expenditure (Total of Recurrent Expenditure Reports)				
	yupE~L wÃ ¼kupE~L wÃ £œB ¶±RèC DMR¾ Capital expenditure (Total of Capital Expenditure Reports)				
	ZWWéC ¼kgNzB ZWWR £œB ¶±RèC DMR¾ <b>Transfers:</b> (from Transfer Report)				
	tsBúb! £œiC ¼ktsBúb! £œB ¶±RèC DMR¾ <b>Receivables:</b> (from Receivables Report)				
	tkÍY £œiC ¼ktkÍY £œB ¶±RT¾ <b>Payables:</b> (from payables Report)				
	l@tR âF KÊÄ!èC ¼b£œB mdB kx~"SY mZgB¾ <b>Letters of Credit:</b> (by account code-from General Ledger)				
5601	ytÈ% hBT ¼kx~"SY l@jR¾ Net Assets/Equity (from General Ledger)				
	_Ê gNzBÃ y_Ê gNzB Xk#L êU ÃScW ¼ b£œB mdB kx~"SY l@jR¾ <b>Cash &amp; Cash Equivalents</b> (by account code-from General Ledger)				
4101	bœ_N Ãl gNzB Cash on hand				
4102	bÆNk Ãl yWu MN²¶ gNzB Cash at bank in foreign currency				
4103	bÆNK Ãl gNzB Cash at bank				
DMR Total					

## **Annex 8**

### **PROMOTING BASIC SERVICES III (PBS III) – Sub Program A and B TERMS OF REFERENCE FOR FINANCIAL AUDIT**

#### **I. Background**

PBS 3 will contribute to the higher-level objective of expanding access and improving the quality of basic services by funding block grants that ensure adequate staffing and operations, and by strengthening the capacity, transparency, accountability and financial management of local governments. The program defines basic services as education, health, agriculture, water supply and sanitation and rural roads.

The Basic Components of PBS 3 are as follows:-

- Sub-Program A-Basic Service Block Grants; and
- Sub-Program B-Strengthening Local Accountability and Transparency Systems. This has four Sub Components shown as follows:
  - i Sub-Program B1 – The Citizen’s Engagement Component (B1)- This has three sub components. These include:
    - 1. (B1a) Financial Transparency and Accountability (FTA);
    - 2. (B1b) Ethiopia Social Accountability Program (ESAP); and
    - 3. (B1c) Support of Grievance Redress Mechanisms (GRM)
  - ii Sub Program B2-Local Public Financial Management and Procurement. This has three sub components. These include:
    - 1. (B2a) Strengthening Woreda-level fiduciary performance;
    - 2. (B2b) Support for IBEX roll-out; and
    - 3. (B2c) Demand-driven, Collaborative Analytic Work
- Sub Program C- Results Innovation/Enhancement Fund (This component is not finalized at the time of negotiation and is not included in the financing agreement)

PBS 3 is proposed to have the above program structure. The associated IDA financing amounts are indicated in the PAD.

The institutional arrangements for the second phase will build on existing Government structures and will largely be the same as in the first and second phases. The Ministry of Finance and Economic Development (MoFED) will be responsible for the PBS as a whole and will be the executing agency for Sub-program A and Sub program B except Sub Program B1 (b) which will be executed by a management agent)

PBS 3 will continue the strong commitment to donor harmonization and collaboration that was built under previous phases.

Detailed information on the project including implementation arrangements is provided in the World Bank’s Project Appraisal Document (PAD).

The accounting period covered by the audit is that for the first audit, it will cover the period from the effectiveness of the project until July 7, 2013. Thereafter, it will be done on an annual basis following the normal government fiscal/accounting year.

## **II. Objective of the Project Audit**

The objectives of the audit of the Project Financial Statement (PFSs) is to enable the auditor to express a professional opinion(s) on the financial position of the project at the end of each fiscal year, and on funds received and expenditures incurred for the relevant accounting period. The accounting system, books and records provide the basis for preparation of the PFSs by the project implementing agency and are established to reflect the financial transactions in respect of the project. MoFED and the rest of the implementing agencies maintain adequate internal controls and supporting documentation for transactions.

## **III. Financial Audit**

### **1. PREPARATION OF ANNUAL FINANCIAL STATEMENTS**

The responsibility for the preparation of financial statements of sub program A and B including adequate disclosure is that of MoFED. MoFED is also responsible for the selection and application of accounting policies. MoFED would prepare the PFSs in accordance with IPSAS (International Public Sector Accounting Standards) as promulgated by the International Federation of Accounts (IFAC). The Government's accounting system outlined in the Manual Federal Accounting System-based on modified cash basis of accounting can also be used.

The auditor is responsible for forming and expressing opinions on the financial statements. The auditor would carry out the audit of the project in accordance with the International Standards on Auditing (ISA), as promulgated by the International Federation of Accounts (IFAC), with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and to relevant World Bank guidelines. As part of the audit process, the auditor may request from MoFED written confirmation concerning representations made in connection with the audit.

### **2. SCOPE OF THE AUDIT**

The auditor will prepare a work plan to ensure adequate coverage of the various institutions that receive project funds and cover all the major risk areas. In this regard is expected that the auditor will strive to audit a minimum of 32% of expenditures for the first year and a higher percentage for the later years.

As stated in 1 above, the audit of the project will be carried out in accordance with International Standards on Auditing (ISA) promulgated by the International Federation of Accountants (IFAC), with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and to relevant World Bank guidelines, and will include such tests and auditing procedures as the auditor will consider necessary under the circumstances. Special attention should be paid by the auditor as to whether the;

- (a) All external financing has been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided. The relevant financing agreements are: [to be listed later when these are signed];
- (b) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;

- (c) Goods, works and services financed have been procured in accordance with the relevant financing agreements including specific provisions of the World Bank Procurement Policies and Procedures<sup>17</sup>;
- (d) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures/transfers reported Interim Unaudited Financial Statements (IFR) methods of reporting. The auditor is expected to verify that respective reports issued during the period were in agreement with the underlying books of account;
- (e) Designated Accounts have been maintained in accordance with the provisions of the relevant financing agreements and funds disbursed out of the Accounts were used only for the purpose intended in the financing agreement;
- (f) National laws and regulations have been complied with, and that the financial and accounting procedures approved for the project (e.g., Project Implementation Plan, including government financial rules/regulation, etc.) were followed and used;
- (g) Financial performance of the project is satisfactory;
- (h) Assets procured from project funds exist and there is verifiable ownership by the implementing agency or beneficiaries in line with the financing agreement;
- (i) Ineligible expenditures in withdrawal applications are identified and reimbursed to the Designate Accounts. These should be separately noted in the audit report.

In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters;

- (a) ***Fund and Corruption:*** Consider the risk of material misstatements in the financial statements due to fraud as required by ISA 240: The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements. The auditor is required to identify and assess these risks (of material misstatement of the financial statements) due to fraud, obtain sufficient appropriate audit evidence about the assessed risk; and respond appropriately to identified or suspected fraud;
- (b) ***Laws and Regulations:*** In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the implementing agency with laws and regulations may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements;
- (c) ***Governance:*** Communicated audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with Governance.
- (d) ***Risks:*** In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level as required by Internal Standard on Auditing 330: the Auditor's Procedures in Response to Assessed Risks.

### 3. CONTINUOUS/INTERIM AUDIT

For the purposes of Sub-Program A- Given the involvement of large number of institutions (Woredas and Regions) and to meet the timetable for completion of the annual audit, the auditor will carry out continuous audits on a quarterly basis following the audit plan that is designed at planning stage of the audit (please refer to 2 above for planning). The auditor would select

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<sup>17</sup> Depending on the complexity of procurement activities, the auditor may consider involving technical experts during the audit engagement. In cases where such experts are involved, the auditor is expected to comply with provisions of International Standard on Auditing 620: Using the Work of an Expert. Consideration to use of the work of experts should be brought to the early attention of the borrower and the World Bank for mutual agreement and appropriate guidance.

representative samples of implementing agencies in different geographical regions to conduct the audit.

Purpose of this continuous audit is primarily to ensure that the funds allocated for this sub program are used for the purposes for which they are intended. The audits are **not a separate exercise and thus are not only an end on their own, but are intended to facilitate the process of the annual financial audit**, and also provide early information to project management to enable them to timely take corrective actions and to assure all parties (including donors) that funds are utilized for the purposes intended.

When the PFS are submitted to the auditor, in addition to other relevant audit activities/works, the auditor would draw on the results of the continuous audit to form an opinion on the PFS.

Since the continuous/interim audit is part and parcel of the final yearend audit, the overall scope of the work (of the interim audit) is within the “Scope of the Audit” described in 2 above. However, the following are some of the items that the auditors should pay particular attention to in the interim audit:

- Review of sample transactions at Woreda and Regions to ensure that project expenditures are incurred for the purposes intended;
- Test if regional subsidies (block grants) transferred by MoFED are received by Regions and on time. Test if regions block grants to Woredas transferred by regions are received by the Woredas on time.
- The auditor would design and perform audit activities to ensure that funds are used for intended purposes by designing and conducting various procedures/checks and tests. In this regard the auditors would verify if salary payments to beneficiaries of the relevant eligible sectors are generally in order (following government procedures/rules/regulations) and are substantiated by adequate and proper supporting documents. The auditor would also ensure that on sample basis the said beneficiaries do indeed exist and are eligible to receive project funds. However, the auditors will not be limited to these procedures only in ensuring that the funds are used for the purposes intended and
- Ensure that the accounting and internal controls policies and regulations are adhered with
- Ensure the adequate documentation, records, and accounts have been maintained in respect of all project activities
- Ensure compliance with National Laws and regulations
- Report all findings together with recommendations
- Test and report if pas period audit findings and recommendations thereof are addressed.

#### **4. PROJECT FINANCIAL STATEMENTS (PFSS)**

The auditor should verify that the project PFSs have been prepared in accordance with the agreed accounting standards (see section 1 of Article III above) and give a true and fair view of the financial position of the project at the relevant date and of resources and expenditures for the financial year ended on that date.

The Project Financial Statements (PFSs) of Sub Program A and B should include:

- (a) Sub Program A’s Statement of Sources and Uses of Fund-A statement of funds received, showing funds from the World Bank, project funds from other donors and counterpart funds respectively, the expenditures incurred and the balances there of;
- (b) Sub Program B’s Statement of Sources and Users of Fund-A statement of funds received, showing founds from the World Bank, project funds from other donors and counterpart funds respectively, the expenditures incurred and the balances there of;

- (c) Sub Program A's Statement of Designated Account- A summary of the activity or the movement in the Designated Accounts;
- (d) Sub Program B's Statement of Designated Account- A summary of the activity or the movement in the Designated Accounts;
- (e) A summary of the principal accounting policies that have been adopted, and other explanatory notes;
- (f) A list of material assets acquired or procured to date with project funds that are greater than USD 20,000.

As an Annex to the PFSs, the auditor should prepare a reconciliation of the amounts as "received by" the Project from the World Bank and other development partners, with those shown as being "disbursed by" the Bank and other development partners.

## **5. UNAUDITED INTERIM FINANCIAL REPORTS (IFRS)**

In addition to the audit of the PFSs, the auditor is required to verify IFRs used as a basis for the submission of the projects' withdrawal applications to the World Bank. The auditor will apply such tests and auditing procedures as considered necessary under the circumstances. Annexed to the PFSs should be a schedule listing IFR withdrawal applications by specific reference number and amount.

The total withdrawals under the IFR procedures should be part of the overall reconciliation of Bank disbursements described in section 4 above.

## **6. DESIGNATED ACCOUNTS**

In conjunction with the audit of the Project PFSs, the auditor is also required to review the activities of the Designated Accounts associated with the project. The Designated Account usually comprises;

- Advance deposits received from World Bank and other development partners;
- Replenishments substantiated by withdrawal applications;
- Interest that may have been earned on the accounts, and which belong to the recipient; and
- Withdrawals related to project expenditures

The auditor should pay particular attention as to the compliance with the World Bank's procedures and the balances of the Designated Accounts at the end of the fiscal year (or period). The auditor should examine the eligibility of financial transactions during the period under examination and fund balances at the end of such a period, the operation and use of the Designated Accounts in accordance with the relevant general conditions, relevant financing agreements and disbursement letter, and the adequacy of internal controls for this type of disbursement mechanism.

For this Project, the Designated Accounts are referred to in the General Conditions, the Financing Agreement and Disbursement Letter.

The auditor should also examine eligibility and correctness of:

- Financial transactions during the period under review;
- Account balances at the end of such a period;
- The operation and use of the Designated Account in accordance with the financing agreement; and
- The adequacy of internal controls for the type of disbursement mechanism.

## **7. AUDIT REPORTING**

The audited financial statements, including the audit report, management letter should be received by the Bank no later than **six** months after the end of the accounting year to which the audit relates. MoFED should submit responses to the findings of the audit an action plan for any follow up actions within 15 days of the receipt of the audit report.

### **i Audit Report on the PFS of Sub Program A and B**

The auditor will issue an opinion on the project financial statement (PFSs). The annual audit report of the project accounts should include a separate paragraph highlighting key internal control weaknesses and non-compliance with the financing agreement terms.

### **ii. Audit Report on the Continuous Audit of Sub Program A**

The auditor shall submit continuous/interim audit report (summary of Findings) to project management MoFED and Development partners (DPs) including IDA with recommendations for improvements. It will be submitted, on a quarterly basis, to IDA and DPs within 60 days of the end of the quarter.

