

Operational Plan 2011-2015

DFID Ethiopia

Updated June 2012

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Introduction

The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.

In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review to take a comprehensive and ambitious look at the countries in which DFID works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review, DFID assessed how effective the international organisations we fund are at tackling poverty.

On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.

DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more value for money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.

The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The Operational Plans set out the vision, priorities and results that will be delivered in each of our country programmes.

We will concentrate our efforts on supporting achievement of the Millennium Development Goals, creating wealth in poor countries, strengthening their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

1) Context

Ethiopia matters to the UK for a range of development, foreign policy and security reasons. It is populous, poor, vulnerable but comparatively stable in the Horn of Africa. From a low base, Ethiopia's growth and expansion of basic services in recent years have been among the most impressive in Africa. The UK Government has an opportunity to make our support more transformational and accelerate Ethiopia's graduation from aid dependency. The Government of Ethiopia (GoE) is capable and committed to growth and development and is a proven partner in making rapid progress towards the Millennium Development Goals (MDGs). But its approach to political governance presents both substantive challenges to sustainable development and reputational risks to partners.

Ethiopia lies at the heart of an unstable region that has experienced almost continuous conflict and environmental shocks in recent decades. Ethiopia and its neighbours – including Somalia, Sudan and Eritrea – languish at the bottom of the Human Development Index. Poverty and instability in the Horn of Africa are among the drivers of migration to Europe and also contribute to an environment in which fundamentalism and radicalisation can prosper. UK interests in the region include progress towards the MDGs, resolving conflict, bolstering stability, accelerating sustainable growth and development, mitigating the impact of climate change, tackling migration, and countering terrorism. A stable, secure and prosperous Ethiopia is critical to UK interests.

Ethiopia has achieved a strong degree of political stability through decentralised regional government. Since it came to power in 1991, the Ethiopian People's Revolutionary Democratic Front (EPRDF) has consolidated a capable government that is demonstrably committed to addressing poverty - with an impressive record of pro-poor spending, sound financial management and a strong commitment to fight corruption. Prime Minister Meles and others in GoE play an important role on global and regional issues, including climate change, reform of the international financial architecture, and global health. Ethiopia has also made some progress toward establishing a functioning democracy, but there is still a long way to go. The UK government continues to raise concerns about limitations on civil and political rights and the longer term sustainability of Ethiopia's tightly controlled political model.

Ethiopia has made **impressive progress towards the MDGs**. In the last five years, with substantial support from the UK and others, Ethiopia has: lifted three million people out of poverty and reduced child mortality by a quarter; rolled out an innovative social safety net to protect almost eight million of the most vulnerable people; and put four million more children in primary school. Macroeconomic leadership has helped Ethiopia achieve annual growth of over 7% for the last decade, although high levels of inflation over the past 12 months threaten future growth. GoE's Growth and Transformation Plan (GTP) targets a doubling of the economy and achievement of the MDGs by 2015, and a greater (if still limited) role for the private sector and accelerated industrialisation. The GTP provides a platform to align UK support with GoE's ambitions, make it more transformational, and accelerate Ethiopia's graduation from aid dependency.

Despite recent progress, **Ethiopia remains one of the world's poorest countries**, with around 25 million people still living in extreme poverty. It is comparatively under-aided, ranking the fourth lowest of all DFID priority countries in sub-Saharan Africa in terms of ODA per capita. Strong progress towards some of the MDGs is from a very low base, and will be difficult to maintain as the needs of harder to reach populations are prioritised. Population momentum will see the 80 million population increase to around 120 million by 2030, accompanied by rapid urban growth. Ethnic nationalism and underdevelopment fuel instability and insurgency in parts of the Ethiopian periphery, threatening the delivery of Ethiopia's development objectives. External shocks, including climate change and fluctuating commodity prices, threaten growth. Ethiopia suffers from recurrent humanitarian crises – the depth and frequency of which have increased over the last five years due to drought, economic shocks and absolute increases in the number of food insecure people.

Ethiopia can absorb more aid and use it well. DFID is a leader within the development community, championing results, aid effectiveness and transparency. DFID works closely with UK Government partners in pursuit of shared objectives for a stable, secure and prosperous Ethiopia.

2) Vision

DFID's vision is to protect the most vulnerable Ethiopians, consolidate development gains, help achieve the MDGs and seize the opportunity to make our support more transformational, accelerating Ethiopia's graduation from aid dependency.