### **iii. Management letter of Sub Program A and B**

In addition to the audit report stated in (i) above, the auditor will prepare a management letter, in which the auditor will:

- (a) Give comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
- (b) Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations' for their improvement;
- (c) Report on the degree of compliance of each of the financial covenants in the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- (d) Communicate matters that have come to his/her attention during the audit which might have a significant impact on the implementation of the project;
- (e) Report on the extent to which outstanding issues/qualifications issues have been addressed;
- (f) Report on previous audits' recommendations that have not been satisfactorily implemented; and
- (g) Bring to the recipient's attention any other matters that the auditors considers pertinent, including ineligible expenditures.

The Management letter should be clear in stating the findings, the implication, the recommendation. It should also include responses from the MoFED to the issues highlighted by the auditor.

## **IV. AVAILABLE INFORMATION**

The auditor should have access to all legal documents, correspondences, and any other information associated with the project and deemed necessary by the auditor. The auditor will also obtain confirmation of amounts disbursed and outstanding at the Bank by referring to "client connection" data base. Available information should include but not limited to copies of the relevant: World Bank's Project Appraisal Document (PAD); Project Operating Manual (POM) or Project implementation Manual (PIM); financing agreements; disbursement letters; disbursement handbook;

financial management assessment reports; financial management supervision mission reports, Aid memories, World Bank reviews of quarterly financial report; World Bank reviews of past audit report and implementation status or any progress reports.

#### **IV. GENERAL**

It is highly desirable that the auditor becomes familiar with the Bank's Guidelines on Annual Financial Reporting for World Bank-Financed Activities, June 30, 2003, which summarizes the Bank's financial reporting and auditing requirements. The auditor should be familiar with World Bank Procurement Guidelines, which can be obtained from the project implementing agency. The auditor should also be familiar with the Banks' Disbursement Handbook for World Bank Clients, Disbursement Guidelines for Projects; May 2006. These documents are available on the Bank's website and could be obtained from the Task Team Leader.

## **Annex 9**

### **PROMOING BASIC SERVICES III (PBS III) TERMS OF REFERENCE (TOR) FOR THE CONTINUOUS AUDIT**

#### **1. Background**

The PBS is, amongst other things, supporting Ethiopia's progress toward its MDG targets for human development, by ensuring that resources for basic service delivery. PBS 3 will contribute to the higher-level objective of expanding access and improving the quality of basic services by funding block grants that ensure adequate staffing and operations, and by strengthening the capacity, transparency, accountability and financial management of local governments. The program defines basic services as education, health, agriculture, water supply and sanitation and rural roads. Basic services have been defined broadly to include services delivered at the sub-national level that directly contribute to poverty reduction or have a social impact. It includes both recurrent and operating expenditures in the Basic services sector. The basic service being funded under PBS exclude is spending on the public order and security, and support to some economic sectors whose link to poverty is ambiguous (e.g. Mines and Energy, and "miscellaneous spending"). Also excluded from this definition are expenditures incurred under the Food Security Program (FSP) which are provided to Regions and Woredas via a Federal grant rather than the block grant and which are not reflected in sub-national budgets but rather the Federal budget. The focus of the continuous audit is on Sub Program A, i.e. which Supports the delivery of Basic Service through Block grants.

#### **2. Roles And Responsibilities**

Federal Ministry of Finance and Economic Development (MoFED) is the overall executing agency responsible for this sub component. It has overall responsibility for the oversight, coordination, and monitoring and evaluation of project activities across these components. Amongst other things, it will be responsible for enforcing the agreed fiscal transfer formulas through the timely transfers of block grants for basic services to regional governments, and ensuring effective financial management and compliance with fiduciary requirements. Thus, MoFED has the overall responsibility in ensuring that the interim/continuous audit is conducted and submitted to development partners. At the regional level, regional Bureaus of Finance and Economic Development (BOFED) are responsible for, amongst other functions, coordinating project implementation, transferring block grants based to local governments, and ensuring effective financial management and timely reporting to MoFED. At local level, the Woreda Finance and Economic Development Offices (WOFED) and Urban Administration Offices of Finance are responsible for managing and coordinating the day-to-day implementation of activities executed, including planning, supervision, financial management, monitoring and evaluation. MoFED will agree with work with Office of the Federal General, OFAG (the Auditor in charge of the interim/continuous audit), in audit process, in planning, in addressing bottlenecks, etc. MoFED will review continuous audit report received from OFAG. MoFED will consult regions in addressing findings. MoFED shall prepare an action plans prepared in rectifying findings to Development partners including the World Bank on time.

Responsibility for the conducting actual audit work, i.e., the interim/continuous, lies with the Office of the Federal General (OFAG). OFAG has regional offices in regions that help in this endeavor. The OFAG would solicit support from the Regional Auditor General Offices (ORAGs) as well as private and/or government audit firms, as necessary, in the form of human resources in an effort facilitate the process. PBS will continue to provide resources to strengthen the capacity of OFAG and ORAGs. In an event that the final auditor of the whole PBS project is not OFAG (or if OFAG assign the audit of the whole PBS to other audit firm) then the selected auditor will liaise with OFAG in

reviewing and agreeing to the planning, conducting and reporting aspects of this continuous/interim audit. They will also use the results of it in forming an opinion on the Project financial statements (PFS). This is because the continuous/interim audits are not a separate exercise and thus are not an end on their own, but are intended to facilitate the process of the annual financial audit, and also provide real time information to project management to enable them to timely take corrective actions and to assure all parties (including donors) that funds are utilized for the purposes intended.

### **3. Objective**

The overall objective of the continuous audit is to enable the auditor to provide regular assurance to donors and the government that funds disbursed by the government to support basic services at the regional and Woreda levels under the block grant arrangements are being used for the purpose intended and that the expenditure reports prepared by the Woredas and Regions with respect to the aforementioned basic services present a true and fair view.

### **4. Scope**

The audit will be conducted in accordance with International Organization of Supreme Audit Institutions (INTOSAI) Standards and relevant World Bank guidelines. In conducting the project audit, special attention should be paid to the following:

- (a) The regions and Woredas have adequate financial management arrangements to ensure that: (1) funds are used only for the intended purposes, (2) financial reports are prepared accurately, reliably and in a timely fashion, and (3) safeguard the public assets;
- (b) Funds provided by donors have been transferred to the regions in line with the government fiscal decentralization rules and in accordance with the conditions of the relevant financing agreements;
- (c) The regions have transferred funds to the Woredas in accordance with their respective grant systems and that the Woredas have indeed received these funds transferred to them;
- (d) The Woredas and Regions have spent the grants received from the Federal Government on the relevant basic services;
- (e) Donor funds have not been used by the Regions and Woredas on the services excluded from PBS;
- (f) The services for which funds were spent on have in fact been provided to the citizenry; the auditor would design and perform audit activities to ensure that funds are used for intended purposes by designing and conducting various procedures/checks and tests. In this regard the auditors would verify if salary payments to beneficiaries of the relevant eligible sectors are generally in order (following government procedures/rules/regulations) and are substantiated by adequate and proper supporting documents. The auditor would also ensure that on sample basis the said beneficiaries do indeed exist and are eligible to receive project funds. However, the auditors will not be limited to these procedures only in ensuring that the funds are used for the purposes intended;
- (g) Ensure compliance with government rules and procedures, laws and regulations;
- (h) Necessary supporting documents, records, and accounts have been kept in respect of all expenditures reported via Monthly Expenditure Statements. Clear linkages should exist between the accounting records and the financial reports sent by the Woredas to the Regions and by the Regions to MoFED;
- (i) Examination of systems and controls and testing of sample financial transactions selected on the basis of the auditor's evaluation of internal controls.
- (j) Ensure that prior period audit findings have been resolved through repeating Woredas where findings were reported. Review the project's (MoFED's) action plans prepared and sent to the donors to address findings and check if they were indeed implemented. Report on unresolved findings;

- (k) The auditor will check a representative sample basis the records of material assets procured as part of eligible expenditures in the basic services sectors with value greater than USD 20,000 per asset.

On a continuous basis, the OFAG in consultation with the auditor of the whole PBS (if the auditor is not OFAG itself) will plan and perform the audit work and report to the MoFED. Entrance and exist conferences will be held. Since the continuous/interim audit is part and parcel of the final yearend financial audit, the planning and conducting and reporting of this audit should be considered as such, i.e., used in selecting Woredas and regional offices to ensure that representative samples are selected in forming an opinion on the PFS in general but also in forming an opinion as to whether the funds are used for the purposes intended which will be documented in working papers. All regions will be covered in the audit during the year.

## **5. Audit Reports**

The auditors will issue quarterly audit reports, no later than 60 days after the end of each quarter, which will summarize their findings. The reports will be similar to what is known as "management letters" in that they will as a minimum:

- (i) Provide an opinion as to whether funds are being used for the intended purposes;
- (ii) Report on the observations, internal control weakness, compliance issues and other reportable cases they deem necessary. They will focus to a number of issues. Here are some basics as a minimum. They will:
  - (a) Give comments and observations on the accounting records, systems, controls that were examined during the course of the audit; identify specific deficiencies and areas of weakness in systems and controls and make recommendation for their improvement;
  - (b) Give comment on monthly expenditure statements and reconcile the same with regional reports;
  - (c) Give comments to whether actions for improvements are made on prior audit findings;
  - (d) Report on any non compliance with the block grant rules as well as government directives/rules/procedures/laws/regulations;
  - (e) Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation of PBS.
  - (f) Bring to the Government attention any other matters that the auditor considers pertinent; and
  - (g) Include management's comments in the final management letter.

In addition to other relevant audit activities/works, the auditor would draw on the results of the continuous/interim audit to form an opinion on the PFS.

## **Annex 10**

### **Terms of Reference for the Monthly Financial Management Meeting**

#### **1. Introduction and Background**

The PBS program FM issues are becoming concerning. There needs to be regular follow up and discussions to ensure that issues are being resolved so that the FM arrangements will become adequate. To this end a regular semi-formal meeting was agreed to be conducted on a monthly basis to see the progress of implementation of JRIS actions as well as to follow up on some recurring FM issues. The efficient achievement of the objectives of the PBS depends, among a number of issues, an appropriate, efficient and effective financial management system. Such a system must be capable of providing:

- Follow up on FM issues ;
- Credible, complete and up-date recording of accounts;
- Closure of accounts on time and preparation of financial reports;
- Timely, complete and qualitative auditing and reports to users;
- Coordination and synergy of financial management actions of stakeholders.

#### **2. Objectives of the monthly PBS Financial Management (FM) meeting**

The objectives of the monthly PBS FM meeting are to support MoFED's follow-up, assist and facilitate the efficient and effective implementation of the financial management system. In this regard, FM issues and FM action plans pertaining to PBS (as implemented by MoFED) will be followed up on a monthly basis in action oriented manner.

#### **3. Scope of Work**

The scope of work for the meeting is not too broad. Amongst other areas of work to be defined on an on-going basis, it will aim to:

- Follow up on FM arrangements and address any issues raised;
- Follow up continuous audit process and action plans prepared to address weaknesses reported in the reports;
- Follow up on the status and progress on financial audits. Follow up on action plans prepared to address findings reported (Monitor the implementation of audit findings and recommendations);
- Follow up the timely and quality preparation of IFRs and QERs
- Identify ongoing bottlenecks and constraints in the financial management system, including capacity constraints, and work with relevant stakeholders to address them;
- Monitor the progress made in the FM action plan as per FM supervision reports and JRISs.- Review and evaluate the status of existing FM action plans, giving special emphasis to outstanding and recurring FM issues and deliverables;

- Follow up on and provide timely and detailed support to MoFED on FM implementation status reports and other relevant FM deliverables. Follow up on the timely submission (and clarification where necessary) of IFRs and audit reports;

#### **4. Membership:**

The members include;

- From MoFED-COPCU PBS team, technical staff representing MoFED's EMCP, technical staff from MoFED's Macro Directorate, and other technical staff from other directorates of MoFED on a need basis (as and when required),
- From OFAG-technical staff of OFAG representing continuous auditors,
- From Donors- WB FMS, Irish Aid FMS and WB PBS team following up Sub-program B, and PBS donor secretariat.

The Head/Deputy Head of COPCU in MOFED shall be the Chair of the meeting. The PBS Donor Secretariat will serve as secretariat to the meeting.

#### **5. Frequency and Venue**

The meeting shall be conducted at least once in a month at MoFED.

## **Annex 11**

### **Job Description for Senior Accountant**

- Prepare, maintain accounts and records of the PBS program financial flow in line with set guidelines and FM manual of the program.
- Follow-up adherence to PBS program financial management guidelines at Regional and Woreda level.
- Distribute the program budgets to Regions and implementing entities
- Facilitate the consolidation and timely submission of quarterly and annual financial and expenditure reports of Regional Finance and Economic Development Bureaus.
- Prepare and send applications for advance in to special account, special commitment, documentation and replenishment to the World Bank and other donors.
- Close the books and accounts of PBS program at MoFED level using all records and transactions recorded in both Government reporting formats and programs financial reporting formats.
- Check regional reports for validation and consistency based on check list provided and on the rules and regulations stipulated in the Program Operational and other Manuals.
- Collect monthly, quarterly and yearly consolidated financial reports of all regional BoFEDs and prepare status report for all fund accounts.
- Prepare consolidated financial reports (IFR) and quarterly expenditure report (QER) on quarterly basis.
- Check that the financial recording of the program is done according to General Accepted Accounting Principles (GAAP).
- Ensure that all ledgers and FM documents are updated and properly kept.
- Prepare write up for IFR report.
- Check the accuracy of the bank reconciliation statement.
- Follow up the timely settlement of receivables and payables.
- Follow-up the annual budget utilization of all involved regions and collect the justification for budget variances.
- Collect, consolidate and regularly update expenditure data and information regarding fund transfer, manpower and beneficiaries number.
- Ensure that the program budget and disbursement schedules are regularly updated and maintained.
- Follow-up and monitor, through regular field visit to regions, to ensure appropriate use of funds by implementing agencies and give technical assistance (on the job training) to regional BoFEDs.
- Closely work with the physical implementers of the program at federal level in order to update financial information and know the status of physical implementation progress.

- Collect quarterly and annual financial and physical reports from federal project implementing ministries and agencies and use the information for preparing explanation for the financial reports.
- Provide annual financial statements to external auditors (ASC and OFAG) and assist the audit process by providing source documents and adequate explanation to questions to be raised by the auditors.
- Facilitate the external audit
- By issue the engagement letter (after it is signed by higher officials).
- Select the Woredas, Regions and implementing bodies that will be audited.
- Providing the necessary financial documents in order to conduct the audit in time and ensure the audit report is submitted to development partners within six months after the end of the financial year of the project.
- Collect the draft audit report and distribute to concerned bodies in order to secure their comments and if necessary to provide supporting documents.
- Review the audit findings and recommendations and act upon it.
- Distribute the final audit report to regions and implementing bodies after MoFED has accepted the findings.
- Prepare action plan to financial and interim audit comments, distribute the action plan to regions, implementing agencies.
- Follow up and assist the regions to respond the audit action plan.
- Collect the audit response regarding the action taken and the status of the findings and also send it to development partners.
- Review the financial management manual, prepare training module and provide training to the channel one program in close consultation with all stakeholders or development partners involved.
- Arrange and participate in the program field visit for monitoring, evaluation and supervision of the program.
- Follow-up the implementation of the recommendation of the field visit reports.
- Participate in FM Task Force meeting to explain the status of financial management issues.
- Prepare response to Development Partners query by consulting all Directorates responsible for the program financial management.

## **Annex 12**

### **Terms of Reference for Procurement Specialist**

#### **1. BACKGROUND:**

The government of Ethiopia and development partners has agreed on the third phase of PBS for channeling money through the government systems to promote basic services for the poor through the promotion of basic services (PBS) program. MOFED's COPCU is responsible for implementation of the Sub-Program B which has a number of procurement activities which need considerable efforts to plan, prepare TORs, and evaluate tenders and follow-up implementations.

#### **2. OBJECTIVE:**

The objective of this post is to provide MOFED's COPCU Coordination Office with the procurement capacity and enable the Procurement Team to effectively process procurement activities under Sub-Program B. This will not only contribute to the success of the specified PBS III components but to the PBS program as whole. To this end MOFED wants to recruit a procurement specialist for the duration of the programme to work in the COPCU in MOFED.

#### **3. SPECIFIC TASKS / ACTIVITIES:**

The Procurement Specialist shall carry out the following activities:

- Assist in overall planning, management, and monitoring of procurement activities.
- Assist in the preparation of bid documents and request for proposals (RFP) consistent with World Bank standard bid documents (SBD) and RFP and their issue to interested firms and consultants.
- Assist in the preparation of simple, standard forms to be used under international and national shopping procedures.
- Assist in the collection of data and preparation of technical specifications for the purchase of equipment and goods needed for the program.
- Assist in the drafting of terms of reference to be used for the recruitment of consulting firms and individuals.
- Assist in the preparation and publishing of General (GPN) and Specific Procurement Notices (SPN) to be published in Development Business, DG Market and/or national newspapers.
- Assist in the drafting, publishing and floating of Invitation to bids for the procurement of goods and Request of expressions of interest (EOI) for consulting services.
- Assist in the timely preparation of the project Procurement Plan taking into account envisaged implementation time for each procurement method.
- Assist in the establishment of a register of qualified consultants, including those replying to the request for EOI, for each activity to be carried out under the project.
- Assist in the assessment of consultants' qualifications and establishment of shortlists in accordance to Bank Consultants Guidelines.
- Assist in the preparation of replies to request for clarifications made by prospective bidders, in close coordination with World Bank task managers and procurement staff.

- Assist in the operations of bid opening for the procurement of goods and consultants and in the recording and drafting of the Minutes of bid opening.
- Assist in the evaluation of bids, technical and financial offers made for the procurement of goods and recruitment of consultants under the project.
- Assist in the drafting of evaluation reports for tenders under the project consistent with the World Bank model evaluation forms
- Assist in the negotiations with lowest evaluated bidders and top ranked consultants for the several tenders under the project
- Assist in the preparation and signature of contracts, reception of securities and start-up activities of suppliers and consultants
- Assist in the timely receipt of goods and reports by suppliers and consultants in accordance to their respective contracts.
- Assist in the preparation and coordination of procurement correspondence with the World Bank and follow up in all cases in which a “No Objection” is required.
- Assist in the handling of bidders and consultants complaints in close coordination with the World Bank.
- Assist in the recording and filing of all procurement documentation both in the case of activities subject to prior and post reviews by the World Bank and auditors.
- Assist in carrying out training and transmission of skills of newly recruited procurement specialists through hands on work on procurement activities
- Assist in keeping accurate records of procurement activities, including deliveries and completion of works, for the use of procurement post-reviews and auditing by the Bank.
- Carry out any other relevant duty that may be assigned by the Head of COPCU.

## **5. METHODOLOGY**

The procurement specialist will work closely with the MOFED/COPCU to assist in its procurement activity and improve its efficiency /quality of work in accordance to Government of Ethiopia regulation and World Bank Guidelines and procedures.

## **6. REPORTING**

The Procurement Specialist will be placed with the MOFED/COPCU and report to the Head of COPCU for procurement activities related to PBS and other channel one programs.

## **7. QUALIFICATION AND EXPERIENCE**

- Master /BA degree in economics, management or similar education which enables her/him to perform the duties specified above;
- At least 8 years of professional working experience, preferably with experience in the areas of internationally financed development programs;
- At least 3 years experience with work related to planning and procurement activities related to World Bank procedures.

## **Annex 13**

### **TERMS OF REFERENCE**

#### **Impact Assessment Survey on Financial Transparency and Accountability**

##### **Objective**

The core objective of the work outlined in this TOR is to field a survey which will gather information about: (i) citizens' understanding of the public budget processes (budget formulation, allocations and expenditures) at the Woreda level; (ii) the extent of citizens' engagement in these budget processes individually as well as through elected Woreda Councils and other such representative channels; (iii) citizens' perceptions of the coverage, quality, and efficiency of core public services; (iv) on citizens' perceptions of the responsiveness of Woreda and Kebele Councils to citizens' priority service needs; (v) the responsiveness of public officials at the Woreda and Kebele level to citizens' service needs; and (vi) citizens' perceptions on whether Woreda and Kebele officials perform their jobs with due professionalism and efficiency and without undue wastage and misallocation of resources. The analysis of the data gathered in the survey will inform preparation of a detailed report. The survey will collect and analyze citizen's feedback on the impact of investments so far made in disclosing budget/expenditure and service delivery information to the public.

##### **Background**

The Protection/Promoting of Basic Services (PBS) project is to contribute to the higher-level objective of expanding access and improving the quality of basic services by funding block grants that ensure adequate staffing and operations, and by strengthening the capacity, transparency, accountability and financial management of sub-national governments. The program defines basic services as education, health, agriculture, water and sanitation and rural roads.

*The Promotion of Basic Services (PBS) project* is supported by the World Bank (International Development Association), the British Department for International Development (DFID), the African Development Bank and European Union (EU) amongst other donors. The PBS aims to provide funding for basic services at sub-national levels and will utilize public financial management systems and service delivery structures.

PBS supports the delivery of basic services through its block grant component (A). The PBS supports development of accountability mechanisms on both the government and citizens' sides that are expected to be scaled-up in the future. It is anticipated that the PBS will support Government in developing, achieving consensus with citizens on, and implementing a strengthened program of institution building and governance reform that will help accelerate its efforts to reduce poverty. PBS will contribute to this objective through its focus on the fair and accountable delivery of resources, promotion of budget transparency especially at local levels, and piloting of different approaches to enable civic engagement in local budgeting and service delivery decisions. This study is the follow-up to the Financial Transparency and Accountability Perception Survey (FTAPS) which was undertaken in PBS I and is integrated into PBS III under Component B1a is an important instrument for government and citizens in generating reliable information on the coverage, quality and responsiveness of basic service delivery at woreda level and in assessing progress made towards improving service delivery.

## Financial Transparency and Accountability under PBS I & II

The FTA sub- component of the Protection of Basic Services (PBS) project aimed at supporting government-implemented (supply-side) activities at the regional/city administrations, Woreda (district) and sub-Woreda levels (Kebeles) to significantly: (i) enhance transparency around budget procedures, including budget preparation, expenditures and audits; and (ii) foster broad engagement and strengthened “voice” and client power of citizens and citizen representative groups on public budget processes and public service delivery.

FTA under PBS I focused on the design of simplified FTA tools (Layperson’s Budget and Expenditure Guide, (b) Simplified Layperson’s Budget and Expenditure Template, (c) Simplified Layperson’s Service Facility Templates, and (d) Budget Literacy Training Modules and Media Guides). A benchmarking study known as the Financial Transparency and Accountability Perception Survey (FTAPS) was also conducted under PBS I in 2008 and provided detailed information on the level of transparency and accountability issues with respect to public service delivery. Capacity building was provided for the public finance management system to the Ministry of Finance and Economic Development (MOFED), Office of the Federal Auditor General and regions.

Starting from 2006, the Government of Ethiopia took an important initial step towards FTA by posting fiscal information widely on the website ([www.mofed.gov.et](http://www.mofed.gov.et)). This information includes the annual budget appropriations for federal recurrent and capital expenditure and subsidy appropriation to the 9 Regional States and two City Governments. Information on MOFED’s website has been enriched over time. Quarterly Federal and Regional fiscal data, block grant allocations and monthly transfers from regions to Woredas continued to be posted regularly. At the regional level Amhara ([www.amharabofed.gov.et](http://www.amharabofed.gov.et)), Oromia ([www.oromiabofed.org](http://www.oromiabofed.org)) and Addis Ababa City Administration (<http://www.aabofed.gov.et>) are disclosing their budget on their respective websites. This annual budget information has been previously issued only in Nagarit Gazette which has limited circulation.

At the local levels, Woreda officials initially started disclosing their budget and spending information by posting on notice boards in public places. In PBS I (2006-2008), 90% of Woredas have posted their budget and expenditure information for the public. Some Woredas accomplished beyond the posting method and have published their budget on local newspapers, posters, calendars and t-shirts for wider dissemination. This was the first time to make such information readily accessible to the public. Woredas also started to make opinion boxes and suggestion books available to gather citizens’ voices, i.e., complaints and comments on service delivery. Under PBS I, budget literacy training (BLT) was provided for 1500 participants from regional, Woreda and Kebele council members, sector staff, CSOs and journalists.

Based on investments under PBS I, FTA under PBS II focused on (a) rollout of the designed simplified, visual FTA tools, their customization and use at regional and Woreda level and (b) the delivery of massive BLT for citizens, (c) intensive awareness creation work. As a result, FTA tools were rolled out and all regions and Woredas have customized and used the templates. Evidence from field visits, Joint Review Missions’ reports and independent studies<sup>18</sup> show that more than 92% of Woredas have posted their budget and expenditure information to the public and 84% use the simplified visual FTA templates. During the last three years BLT was provided for more than 170,000 citizens drawn from different sections of the community and considered to have the potential to pass their knowledge to their fellow citizens. A quarter of these are women.

Regions and Woredas are also using innovative ways in FTA work. In Amhara, Mojana Woreda used amateur theatrical clubs to create public awareness in market places; Dale Woreda of Southern Nations, Nationalities and Peoples Region (SNNPR) used the *Ware* cultural system in disseminating FTA initiative. Mass media, particularly radio and TV are extensively used by MOFED and regional states to

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<sup>18</sup> Follow-Up Study to Monitor Improvements in Financial Transparency and Accountability, by B&M Development Consultants PLC, Sept4, 2012, Addis Ababa

create citizen awareness around FTA initiative. Among the regions and city administrations, Oromia, Addis Ababa, Harar, Somali, Dire Dawa, SNNPR, Tigray and Afar are using their regional radio and TV programs for FTA initiative<sup>19</sup>. As a result of these efforts citizens have now started to provide feedbacks and concerns to Woreda officials on public budget allocation, expenditure and service delivery.<sup>20</sup> Evidences show that the percentage of citizens who expressed having information on the Woreda budget has increased from 13% in 2008 to 20% in 2011<sup>21</sup>.

The objective of the FTA sub-component under PBS III is to build upon achievements attained during the last two phases of the project and to deepen citizens' access to budget, expenditure and service delivery information and thereby enhance the participation of citizens in the planning and budget preparation processes. It aims to deepen engagement of citizens and citizen representative groups in public planning, budget processes and public service delivery at the local level by supporting discussion forums. The FTA initiative will be linked to the Social Accountability (SA) program and synergies will be created with other government and donor supported projects including the Grievance Redress Mechanism.<sup>22</sup>

FTA under PBS III will improve the quality of information to the public by refining the FTA tools so that the information can easily be understood by citizens of different education level. Innovative FTA activities and effective utilization of media for the FTA work will be supported. BLT will continue to create awareness of citizens and of Woreda and Kebele council members. Woreda level sector staff (education, health, agriculture, water and rural roads) will involve in FTA work to enhance transparency and accountability at sector offices and at the service facility levels. The implementation arrangement under PBS II will continue with the oversight of the Expenditure Management and Control Program Steering Committee, the support of five core staff at the MOFED level and one focal person for each region. The FTA team and sector offices at the zonal and Woreda level will be responsible for the day-to-day implementation of the initiative. The Government's political commitment to FTA as indicated in the Growth and Transformation Plan is in line with the objectives set out under PBS project.

## The Task

- The task is to undertake a multi-region, statistically representative, household level survey whose purpose will be to gather information which: (i) will enable an assessment to be made of citizens' understanding of public budget processes (budget formulation, allocations, expenditures) at the Woreda level; (ii) can be used to assess the extent to which citizens are engaged in these budget processes and the forms any such engagement takes (i.e., via elected Councils at the Kebele and/or Woreda levels, via other routes); (iii) will yield information on citizens' perceptions of the coverage, quality and efficiency of core services delivered at the Woreda level; (iv) will yield information on citizens' perceptions of the responsiveness of Woreda Councils, Kebele Councils, Kebele elected representatives and officials, and sub-Kebele representatives to citizens and their expressions of priority needs; (v) gather information on citizens' perceptions as to whether Woreda and Kebele officials perform their jobs with due professionalism and efficiency and without undue wastage and misallocation of resources; and (vi) determine the impact of the FTA initiative in enhancing public awareness and improving budget allocation and service delivery.
- The survey will gather information via a survey questionnaire which will be largely quantitative, but which should include an appropriate mix of both factual and perception-based questions. It is important that the perception-based aspects of the survey be designed such that answers/responses can

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<sup>19</sup> Gambella is procuring airtime to restart the use of radio for FTA work

<sup>20</sup> FTA Documentary Film (Ethiopia's Experience in Demystifying Budget through the Financial Transparency and Accountability) and various JRIS reports

<sup>21</sup> Woreda City Benchmarking Survey IV, 2011

<sup>22</sup>Grievance Redress Mechanism (GRM) is one of the sub-components of Citizen's Engagement component of PBS III.

be cross-validated. It is also important to note that the survey will serve as a baseline against which progress made towards improved fiscal transparency and accountability under the PBS will be assessed. Hence, it is particularly important that the sampling framework be carefully devised to be as representative as possible.

- The task will require that the consultant:
  - (i) Design and pre-test the survey questionnaire;
  - (ii) Develop a sampling framework in the selected Regions such that the sample population is statistically representative of those Regions;
  - (iii) Field the survey;
  - (iv) Clean and collate the data and information collected;
  - (v) Analyze the data and information; and
  - (vi) Produce a quality report summarizing the key findings.
- In carrying out the task, the consultant must:
  - (i) Conduct an appropriate number of informal focus group interviews with key stakeholder groups (including: community members, representatives of community based organizations, Council Members, sub-Kebele, Kebele and Woreda officials) to gather the information necessary to inform development of the survey questionnaire and any qualitative survey instruments that are to be used.
  - (ii) Conduct a consultative meeting with relevant government and donor entities to discuss and verify the issues that need to be covered in the survey.
  - (iii) Design and pre-test the questionnaire in a minimum of 5 different localities spread across the selected Regions to assess its reliability and validity, and then make appropriate modifications to the questionnaire.
  - (iv) Develop a sampling framework that ensures that the sample population is as representative as possible of the population (depending on cost and time factors, the sampling may have to be representative at the Regional level – this is an issue that should be addressed and resolved very early on in undertaking this work program, and very probably at the process of submitting proposals to undertake the work.)
  - (v) Ensure fieldworkers are appropriately trained and supervised during the course of the fieldwork.
  - (vi) Ensure that completion of the questionnaire will not make excessive demands on the time of the respondent. Completion of the survey should ideally not require more than 45 minutes.
  - (vii) Note that while the survey's main purpose is to gather information on citizens' understanding of budgetary processes and their perceptions of public services, the questionnaire must necessarily also gather basic socio-economic information on the respondent households, including on household wealth status, household characteristics (number of household members, age, occupations, educational status), etc.

## **Specifics on the Design of the FTA Survey Questionnaire**

A survey questionnaire will be designed to gather appropriate factual and perceptual information from individuals at the household level. The following issues are critical to developing an appropriate questionnaire:

- The questionnaire must gather information which will: (i) enable an assessment to be made of citizens' understanding of public budget processes (budget planning and formulation, allocation, and expenditure) at the woreda level; (ii) help assess the extent to which citizens are engaged in these budget processes via elected Woreda Councils and other such representative channels, and the forms which any such engagement takes; (iii) enable an assessment to be made of citizens' perceptions of the coverage, quality and efficiency of core basic services delivered by woreda administrations; (iv) yield information about citizens' perceptions of the responsiveness of Woreda Councils, Kebele

Councils, and Kebele and sub-Kebele elected representatives to citizens' priority service needs; (v) determine citizens' views regarding the responsiveness of public officials at the woreda and kebele levels to citizens' service needs; (vi) yield information on citizens' perceptions on whether woreda and kebele officials perform their jobs with due professionalism and efficiency and without undue wastage or misallocation of resources; and (vii) determine the impact of the FTA initiative in enhancing public awareness and improving budget allocation and service delivery.

- The questionnaire will primarily collect quantitative information but will also allow for the collection of some qualitative information. The qualitative information will be gathered to “flesh out” the quantitative information and to help validate the quantitative information.
- The questionnaire should be designed to be fielded at the household level, with an individual/s being the respondent.
- The questionnaire should be designed so that it gathers sufficient, and sufficiently in-depth, information while requiring no more than 45 minutes of response time from each respondent.
- Development of the questionnaire will be informed in close consultation with an IAS-FTA **Working Group** comprising: (i) a government representative; (ii) a World Bank representative; and (iii) an independent expert in survey design contracted separately by the World Bank.
- Additionally, a consultative workshop, to be convened by the World Bank and MOFED, will be the starting point in designing the questionnaire. Participants in the workshop – the government representative, other invited government participants, donor representatives (which must include a World Bank representative), and the independent expert in survey design – will meet in the half day workshop to assist the consultant entity in sharpening the focus of the survey questionnaire and in identifying the core questions to be included. Following the workshop, the consultant entity will develop a draft survey questionnaire and circulate it to the workshop participants for their review and comment.

### ***Pre-Testing of the FTA Questionnaire:***

Once the questionnaire has been developed, reviewed, and reflects the comments received from the workshop, it must be pre-tested. The purpose of the pre-testing will be to: (i) ensure the questions are understood clearly by respondents; (ii) ensure that completion of the questionnaire does not require more than 45 minutes of a respondent's time; and, (iii) ensure that the quantitative and qualitative information gathered validates the other. The following steps will need to be followed in pre-testing the **FTA** questionnaire:

- The questionnaires must be fielded in 5 different woredas in at least 3 different Regions.
- The questionnaires will need to be translated into appropriate local languages, with the respective pre-testings also taking into account whether the translations are of sufficiently high quality to ensure accurate understanding of the questions.
- A Strategy Plan for the pre-testing must be developed and outlined in a brief note (5 pages max). This Strategy Plan note must be delivered to the **FTA** working group and receive their clearance before being fielded.
- The field workers doing the pre-testing of the questionnaires will need to have had previous experience in fielding survey questionnaires and will need to have received specific training in fielding the **FTA** questionnaire. They should also be fluent in the languages spoken in the localities

where the pre-testing is being undertaken. The field workers will need to be closely monitored by supervisors who will be present in the localities at the same time as the field workers.

- The data gathered from the pre-testing will need to be inputted, cleaned, and analyzed via simple crosstabs and tables to ensure that the questionnaires have collected reliable and valid data and information. The findings and conclusions regarding the reliability of the **IAS-FTA** survey from the pre-testing must be summarized in a report (+/-10 pages) and submitted to the Workshop representatives for review and comment. On receipt of comments, the questionnaire should be revised to reflect the findings and conclusions included in the report.

## **Consultation Points**

Consultation and discussion with relevant government entities and donors should be undertaken at the following points in the work program:

- Immediately following design of the draft questionnaire
- On finalization of the pre-testing questionnaire, but prior to its translation
- Once preliminary analysis of the data collected from the fielding of the questionnaire has taken place
- When a draft report has been produced.

## **Skills Requirements**

The consultant undertaking this work at a minimum, have the following skills and experience:

- (i) A sound knowledge and understanding of social and economic conditions in Ethiopia
- (ii) Prior experience in the design and fielding of large scale surveys
- (iii) Experience with the development of sampling frameworks preferably based on the national census
- (iv) Experience in identifying and fielding teams of survey fieldworkers and supervisors
- (v) Experience in coding, cleaning and analyzing large sample data
- (vi) Have sound experience with statistical techniques used in the analysis and interpretation of data collected through quantitative surveys
- (vii) Preferably have some experience with the collection of qualitative information
- (viii) Capacity to produce a high quality analytical report based on sound statistical analysis of the data gathered from surveys.

“Key” staff required should include at least two specialists: one in “Survey design and implementation” and other in “Survey data analysis”. At least 24 SW should be considered under the assignment for key staff.

## **Schedule and Outputs**

A schedule for the proposed work the work is provided here. On completion of this first phase, the consultant will develop and submit a detailed schedule for the full fielding of the survey, the data analysis, and preparation of the final report for endorsement. The time allotment for completion of the

full assignment outlined in this TOR will however, be a total of 7 months (preparatory activities, pilot testing, full survey implementation, analysis and reporting on full survey).

ACTIVITIES	WEEKS									
	1	2	3	4	5	6	7	8	9	10
<b>1. Preparation</b>	X									
1.1 Background reading & clarification on requirements of TOR	X									
<b>2. IAS-FTA Questionnaire Development</b>		X	X	X	X					
2.1 Questionnaire design			X							
2.2 Finalization of questionnaire				X						
2.3 Translation of questionnaire					X					
<b>3. Pre-Testing</b>					X	X				
3.1 Training of supervisors and data gatherers						X				
3.2 Data gathering							X	X		
3.3 Data inputting, cleaning, analysis								X	X	
3.4 Delivery of draft Summary Report on Findings & Conclusions from the Pre-Testing										X
3.5 Required adjustments to questionnaire										X

The following outputs are required under this TOR:

- A finalized survey questionnaire
- A Summary Report on the Findings (including data analysis) and Conclusions from the pre-testing of the Questionnaire
- A schedule and timeframe for completion of the work required under this TOR following the field-testing (phase 1) section of the work
- A final report which analyses the findings from the survey using appropriate statistical analysis.

## Reporting

In undertaking this work, the consulting entity will report to the PBS Unit (MOFED) on all matters pertaining to substantive content, contract processing and fees payments.

## Fee and Payment Schedule

Payments will be made as follows:

- 10% payment on receipt of signed contract
- 30% on receipt of the Summary Report on the Findings (including data analysis) and Conclusions from the pre-testing of the Questionnaire and approval of the finalized survey questionnaire following the pre-testing

- 30% on endorsement of a schedule and timeframe for completion of the work required under this TOR following the field-testing section of the work
- 10% on receipt of a draft report which provides preliminary analysis of the data collected in the survey, text to support the analysis, and an approved timeframe for finalization of the report.
- 20% on approval of an endorsed final report which is of satisfactory quality.

## **Other**

The entity contracted to undertake the work in this TOR does not have the right to use, publish, or distribute further any data, information, background documentation, presentations and reports produced in the course of this work other than for the purposes specified in this TOR.

# **Annex 14**

## **Terms of Reference**

### **Design of GRM Complaint Handling Procedural Manual and Guideline at Federal, Regional and Woreda Levels**

#### **Objectives**

The objective of the work outlined in this TOR is to design a standardized prototype procedural manual and guidelines for the grievance handling procedures (GRM) at the federal, regional and Woreda levels in Ethiopia to strengthen and enhance the GRM effort that the Government is undertaking.

#### **Background**

A study on Strengthening Grievance Redress Mechanisms for the Protection of the Basic Services (PBS) Program in Ethiopia was conducted as a result of discussions and agreements made at the November 8-December 10, 2010 “Joint Review and Implementation Support Mission” (JRIS) relating to strengthening or expanding accountability mechanisms for the Protection of Basic Services (PBS) program. The objective of the study was, (a) to map and analyze strengths and weaknesses of existing formal and informal Grievance Redress Mechanisms (GRMs) in Ethiopia; (b) to identify and describe GRM international best practices to ensure accountability, improve service delivery, and provide redress for citizens with valid issues; and (c) to make recommendations for strengthening the capacity of such systems as do exist in Ethiopia for developing complementary GRM mechanisms to improve PBS implementation and service delivery.

The study mapped concluded that Ethiopia has begun the process of implementing grievance redress procedures in some of the regional states (most notably in Amhara and Tigray), which, if strengthened, can be relatively easily brought to the level of international standards and used as a template for the development of grievance redress mechanisms throughout Ethiopia, including the federal sector. These nascent GRMs can be used for resolving PBS grievances as well as grievances brought by citizens with non-PBS claims. Thus, if Ethiopia continues to build upon and “build out” already existing systems to provide redress for all Ethiopian citizens, including PBS grievant, there will be no need for the GOE and DPs to create an independent tribunal for PBS cases. These emerging grievance procedures have demonstrated a potential for identifying and correcting maladministration in the delivery of government services and benefits. These indisputable gains in governance and accountability, however, are fragile and reversible and need to be strengthened and capacitates at all levels.

The study further stressed that the existence of a strong grievance redress mechanisms in the regional states and the creation of federal grievance redress mechanisms that meet international standards will provide an adequate substitute for an independent PBS grievance tribunal, then the PBS partners should take responsibility for ensuring that these grievance redress mechanisms are as strong and credible as possible, are based on international best practices, and provide citizens, including PBS grievant, with a forum in which to voice complaints.

To achieve this end, the study recommended that the Government and development partners should provide financial, political and moral support for the GRM initiative and that, as first steps, make the GRM initiative a part of the ongoing PBS (II) process and a permanent part of the new PBS (III) process with its own policy dialogue. There should be a continued regional cross-pollination of the home-grown initiatives in the regions with the aim of strengthening GRMs in the regional states and the creation of GRMs at the federal level that function in accordance with international best practices. Based on the recommendations of the study, the GOE and the Development Partners (DPs) have agreed to include support for the GRM as sub components (b1c) in the Promotion of Basic Services (PBS) III.

One way of strengthening GRM is by strengthening the capacity of the EIO through providing support in developing standardized GRM procedural manuals at the federal, regional, Woreda and Kebele levels.

## **The Task**

The work to be undertaken involves designing of standardized manuals and procedures for hearing citizen's complaints on the service delivery at federal, regional and Woreda levels based on the constitution, the EIO's mandate and international best practices. The tasks will include the following:

1. Developing procedural guidelines that emanates from the constitution, the EIO roles, accountabilities and responsibilities, and the role of respective regional branch offices, and service providers that takes international best practices into account.
2. Based on international best practises, the consultant will design a customized GRM procedure at each level in the context of Ethiopian administrative structure
3. Outlines levels of complaint, redress mechanisms that can be used by officials at regional, Woreda and Kebele levels of administration

## **Expected output**

The outputs and products listed below have to be delivered for the tasks outlined under this ToR.

4. The consultant is expected to deliver:
  - Inception report that details the methodology for the assignment and timing for delivery of the output
  - Prototype GRM procedural guideline (complaint filing, complaints hearing, and redress mechanism)
5. Delivery of workshop for stakeholders at different stages of the design of the procedural guidelines

## **Annex 15**

### **Terms of Reference**

#### **Study on Capacity Building of the Grievance Hearing and Redressing System at Federal and Regional Levels in Ethiopia**

### **Objectives**

The objective of the work outlined in this TOR is to study of existing grievance hearing and redressing mechanism at federal and regional states in Ethiopia

### **Background**

A study on Strengthening Grievance Redress Mechanisms for the Protection of the Basic Services (PBS) Program in Ethiopia was conducted as a result of discussions and agreements made at the November 8-December 10, 2010 “Joint Review and Implementation Support Mission” (JRIS) relating to strengthening or expanding accountability mechanisms for the Protection of Basic Services (PBS) program. The objective of the study was, (a) to map and analyze strengths and weaknesses of existing formal and informal Grievance Redress Mechanisms (GRMs) in Ethiopia; (b) to identify and describe GRM international best practices to ensure accountability, improve service delivery, and provide redress for citizens with valid issues; and (c) to make recommendations for strengthening the capacity of such systems as do exist in Ethiopia for developing complementary GRM mechanisms to improve PBS implementation and service delivery.

The study<sup>23</sup> concluded that Ethiopia has begun the process of implementing grievance redress procedures in some of the regional states (most notably in Amhara and Tigray), which, if strengthened, can be relatively easily brought to the level of international standards and used as a template for the development of grievance redress mechanisms throughout Ethiopia, including the federal sector. It showed that the existing nascent GRMs can be used for resolving PBS grievances as well as grievances brought by citizens with non-PBS claims. The study further suggested that if Ethiopia continues to build upon and “build out” already existing systems to provide redress for all Ethiopian citizens, including PBS grievant, there will be no need for the GOE and DPs to create an independent tribunal for PBS cases. These emerging grievance procedures have demonstrated a potential for identifying and correcting maladministration in the delivery of government services and benefits. These indisputable gains in governance and accountability, however, are fragile and reversible and need to be strengthened and capacitates at all levels.

The existence of a strong grievance redress mechanisms in the regional states and the creation of federal grievance redress mechanisms that meet international standards will provide an adequate substitute for an independent PBS grievance tribunal, then the PBS partners should take responsibility for ensuring that these grievance redress mechanisms are as strong and credible as possible, are based on international best practices, and provide citizens, including PBS grievants, with a forum in which to voice complaints.

To achieve this end, the study recommended that the Government and development partners should provide financial, political and moral support for the GRM initiative and that, as first steps, make the GRM initiative a part of the ongoing PBS (II) process and a permanent part of the new PBS (III) process

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<sup>23</sup> Study on Strengthening Grievance Redress Mechanisms for the Protection of the Basic Services (PBS) Program in Ethiopia, September 30, 2011

with its own policy dialogue. There should be a continued regional cross-pollination of the home-grown initiatives in the regions with the aim of strengthening GRMs in the regional states and the creation of GRMs at the federal level that function in accordance with international best practices. Based on the recommendations of the study, the GOE and the Development Partners (DPs) have agreed to include support for the GRM as sub components (b1c) in the Promotion of Basic Services (PBS) III.

As a follow-up to the 2010 study, the EIO and DPs found out that it is important to undertake a detailed study on capacity building requirements for grievance hearing and redressing system at federal and regional levels that will help the objective of strengthening the GRM in Ethiopia.

## **The Task**

- a) Mapping the existing formal and informal grievance redress mechanisms in Ethiopia to improve services in a public institution, its scope, performance and implementation challenges taking into account regional differences
- b) Assess the accessibility and applicability of the existing GRM for citizens/ group of citizens who may have complaints regarding the implementation of projects and service delivery. The consultant should also review the GRM in terms of international best practices and whether there are independent and autonomous grievance hearing procedure for complaints that may come from individuals/group of citizens
- c) Analyze the extent to which current GRMs are being used in Ethiopia and identify the obstacles for their use by citizens (e.g. accessibility for certain groups, gender issues, climate of fear etc.)
- d) Analyze the scope and institutional set up of the redress mechanisms, how grievances are received, analyzed and responded to, how the resolution /or mediation are handled, and whether previously addressed complaints have led to improvement of service delivery
- e) Analyze the strength and weaknesses of the existing grievance redress mechanism and propose and suggest ways of strengthening existing redress mechanism by involving institutions like Woreda courts, CSOs, etc
- f) Based on the review, propose on how to improve the capacity of grievance hearing and redress system at the federal, regional and Woreda levels to achieve the principles of equity, neutrality, integrity, excellence and stewardship and accessibility to citizens/citizen groups that may be integrated into PBS.

## **Outputs/Deliverable**

The outputs and products listed below must be delivered under this TOR. All outputs will be reviewed and their quality assessed by EIO, COPCU/MOFED and DPs for comments.

- Work plan and an inception report
- Draft report that adequately addresses the items that are listed under this TOR
- A consultative workshop with relevant stakeholders, CSOs and donor partners to discuss on the finding and enrich the study.
- A final report that incorporates comments from all stakeholders

## **Reporting**

The Institute of Ethiopian Ombudsman will be the primary reporting entity for this work while COPCU/MOFED will handle issues relating to administrative/payment issues. In making its decision as to whether the tasks outlined in this TOR have been undertaken satisfactorily, the COPCU will also draw on input provided by the EIO and DPs.

## **Time Schedule**

The consultant will be employed under contract to COPCU/MOFED. It is anticipated that the assignment will be carried out over a 3 month period, with work being initiated immediately upon award of a contract.

## **Annex 16**

### **Terms of Reference**

#### **Purchase Airtime for Dissemination of Information on Grievance Redress Mechanism**

#### **Objective**

The core objective of the work outlined in this ToR is to purchase airtime (a) for the dissemination of information on the objectives, mission of the Ethiopian Institute of Ombudsman and its regional branch offices; (b) to create public awareness on the meaning of good governance; (c) to create awareness on the access and procedures of grievance redress mechanism to the wider section of citizens; and (d) to enhance awareness of service providers in understanding the rights of service receivers citizen's awareness about their right to question and get prompt response about services delivery.

#### **Background**

With the objective of strengthening GRM, a study on Strengthening Grievance Redress Mechanisms for the Protection of the Basic Services (PBS) Program in Ethiopia was conducted in 2011 by the support of Development Partners (DPs). The objective of the study was, (a) to map and analyze strengths and weaknesses of existing formal and informal Grievance Redress Mechanisms (GRMs) in Ethiopia; (b) to identify and describe GRM international best practices to ensure accountability, improve service delivery, and provide redress for citizens with valid issues; and (c) to make recommendations for strengthening the capacity of such systems as do exist in Ethiopia for developing complementary GRM mechanisms to improve PBS implementation and service delivery.

The study<sup>24</sup> recommended that the Government and DPs should provide financial, political and moral support for the GRM initiative and that, as first steps, make the GRM initiative a part of the ongoing PBS (II) process and a permanent part of the new PBS (III) process with its own policy dialogue. It further indicated the need for continued regional cross-pollination of the home-grown initiatives in the regions with the aim of strengthening GRMs in the regional states and the creation of GRMs at the federal level that function in accordance with international best practices. Based on the recommendations of the study, the GOE and the Development Partners (DPs) have agreed to include support for the GRM as sub components (b1c) in the Promotion of Basic Services (PBS) III.

Among the activities that were envisaged under PBS III is strengthening the GRM work by the use of appropriate media through which (a) the role of EIO and its regional branches, (b) the principles of GRM, (c) the benefit of GRM for good governance, and (d) the accessibility of the GRM system by citizens, (e) the step by step process which the grievant should follow to get his/her complaint addressed, can be communicated on a wider scale to citizens, and (f) to enhance awareness of service providers in understanding the rights of service receivers citizen's awareness about their right to question and get prompt response about services delivery.

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<sup>24</sup> Study on Strengthening Grievance Redress Mechanisms for the Protection of the Basic Services (PBS) Program in Ethiopia, September 30, 2011

## **Scope of the Work**

- Dissemination of GRM initiatives will be carried out through radio and television programs.
- Airtime will be purchased to promote and transmit GRM messages. The use of the airtime will be programmed in such a way that citizens can have access to listen/watch the program in different national languages.

## **Expected Outputs**

- Timeframe for dissemination of and broadcasting of the GRM promotional program

## **Impacts**

- Improved service delivery
- Improved and increased public awareness of GRM
- Wide areas of dissemination coverage will be attained
- Feedbacks and proposals to further enhance media dissemination will be received
- Helps Regions and Woredas build their capacities in understanding GRM procedures

## **Annex 17**

### **TOR for Design Grievance Redress Mechanism Media Tools**

#### **Introduction**

The Ethiopian Institution of Ombudsman is an independent parliamentary institution with the mission to raise awareness of the public and executive organs, monitor, supervise, support, and encourage executive organs to ensure that they carry out their function according to the law. It investigates and seeks remedies to complaints regarding maladministration and recommends, and based on research, takes corrective measures to administrative faults so as to ensure good governance and access. Its objectives are to see good governance that is of high quality, efficient and transparent and is based on the rule of law, by way of ensuring those citizens' rights and benefits that are provided for by the law are respected by organs of the executive. It intervenes free of charge, at the request of citizens and helps them to solve their disputes with the Regional and Federal administrative authorities and examines their complaints with impartiality.

#### **Background**

A study on Strengthening Grievance Redress Mechanisms for the Protection of the Basic Services (PBS) Program in Ethiopia was conducted as a result of discussions and agreements made at the November 8-December 10, 2010 "Joint Review and Implementation Support Mission" (JRIS) relating to strengthening or expanding accountability mechanisms for the Protection of Basic Services (PBS) program. The objective of the study was, (a) to map and analyze strengths and weaknesses of existing formal and informal Grievance Redress Mechanisms (GRMs) in Ethiopia; (b) to identify and describe GRM international best practices to ensure accountability, improve service delivery, and provide redress for citizens with valid issues; and (c) to make recommendations for strengthening the capacity of such systems as do exist in Ethiopia for developing complementary GRM mechanisms to improve PBS implementation and service delivery.

The study<sup>25</sup> concluded that Ethiopia has begun the process of implementing grievance redress procedures in some of the regional states (most notably in Amhara and Tigray), which, if strengthened, can be relatively easily brought to the level of international standards and used as a template for the development of grievance redress mechanisms throughout Ethiopia, including the federal sector. It showed that the existing nascent GRMs can be used for resolving PBS grievances as well as grievances brought by citizens with non-PBS claims. The study further suggested that if Ethiopia continues to build upon and "build out" already existing systems to provide redress for all Ethiopian citizens, including PBS grievant, there will be no need for the GOE and DPs to create an independent tribunal for PBS cases. These emerging grievance procedures have demonstrated a potential for identifying and correcting maladministration in the delivery of government services and benefits. These indisputable gains in governance and accountability, however, are fragile and reversible and need to be strengthened and capacitated at all levels.

The existence of a strong grievance redress mechanisms in the regional states and the creation of federal grievance redress mechanisms that meet international standards will provide an adequate substitute for an independent PBS grievance tribunal, then the PBS partners should take responsibility for ensuring that these grievance redress mechanisms are as strong and credible as possible, are based on international best practices, and provide citizens, including PBS grievant, with a forum in which to voice complaints.

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<sup>25</sup> Study on Strengthening Grievance Redress Mechanisms for the Protection of the Basic Services (PBS) Program in Ethiopia, September 30, 2011

To achieve this end, the study recommended that the Government and development partners should provide financial, political and moral support for the GRM initiative and that, as first steps, make the GRM initiative a part of the ongoing PBS (II) process and a permanent part of the new PBS (III) process with its own policy dialogue. There should be a continued regional cross-pollination of the home-grown initiatives in the regions with the aim of strengthening GRMs in the regional states and the creation of GRMs at the federal level that function in accordance with international best practices. Based on the recommendations of the study, the GOE and the Development Partners (DPs) have agreed to include support for the GRM as sub components (b1c) in the Promotion of Basic Services (PBS) III.

Among the activities that were envisaged under PBS III is strengthening the GRM work by the use of appropriate media through which (a) the role of EIO and its regional branches, (b) the principles of GRM, (c) the benefit of GRM for good governance, and (d) the accessibility of the GRM system by citizens, (e) the step by step process which the grievant should follow to get his/her complaint addressed, can be communicated on a wider scale to citizens, and (f) to enhance awareness of service providers in understanding the rights of service receivers citizen's awareness about their right to question and get prompt response about services delivery. To use the available media, it would be important to design media tools.

## **Objective**

The core objective of the work outlined in this TOR is to procure consultancy service for the design media tool(s) for the dissemination of the objectives and mission of the Ethiopian Institute of Ombudsman and its regional branch offices; (b) to create public awareness on good governance; (c) to create awareness on the access and procedures of grievance redress mechanism to the wider section of citizens; and (d) to enhance awareness of service providers to understand the rights of service receivers citizen's awareness about their right to question and get prompt response about services delivery.

## **Scope of the Work**

The proposed designing of appropriate media for the GRM initiatives will be carried out by the consultant/service provider will include:

- Products that can be transmitted on the radio and television programs (which include advertisements, messages, dramas, discussions, etc.)
- Develop prototype brochures, leaflets, and other creative GRM tools that will help for the disseminating GRM procedures to citizens at different levels of education.

## **Expected Outputs**

- Design of radio/TV programs that will be broadcasted through radio and TV programs for the promotion of the GRM promotional program
- Design of appropriate GRM media tools to disseminate GRM procedures to citizens. This includes brochures, leaflets, etc., that can be used to disseminate the GRM initiative at different levels

## **Impacts**

- Improved service delivery
- Improved public awareness of GRM
- Wider coverage of GRM procedures
- Feedbacks and proposals to further enhance media dissemination will be received
- Helps Regions and Woredas build their capacities in understanding and promoting GRM procedures

## **Annex 18**

### **TERMS OF REFERENCE FOR JOINT BUDGET AND AID REVIEW(JBAR)**

#### **1. Introduction**

The Ethiopian Government is committed to the Joint Budget and Aid Review (JBAR) as a key element of the ongoing planning and budget cycle. This note briefly outlines the JBAR's objectives, key actors, timing and outputs as one of the most important review and dialogue mechanisms underpinning the PBS III. Accordingly, the JBAR in the subsequent years shall give due emphasis to monitoring and reviewing of developments in service delivery in a decentralized environment. It also sets out the links to key related processes, in particular, Growth and Transformation Plan(GTP) monitoring and updates, as well as the Public Expenditure and Financial Accountability (PEFA) Assessment. The frequency of JBAR dialogue will be six-monthly and the scope of each review has been revised in order to adequately capture issues of decentralized basic services delivery by sub-national governments and intergovernmental fiscal transfers.

#### **2. Objective**

The broad objective of the JBAR is to provide comprehensive and timely information on the budget so as to close the loop between policy, strategic formulation, and the budget. The JBAR has both forward- and backward-looking parts, which have distinct data, processes, timing, and objectives. The three principal Components of the JBAR are the macro and fiscal framework, expenditure allocation, and aid review. Though specialized studies are not formally part of the regular JBAR, analytical topics emerging out of the dialogue and which are relevant in understanding better the efficiency and effectiveness of public spending will be undertaken as supplementary inputs.

More specifically, the objectives of the JBAR are laid out as follows, in terms of:

- (i) improving information and predictability on expected resource flows to sector agencies and lower levels of government;
- (ii) giving decision-makers a better sense of where money is going, and that money is being spent on intended uses;
- (iii) providing better information on overall fiscal aggregates and how this is financed, to better inform macro-level discussions; and
- (iv) improve the availability and quality of aid.

#### **3. Components of the JBAR**

##### **3.1. Macro-Economic and Fiscal Framework(MEFF)**

On macroeconomic issues, given the anticipated increases in PBS flows and the prevailing macroeconomic imbalances, it will be important to broaden discussions on relevant economic variables and policies during the PBS III review process. The PBS reviews are nested within a range of government and donor fora to discuss macroeconomic policies. At the highest level, the High Level Forum provides an opportunity for donors to raise selected economic issues with the Minister of Finance & Economic Development. At a more technical level the IMF's enhanced Article IV surveillance provides a six monthly comprehensive assessment and dialogue on the full range of macroeconomic issues. This is supplemented by the Public Financial Management Committee (PFMC) which organizes the JBARs, that

provides donors with the opportunity to engage the government on issues around budget allocations and execution. Key issues for the review process will include: (i) Revenue mobilization to ensure that over time domestic revenues will reduce reliance on donor support, thereby ensuring the long-term sustainability of the program. (ii) The impact of high inflation on the gains made through PBS. It is important that aggregate fiscal discipline is maintained and the impact of inflation on the budget is closely monitored so that gains are not eroded. (iii) Aid plays an important part in financing the budget. Therefore reviews will monitor improvements in the predictability, alignment and timeliness of aid.

### **3.2. Public expenditure broad allocation**

In regard to budget allocation, the JBAR will look in to the composition of the budget at the sectoral, sub-sectoral, regional and local levels – in terms of the links to national growth, as well as poverty and human development outcomes as laid out in the GTP. The focus would be on annual allocations, although the envelopes set out in the MEFF for the outer years would also be reviewed in light of the analysis and dialogue. This analysis will highlight issues for the next annual and medium term budget preparation cycle. Because of the significance of development assistance in the budget, the review should also report on and analyze forward information on flows for the coming year, and progress in harmonization.

### **3.3. Fiscal Decentralization and Issues of Basic Service Delivery**

Understanding issues of public expenditure in general and decentralized basic service delivery in particular requires a close look at the intergovernmental fiscal relation and monitoring of performance at lower administrative levels.

In the context of managing pro- poor spending, the Ethiopian fiscal system is highly devolved with more than two-thirds of general government expenditure being managed by sub-national administrations. Excluding debt and defense, regional budgets accounted for about 60% of consolidated general government budget in 2010/11(2004 FY). In line with their functional assignments, the lion's share of regional resources is expected to be allocated for poverty sectors including agriculture, natural resource and food security, water sector development, rural roads, primary and secondary education, as well as primary health delivery.

Given limited revenue raising power at the regional level, the current fiscal arrangements entail vertical imbalance between revenue collection power of Federal Government and expenditure responsibility of regions. This imbalance is addressed through Federal transfers in the form of block and Specific Purpose Grants (SPGs). At present, the Federal transfer covers more than 75% of planned regional spending. Fast progress has been noted in devolving expenditure assignment from regions to Woredas. In FY 2004, between 60 to 80% of the regional spending in the four large regions was planned to be executed by Woredas. From a primary service perspective, sub-national administrations are key in influencing the coverage and quality of service delivery and hence the poor's access and utilization of public services.

In light of this, the JBAR shall give due emphasis in informing partners on the adequacy and fairness of budget allocation, the predictability of inter-government resource flow, and the effectiveness in utilization of budget at the lower administrative levels. For monitoring developments in primary service delivery, there are an agreed set of formats and time line for reporting disbursements and expenditures. Moreover, the public finance monitoring system shall be complimented with selected public service delivery outcome indicators to inform the JBAR events of October/November and April/May each year.

A key focus of the JBARs will be on the basic service sectors covered by this operation, with sessions or entire reviews devoted to the education, health and water, agriculture and rural roads areas. These will focus on, among other things: (i) the extent to which budgets and expenditures are aligned with sector objectives, and how to improve this alignment; (ii) how to improve the efficiency of resource use in the specified sectors; and (iii) policies that should be enacted to improve outcomes, given the scarce resources available.

## 4. Data Requirements

The value of the JBAR is contingent on information availability at a reasonable time lag, frequency, and appropriate disaggregation. In terms of coverage, data should include budget, disbursement and expenditure, by sources of fund (own, treasury, block grant, SPGs/food security) and use of fund (function/sector, sub-sector, recurrent (wage and operational), capital). The level of reporting should include general government, Federal, Region, Zone (where applicable), Woreda (urban, rural), municipality (to be included in the future) levels. The quality of the data should be good enough in providing a comprehensive, realistic and up-to-date picture. The reporting period for different types of data is agreed to be: a) disbursements (transfers) – monthly, b) budget –annually, c) expenditure, revenue and financing – semi-annual, while the lag for disbursements - two months (max), while for reporting annual budget and consolidated annual spending as well as quarterly in-year performance reports, a maximum lag of three months after the end of each budget/spending year and quarter.

Particular effort is needed to ensure the required level of disaggregation in terms of (sub) sectors (e.g. in education—primary, secondary, TVET, tertiary); items (capital, wage and non-wage recurrent); and (sub) regional breakdowns, which is needed both for spending plans, as well as out-turns for the preceding year. Moreover, a quarterly expenditure and financing report is expected from all regions.

## 5. Expected Outputs and Links to Other Processes

The outputs would include the key summary tables and analytical findings, as well as agreed next steps emerging from the review, that would be transmitted to the appropriate forum for consideration. These would be expected to be picked up in the Annual Progress Reports on the GTP. Recommendations may be made to improve the resource allocation in terms of expected poverty and growth impacts, as well as addressing problems related to resource flows and utilization. Identified needs and suggestions to improve data quality, availability, and reporting, will need to be fed back into related processes.

There are several related processes that are critical to the JBAR. The JBAR generates the information on spending needed for the sector reviews and the annual GTP Progress Reports. The sector reviews, which are in the process of becoming better aligned with the fiscal calendar, in turn provide updates on the wider sector policy context, outcomes and strategic information to underpin the expenditure analysis. The monitoring of the GTP will enable information on both outputs and outcomes to be considered alongside trends in spending.

**On sector linkages**, the focus of PBS III will be much more on the quality and effectiveness of basic service delivery than in the case of PBS II. Accordingly, the participation of key government as well as donor representatives of the PBS sectors is essential and their engagement will be strengthened. In order to reflect lessons from PBS II implementation engagement with the sectors on discussions regarding decentralized service delivery and sub-national financing for the sectors, PBS III will build in a JRIS and JBAR structure that incorporates specific sessions on two of the five sectors during each review. Thus at each Review, there will be a session for the selected sectors, led by the Planning Directorate or equivalent of the relevant Federal agency, and with the participation of key regional sector representatives. These PBS sector discussions will not duplicate the work of the sector Annual Review Meetings, but rather serve as an opportunity to showcase progress in key areas of relevance to decentralized service delivery. They will also ensure a coherent flow of information between the Finance/Planning and Sector authorities on financing as well as results, facilitating the achievement of better value-for-money.

## 6. Participants in JBARs

JBARs will be organized by the Macroeconomic Policy and Management Directorate of MOFED. JBAR participants will include relevant Federal sector Ministries (eg. Education, Health Agriculture , Water and Energy, Roads), Regional BOFEDs, PBS financing partners, citizen representatives from the Parliament’s Budget and Public Finances Standing Committee, and Regional Councils’ budget committees.

## 7. Reporting

PBS Reviews—Core Structures. The PBS reviews will continue to be a central mechanism for assessing ongoing performance of both the Government and development partners, and for informing disbursement decisions.

- As is the current practice, the Joint Review and Implementation Support or JRIS missions of the PBS will be carried out semi-annually with Government and Development Partners to review the overall progress of implementation and achievement of program development objectives.
- The Joint Budget and Aid Reviews (JBAR) constitutes a core mechanism to provide the analytical underpinnings for the six-monthly PBS reviews. As is the current practice, the JBARs, which are open to a wider set of development partners than the PBS financiers, will be timed to coincide with the PBS JRIS missions. Main findings and heated issues will be included in a JBAR report to be drafted at the end of each semi-annual exercise.
- The JRIS will also review Government performance vis-à-vis the **“SAFE” principles** described earlier.

## **Annex 19**

### **TERMS OF REFERENCE (TOR) FOR SOCIO-ECONOMIC STUDY**

#### **1. Background**

Ethiopia's Human Development Indicators (HDIs) have been amongst the very lowest in the world for a long period of time. For this reason, the government with the support of development partners has committed to at least reach the Millennium Development Goals (MDGs) by encouraging a decentralized service delivery system. Protection of Basic Services (PBS) I program was commenced in 2006 and phased out in 2009 to ensure an uninterrupted support to basic services such as education, health, water and agriculture by strengthening local government capacity and improving accountability in the management of public resources. The program has been mainly focusing on expanding access to decentralized basic services at national level with programmatic approach across several sectors, and channeling resources through government financial systems directly to district government. Thus significant achievements have been made in the primary school enrolment, child immunization and rural access to potable water, improved transparency and strengthened accountability and fiduciary systems.

Due to the excellent results of the PBS I, the second phase PBS II Program was approved in 2009 to extend the program until the end of 2012 aimed at supporting the country's poverty reduction and fiscal decentralization strategies, reaching Millennium Development Goals (MDGs), ensuring enhanced local level governance and global partnership. Alike to PBS I, the development objective for PBS II is to contribute to expanding access and improving the quality of basic services in education, health, agriculture, water supply and sanitation, and rural roads delivered by sub national governments. It has also embarks on deepening transparency and local accountability in service delivery which is consistent with the government policies, strategies and programs as well as the country assistance Strategies of various development partners. Now the third phase of PBS will start from January 2013 onwards.

As part of the monitoring and evaluation activities of PBS, a socioeconomic study will be undertaken to understand some of the critical constraints, which may hinder certain social groups from accessing basic services. The study will also provide information on the status of service utilization by various social groups and identifies factors associated with barriers in accessing basic services by people with special needs and disadvantaged groups. The output of the study will be utilized in shaping the design and implementation of the next phase of PBS project so that these groups of people will have increased benefits from the expansion and improvements of basic services.

It will further evaluate the results (outputs and outcomes) disaggregated by socioeconomic, demographic, and sub-national characteristics. Identifying lessons and good practices from the program implementation for next action are also parts of the assignment.

## 2. Objective of the Assignment

The purpose of the socioeconomic study is to develop evidence-based recommendations for how the delivery of basic services (health, education, water and agricultural extension) might be modified to address barriers, which currently constrain or prevent vulnerable and poor social groups from accessing them. It will also evaluate the socioeconomic results (outputs and outcomes) of PBS Program by employing a qualitative and/or quantitative methodology, and identify lessons and good practices from the program implementation for next action. Specific tasks and expected outputs are outlined below.

## 3. Scope of the Assignment

- Reviewing the targeted sectors by PBS Program and their connection with the country's poverty reduction strategies and the Millennium Development Goals (MDGs).
- Determining whether surveys, special analysis and modeling will be required to effectively evaluation the socioeconomic results (outputs and outcomes) of PBS program at national level, and identifying the lessons and best practices of the program implementation for next action.
- evaluating the socioeconomic results (outputs and outcomes) of PBS program at national level by employing a vigorous (qualitative and/or quantitative) methodology which can conspicuously assess the progress, performance, outputs and outcomes of the program
- Evaluating the socioeconomic results (outputs and outcomes) obtained at sub national level as a result of delivery of basic services.
- evaluating trends of the socioeconomic results (outputs and outcomes) disaggregated by socio-economic levels, demographic type, and geographic setting by employing the CSA's Welfare Monitoring and Household Income and Consumption Surveys .
- Employing quantitative methods such as Benefit Incidence Analysis, assess to what extent the vulnerable and the poor is accessing basic services.
- Using qualitative methods such as Participatory Assessment, examine barriers to accessing services by different social groups, and examine priorities of the various disadvantaged social groups (e.g. disabled, People with HIV, Diabetic children, marginalized people, etc)
- Identify and analyze the lessons and good practices from program implementation for next action. Specifically, the following areas should get proper and meticulous attention (see the project appraisal document). This should be done by visiting at least two emerging regional states<sup>26</sup> and two others.
  - the barriers to girl's completion of eight years of primary school
  - impact of Health Care Financing Strategy on poor users
  - How to make agricultural extension services more accessible to women
  - Barriers to the uptake of basic services by pastoralist communities
- Providing a comprehensive document which is worked out based on the objective and scope of the assignment specified above.

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<sup>26</sup> Emerging regional states are Somali, Gambella, Benishangul Gumuz and Afar

## **4. Methodology**

The consulting firm is expected to submit clear and detailed methodologies to evaluate the socioeconomic results (outputs and outcomes) of PBS Program at the national level, and identify the lessons and good practices of the program implementation for next action. Even if the methodology will be determined by the consulting firm after reviewing the targeted sectors by the program, we suggest that the following sources of information should be consulted.

- Continuous consultation with the Channel I Programs Office and Development Planning and Research Directorate of the Ministry of Finance and Economic Development (MoFED)
- PBS II Program Document
- Quarterly and Annual Implementation progress reports of PBS program
- Program performance report of relevant sectors
- The previous National Plan (PASDEP) Annual Progress Reports and Final Evaluation reports by relevant ministries, authorities and agencies,
- Socioeconomic surveys and studies, and other relevant information from the Central Statistical Authority (CSA) which is mandated to collect, organize and disseminate survey and census information at the national level
- evaluation studies of Protection of Basic Services Program, and
- Field visits of at least two emerging regional states and two others

## **5. Management of the Assignment**

To successfully evaluate the results (outputs and outcomes) of PBS Program at the national level, the contract administration, follow up and coordination will be managed by Channel I Programs Office of MoFED. Channel I Programs Office and Development Planning and Research Directorate of MoFED and other relevant public bodies including Ministry of Agriculture (MoA), Ministry of Health (MoH), Ministry of Education (MoE), Ministry of Water and Energy, Central Statistical Authority (CSA) and Ethiopian Roads Authority (ERA) with their regional and Woreda counterparts also play an important part in facilitating the study. The consulting firm can therefore consult with these institutions to secure relevant information. The consulting firm is expected to report to the Channel I Programs Office of MoFED as per the contract agreement while the Development Planning and Research Directorate of MoFED will provide technical backstopping at each stage of the study, and appraises and comments the final document of the study on the basis of the ToR. The study will also be enriched by the comments from the relevant ministries indicated above and relevant development partners including the World Bank. In general, the follow up, coordination, and monitoring of the assignment will be entrusted to the Channel I Programs Office of the Ministry of Finance and Economic Development with an active involvement of other stakeholders.

## **6. Qualification and Experience of the Consulting Firm**

The consulting firm has to fulfill the following qualifications and experiences relating to both the coordinator and staff members.

**A. Essential skills:**

- Experience of managing large scale complex social research programmes in developing countries involving international and national researchers
- Established track record of undertaking operational research, which delivers practical, policy-oriented recommendations
- Experience of working in a research capacity with a diverse range of target audiences, including: communities, civil society, service providers, local, regional and federal government officials and international development partners
- Experience of understanding diverse perspectives and developing practical and sustainable solutions, which accommodate a number of these perspectives, especially the perspective of the poorest and most marginalised
- Ability to develop simple but creative research methodologies
- Experience of providing mentoring support to national researchers
- Strong analytical abilities
- Experience and strong capability in developing tailored policy-influencing materials
- Excellent inter-personal skills, including facilitation, communication and negotiation skills
- Excellent management skills

**B. Desirable Skills:**

- Knowledge and experience of working in Ethiopia, ideally with government or in the area of access to basic services
- Knowledge of donor harmonisation approaches
- Proven experience in employing both quantitative and qualitative research methods for social research in general, and specifically tailored to this assignment in particular.

**C. Staffing**

The firm will have at least the following consultants in addition to hiring junior and senior research assistances;

**i) Coordinator**

- At least Masters Degree in Socioeconomic fields, economics and development economics, development evaluation and management or related fields,
- A minimum of 8 years of relevant experience in socioeconomic impact studies of national and regional programs and projects,
- Rich experience in regional and national policy evaluations, development program analysis and evaluation at different levels (national, regional and local),
- Knowledge of the Ethiopian Economy and policy is also desirable and an asset,
- Knowledge of the Ethiopian Protection of Basic Services program, and
- Excellent Communication Skill

**ii) Staff members**

- At least Masters Degree in socioeconomic fields, economics , development economics, development evaluation and management or related fields,
- A minimum of 8 years of relevant experience in socioeconomic impact studies of national and regional program and projects

- Ability to apply both qualitative and quantitative methodologies to evaluate the outcomes of huge and nationwide programs and projects at different administration levels,
- Ample experience and knowledge in development and program evaluation and differentiating output, outcome and impact evaluations

## Annex 20

### LOAN/CREDIT CONDITIONS AND COVENANTS

***Condition of Effectiveness:***

- Adoption of Project Operational Manual for PBS III satisfactory to IDA and partners.

***Dated Covenants:***

<b>December 2012:</b>	Satisfactory outcome of JRIS, with involvement of Regions and sectors
<b>June 2013:</b>	Satisfactory outcome of JRIS, with involvement of Regions and sectors
<b>December 2013:</b>	Satisfactory outcome of JRIS, with involvement of Regions and sectors
<b>June 2014:</b>	Satisfactory outcome of JRIS, with involvement of Regions and sectors
<b>December 2014:</b>	Satisfactory outcome of JRIS, with involvement of Regions and sectors
<b>June 2015:</b>	
	• Satisfactory outcome of JRIS, with involvement of Regions and sectors
	• Complete a Mid-term Review of the PBS Program
	• Complete an Independent Procurement Audit of PBS Sub-Program B activities
<b>December 2015:</b>	• Satisfactory outcome of JRIS, with involvement of Regions and sectors
<b>June 2016:</b>	• Satisfactory outcome of JRIS, with involvement of Regions and sectors
<b>December 2016:</b>	• Satisfactory outcome of JRIS, with involvement of Regions and sectors
<b>June 2017:</b>	
	• Satisfactory outcome of JRIS, with involvement of Regions and sectors
	• Complete an Independent Procurement Audit of PBS Sub-Program B activities

***Conditions of Disbursement:***

- Annual sub-national budget for basic services (for Sub-Program A) and annual workplans (for Sub-Programs B) have been delivered to the Association;
- Satisfactory outcomes of JBAR, JRIS, and Core PBS Principles performance assessment (for Sub-Program A).
- Submission of satisfactory IFRs (for all Sub-Programs).

***Other:***

- Annual progress reports on the actions taken on significant audit findings, six months after those Project Audit reports are due

## Annex 21

### PROCUREMENT ACTIVITIES

#### Sub- Program B: Strengthening Local transparency and Accountability Systems

##### Component B1- Citizen's Engagement

##### Sub Component B1a: Increased Financial Transparency & Accountability (FTA)

	<i>Activities</i>	<i>Estimated amount USD</i>	<i>Method</i>	<i>Category</i>	<i>Review Type</i>	<i>Procuring Entity</i>	<i>start date</i>
1	Training and workshops for woreda citizens to raise awareness and understanding of public budgeting and planning process: 100 participants per woreda	7,461,773	in-house	training	post	EMCP	Jan-13
2	Disclosure of local public budget issues through mass media	1,419,978	NCB	Non consulting service	post	EMCP	Jan-13
3	Develop FTA templates to disclose audit and procurement activities	138,889	QCBS	Consulting	prior	COPCU/E MCP	Jan-13
4	Citizen participation on pre-budget (planning stage)	317,500	in house	training	post	EMCP	Jan-15
5	Orientation on service delivery templates for woreda Health, Education, Agriculture, water and woreda Finance offices : 2 participants per sector	322,759	in-house	training	post	EMCP	Jan-14
6	Procuring of bill-boards and suggestion boxes for posting templates and getting feed back in regions and woredas	1,461,322	NCB	Goods	post	EMCP	Jan-13
7	Refining and simplifying the budget and expenditure and service facility templates	138,161	in-house	Consulting	post	EMCP	Jan-13
8	Printing and dissemination of FTA Templates by regions to post the budget information in woredas and service delivery centers	412,667	Local shop	Non consulting service	post	EMCP	Jan-13
9	Intra regional workshops to support cross regional & cross-woreda experience sharing	160,387	in-house	work shop	post	EMCP	Jan-13
10	Experience sharing and Practical Training on FTA initiatives in regional and/or international practices	116,667	tour	training	prior	COPCU/E MCP	Jan-14
11	Conduct annual review meeting with regions on FTA performance issues	50,360	in-house	work shop	post	EMCP	Jan-13
12	Impact Assessment survey on budget literacy of citizens	138,538	QCBS	Consulting	prior	COPCU/E MCP	Jan-15
13	Salary and Operational expenses	311,000		operation	post	EMCP	Jan-13
	<b>Total (B1a)</b>	<b>12,450,000</b>					

## Sub Component B1c: Grievances Redress mechanism(GRM)

	<i>Activities</i>	<i>Estimated amount USD</i>	<i>Method</i>	<i>Category</i>	<i>Review Type</i>	<i>Procuring Entity</i>	<i>start date</i>
1	Strengthen EIO's internal capacity by designing procedures, guideline and manual for GRM at regional and Federal level ( <b>in-house and hiring consultants</b> )	150,000	in-house and hiring consultants)	consultancy	post	COPCU/EIO	Jan-14
2	Capacity building training for EIO staff both at head office and branch office (investigators, trainers, planning, communication and result based report writing) on grievance handling and redressing mechanism ( <b>In-house</b> )	180,000	In-house	training	post	EIO	Jan-13
3	Conducting study on existing grievance hearing and redressing mechanism at federal and regional state and system strengthening ( <b>Hiring consultants</b> )	150,000	QCBS	consultancy	post	COPCU/EIO	Jan-13
4	Designing procedures, guideline, manuals to have similar standard procedures in the country ( <b>Hiring consultants</b> )	140,000	QCBS	consultancy	post	COPCU/EIO	Jan-13
5	Printing of procedural manuals and guidelines	170,000	NCB	Goods	post	COPCU/EIO	Jan-13
6	Conduct training for staffs of regional grievance hearing offices ( <b>In-house</b> )	250,000	In-house	training	post	EIO	Jan-13
7	Provide training on grievance redressing mechanism for key stakeholders	150,000	In-house	Workshop	post	EIO	Jan-13
8	Capacity building training & exposure visit on international practice on grievance redressing mechanism	120,000	tour abroad		prior	EIO	Jan-13
9	Awareness creation for citizens on opportunities and procedures for grievance handling in regions(by publication of magazine, brochures, newspapers, articles, billboard, etc, and by promotional activities through audio and visual (radio & TV) - ( <b>Procurement of services</b> )						
	. EIO's (federal level)	360,000	NCB	Non consulting services	post	COPCU/EIO	Jan-13
	. Regional support (9 regions and 2 city administrations)	300,000	Local Shopping	Non consulting services	post	COPCU/EIO	Jan-13
10	Procurement of office equipment	50,000	local shopping	Goods	post	COPCU/EIO	Jan-13
	<b>Total (B1C)</b>	<b>2,020,000</b>					

## Component B2: Local Public Financial Management

### Sub-component B2a: Woreda PFM & Procurement Strengthening

	Activities	Estimated amount	Method	Category	Review Type	Procuring Entity	Possible start date
1	Providing facilities to strengthen Woreda PFM activities (procuring photocopy and fax machine) <i>Photo copy machine 948 unites &amp; Fax machine 948 unites</i>	2,791,333	ICB	Goods	Prior	COPCU	Jan-13
2	Conduct awareness creation workshops on PFM activities for Woreda Council and Cabinet members; WoFEDs heads and deputy heads (including Zones)	3,415,673	in-house	training	post	EMCP/BoFEDS	Jan-13
3	Strengthening Woreda capacity for effective management and implementation of the existing pool system (covering procurement, accounts, budget, treasury, property management and internal audit)	2,872,405	in-house	training	post	EMCP /PPPA/ BoFEDs	Jan-13
4	Develop simplified procurement directives for woredas and give trainings for all woredas procurement staffs	869,816	in-house	consultancy	post	EMCP /PPPA/ BoFEDs	Jan-13
5	Strengthen woreda-level internal audit operations by establishing Audit committee for 400 woredas	1,520,000	in-house	consultancy	post	EMC/BoFEDs	Jan-13
6	Internal audit conference on issues of woreda level Audit (Zones to be included) twice a year	1,896,067	in-house	conferences	post	EMCP/BoFEDS	Jan-13
7	Conduct need assessment study to identify woredas hard wares and office equipment need (year 2) & Procure accordingly (year 3)	400,909	in-house	consultancy	post	EMCP/BoFEDS	Jan-14
8	Roll out of the following manuals at Woreda level (Liquidity/cash management, single treasury and commitment control, Performance audit, Procurement standard bid documents)	971,174	in-house	consultancy	post	EMCP/BoFEDS	Jan-13
9	Operating Expenses- stationeries	758,400		operating cost	post	EMCP/BoFEDS	Jan-13
10	Transport allowance for woreda PFM teams	3,792,000		operating cost	post	EMCP/BoFEDS	Jan-13
11	Massive trainings for woreda finance office employees on PFM components	1,877,040	in-house	training	post	EMCP/BoFEDS	Jan-13
12	Procurement of 13 vehicles for regions who do have zones (exclusively to support woredas).	780,000	ICB	Goods	Prior	COPCU	Jan-14
13	Procurement of 14 vehicles for regions who do not have zones (exclusively to support woredas) (3 for Afar,4 for Tigray, 3 for Benishangul-Gumuz, 4 for Somalie) .	840,000	ICB	Goods	Prior	COPCU	Jan-14
	<b>Total (B2a)</b>	<b>22,784,817</b>					

## B2b: IBEX Roll-Out and Support

<i>S/N</i>	<i>Activities</i>	<i>Estimated amount in USD</i>	<i>Method</i>	<i>Category</i>	<i>Review Type</i>	<i>Procuring Entity</i>	<i>Possible start date</i>
1	Operation costs for IBEX support and rollout at MoFED, BoFEDs, ZoFEDs and WoFEDs	754,009	N/A	Operational	post	EMCP	Jan-13
2	Procurement of 11 units windows server 2008 for each Regions	213,889	NCB	Goods	post	COPCU	Jan-13
3	Salary and operational expenses for IBEX support unit (ISU) at MoFED.	895,538	N/A	Operational	post	EMCP	Jan-13
4	Operational, service and material costs to connect wordas, zones, regional sector bureaus and federal bodies with worda net network	3,556,921	N/A	Operational	post	EMCP	Jan-13
<b>Total (B2b)</b>		<b>5,420,357</b>					

## Sub-component B2c: Regional training and Program Support

	<i>Activities</i>	<i>Estimated amount</i>	<i>Method</i>	<i>Category</i>	<i>Review Type</i>	<i>Procuring Entity</i>	<i>Possible start date</i>
1	Roll out of the following manuals at Federal and regional (Liquidity/cash management, single treasury and commitment control, Performance audit, Procurement standard bid documents)	1,206,966	QCBS	Consultancy	Prior	EMC/PPA	Jan-13
2	Conduct internal audit forum with Federal and Regional/City administration twice a year	193,928	in-house	workshop	post	EMC/PPA	Jan-13
3	Providing facilities for PFM Teams at Zones So that they can give adequate support to Woredas Photo copy machine 56 unites, Fax machine 56 unites, & Lap tops 224 units	469,778	NCB	GOODS	post	COPCU	Jan-13
4	Procuring of 12 vehicles for Regions and 3 for EMCP PFM support activities	900,000	ICB	GOODS	Prior	COPCU	Jan-13
5	Costs for contract employees at the Federal and Regional levels	7,331,400		operational	post	EMC	Jan-13
6	Operating expenses to support PFM (including procurement) activities at Woredas, Zones, Regions and Federal levels, (including transportation allowance, transportation cost, fuel, maintenance of vehicles, office refreshments, per diems, costs for special study teams, other goods and services).	1,441,138		operational	post	EMC	Jan-13
7	Operational costs to support timely reporting and closure of accounts at federal, regional and woredas	49,600		operational	post	EMC	Jan-13
8	Costs associated with PFM short term trainings at the Federal and Regional level	1,816,667		operational	post	EMC	Jan-13
9	Costs associated with PFM institutionalized trainings at the Federal and Regional level	1,230,167		operational	post	EMC	Jan-14
10	In- house Short term trainings on procurement and property management	578,582	in-house	training	post	PPPA /EMCP/ BoFED	Jan-13
11	Establishing Ethiopian Institute of Procurement and Asset management (EIPAM) and provide institutionalized trainings	2,158,333	in-house	training	post	PPPA /EMCP	Jan-13
12	Workshops , awareness creations and Forums on Procurement and property administration	174,937	in-house	training	post	PPPA /EMCP	Jan-13
13	Administrative and operating costs for COPCU	1,238,566		Operational	post	COPCU	Jan-13
14	Proc. of IT, office Equip & furniture	110,256	NCB	Goods	post	COPCU	June-13
15	Procurement of 8 vehicles	480,000	ICB	GOODS		COPCU	June-13
	<b>Total (B2c)</b>	<b>19,380,318</b>					

## B2d: Support to External Audit and Parliament

No.	Activities	<i>Estimated amount</i>	<i>Method</i>	<i>Category</i>	<i>Review Type</i>	<i>Procuring Entity</i>	<i>Possible start date</i>
1	Increase Woreda-based audit coverage from 26% to over 50%	1,823,050.00		operational	post	OFAG	Jan-13
2	Carry out Woreda-level continuous audits	1,800,001.00		operational	post	OFAG	Jan-13
3	To be allocated bt OFAG	376,949.00		Goods /operation	post	OFAG	Jan-13
4	Strengthening the capacity of Public Accounts, Budget and Finance, Agriculture and Social Affairs standing Committees at Federal, Regional and Woreda levels to discharge their oversight responsibilities	1,000,000.00		operational	post	OFAG	Jan-13
	<b>Total (B2d)</b>	<b>5,000,000</b>					

**Sub- Program B: Strengthening Local transparency and Accountability Systems**  
**Component -B3: Managing For Results**  
**Sub-component B3a Results Framework & Monitoring**  
**Category---Consultancy**

<i>No</i>	<i>Description</i>	<i>Amount</i>	<i>Method</i>	<i>Type</i>	<i>Review Type</i>	<i>Procuring entity</i>	<i>Start Date</i>
1	<b>Ministry of Water and Energy ---WASH MIS Strengthening</b>						
	System Updating to synchronize with NWI (technical support)	123,800	CQS	Consultancy	post	MoWE/COPCU	Jan-13
2	<b>Ministry of Agriculture ---MIS Strengthening</b>						
	Expanding the new AGMIS to the remaining regions(as a follow-up to PBS II)	400,000	QCBS	Cons.	prior	MoA/COPCU	Jan-13
	Trainings for phase 2 regions on the new MIS (follow up from PBS 2)	200,000	In house	Training/Consults	post	MoA/COPCU	Jan-14
3	<b>Central Statistics Agency</b>						
	Implementing EDQAF (two sectors per year)	1,800,000	QCBS	Consult.	prior	CSA	Jan-13
	Geo-referenced rural facility data for regions	1,455,000	QCBS	Consult.	prior	CSA	Jan-13
	Water system assessment	200,000				CSA	
	Agriculture system assessment	200,000				CSA	
	Woreda Poverty Profile & mapping	145,000				CSA	
4	<b>Ethiopian Road Authority Cost</b>						
	Baseline data collection for all regions	1,000,000	QCBS	Consult.	prior	ERA/COPCU	Jan-13
	Consultancy for training woreda staff on the new MIS	200,000	QCBS	Consult.	prior	ERA/COPCU	Jan-15
5	<b>MoFED/COPCU</b>						
	Implementing Results Based Management training for decentralized levels (11 regions including operational)	3,721,645	In house	Consult.	post	COPCU	Jan-13
	Effectiveness (linking financing and results) study (on two sectors) and experience sharing (Agriculture and Water)	550,000	In house	Consult.	prior	COPCU	Jan-14
	Equity in access to basic services through socio-economic study(follow up from PBS 2) 2 studies	800,000	QCBS	Consult.	prior	COPCU	Jan-13
	Sustainability studies	200,000	QCBS	Consult.	prior	COPCU	Jan-14
	Study on innovative mechanisms of effective service delivery (data Collection)	200,000	QCBS	Consult.	prior	COPCU	Jan-13
	<b>Total B3a</b>	<b>11,195,445</b>					

**Sub- Program B: Strengthening Local transparency and Accountability Systems**  
**Component -B3: Managing For Results**  
**Sub component B3b strengthening M&E system**  
**Category---Goods**

No	Description	Quantity	Amount	Method	Type	Review Type	Procuring entity	Start Date
1	<b>Ministry of Education -- Woredal level EMIS Rollout</b>							
	supply & installation of schools based information system <sup>27</sup>		1,323,177	ICB	Goods	Prior	MoE/COPCU	Jan-13
	Cables: <sup>28</sup>	300	24,900					
	Switches	650	89,700					
	Desk top computer	650	432,900					
	UPS	650	72,150					
	Divider	650	14,300					
	Software		633,950					
	Anti-virus	11	27,500					
	school based application software	1	27,777					
2	<b>Ministry of Health ---Health Post and Health Center level Community Health Information System Strengthening</b>							
	Printing cost for HMIS Materials for four Regions	1	3,250,000	ICB	Goods	Prior	MoH/COPCU	Jan-15
	MPI box for 50 % (1500) of Health Centers	1,500	500,000	NCB	Goods	Post	MoH/COPCU	Jan-15
	Server procurement and installation for Master database at the Federal level	1	20,000	Local shopping	Goods	Post	MoH/COPCU	Jan-15
	Standard Shelves for the rest of 50 % Health posts (7500)	7500	500,000	NCB	Goods	Post	MoH/COPCU	Jan-15
3	<b>Ministry of Water and Energy ---WASH MIS Strengthening</b>							
	Procurement of computers, cables, and other accessories for woreda MIS roll out (390 woredas)	390 batch of items	780,000	ICB	Goods	prior	MoWE	Jan-14
4	<b>Ministry of Agriculture ---MIS Strengthening</b>							
	Procurement of computers, cables, and other accessories for woreda MIS roll out (250 woredas)	250 batch of items	500,000	NCB	Goods	Post	MoA	Jan-14
5	<b>Central Statistics Agency</b>							
	Procurement of Cars for System Assessment	10	500,000	ICB	Goods	Prior	CSA	Jan-13
6	<b>Ethiopian Road Authority Cost</b>							

<sup>27</sup> Items listed are materials required within the package

<sup>28</sup> CAT 5e UTP cable will allow a network access point to be 95cm away from the switch in structured cabling. It also allows 100Mbps and 100 MHz. CAT 6e (with 250 MHz) could be offered as option.

**Sub- Program B: Strengthening Local transparency and Accountability Systems**  
**Component -B3: Managing For Results**  
**Sub component B3b strengthening M&E system**  
**Category---Goods**

No	Description	Quantity	Amount	Method	Type	Review Type	Procuring entity	Start Date
	Procurement of computers and servers for the MIS system	20	500,000	NCB	Goods	Post	ERA/COPCU	Jan-13
	Procurement of computers & GPS for woreda level offices	200	200,000	NCB	Goods	Post	ERA/COPCU	Jan-13
7	<b>MoFED/COPCU</b>							
	Procurement of computers (Laptops)	15	30,000	Local shopping	Goods	Post	COPCU	Jan-13
	<b>Total B3b</b>		<b>8,103,177</b>					