We will: (i) **protect the most vulnerable**: by building the resilience of the very poorest by reducing food insecurity and improving livelihoods and security in fragile and/or conflict-affected areas; (ii) **consolidate recent gains and help achieve the MDGs**: by continuing to support, extend and improve proven programmes to expand access to quality basic services; and (iii) **make the impact of the UK's support more transformational** by complementing existing programmes by:

- putting girls and women front and centre of all we do. Across the programme we will work to build assets, create economic opportunities and promote voice and political empowerment of women. We will also support specific initiatives to reduce violence against girls and women, and stop early marriage;
- working to ensure that over time the humanitarian effort responds exclusively to crises, and that reliance on expensive humanitarian assistance for chronic, predictable need is replaced by a cost-effective, sustainable and comprehensive national system of social protection;
- addressing geographical inequality that is cause and consequence of fragility and conflict, by providing significant resources to conflict prone regions of the periphery for basic services, peace-building and to develop capable, responsive and accountable authorities at the local and regional level;
- investing to accelerate growth, trade and investment. We will work with GoE to accelerate growth and facilitate a stronger role for private sector development and greater liberalisation of the economy;
- increasing resilience to changing weather patterns and leveraging the financial and low-carbon growth opportunities presented by climate change. We will help to build tools and skills across GoE, the private sector and civil society to adapt to future climate change, and benefit from opportunities for low carbon growth. New climate programming will help leverage the benefits of international finance and link research to climate smart decisions for industry and investment;
- empowering citizens and building domestic accountability. We will work with federal, regional and local government and civil society to increase the accountability of public services, and we will ensure that the work on building better state institutions and reform of the security sector focuses on communities, women and girls; and
- innovating to leverage faster progress, for example by piloting results-based aid in education.

Alignment with DFID and wider UK Government priorities

The programme is fully aligned with DFID's Structural Reform Plan priorities and will deliver a significant share of DFID's contribution to the MDGs globally. Wider UK Government policy prioritises Ethiopia's stability, economic development and regional/global influence, and its willingness to work together to tackle climate change, security and address regional issues. All of these are explicitly or implicitly addressed by this plan, and integrated working across DFID and other UK Government Departments will be essential to delivering the results expected.

What we will stop doing

DFID Ethiopia has already scaled down its support for infrastructure and HIV/AIDS, where other donors are meeting Ethiopia's needs. We have ruled out investment in the multi-donor Agricultural Growth Programme in favour of broader support for growth and more direct support for the private sector. We will also continue to look for ways to consolidate existing programmes to reduce transaction costs and improve the overall coherence of our portfolio.

3) Results

Headline results			
Pillar/ Strategic Priority	Indicator	Baseline (including year)	Expected Results (including year*)
Wealth Creation	Number of household incomes raised by 20% or more (C)	0 (2011)	275,000 (by 2015)
Climate Change**	Number of poor people better able to cope with climate shocks (C)	0 (2011)	1.5 million (in 2015)
Governance and Security	Number of women with improved access to security and justice (A)	0 (2011)***	3.5 million (in 2015)
Education	Number of children supported by DFID in primary education (A)	1.42 million of whom almost half are girls (2010)	1.94 million of whom almost half will be girls (37% more girls and boys supported in 2015 compared to baseline)
Health	Number of births delivered with the help of nurses, midwives or doctors through DFID funding (A)	35,000 (2010)	500,000 (births safely delivered between 2011-15)
Water and Sanitation	Number of people with sustainable access to clean drinking water sources through DFID support (A)	900,000 (2010)	1.4 million more people with access (by 2015)
Poverty, Hunger and Vulnerability	Number of people achieving food sufficiency (A)	0 (2010)	495,000 of which half will be women (by 2014)
Humanitarian	Number of severely malnourished children (C)	1,067,000 (2011)	848,000 (a reduction of 219,000 by 2015)

Notes: (A) indicates results which are attributed directly to DFID funding; (C) indicates overall results to which DFID funding contributes; * 'by 2015' refers to the cumulative total of beneficiaries achieved by 2015; 'in 2015' refers to the snapshot of beneficiaries in the year 2015; **DFID climate change programming is subject to the strategy and allocations of the UK's cross-Government International Climate Fund (ICF);***2015 result is expected additional women provided with improved access to security and justice through new targeted DFID programmes. The baseline excludes existing DFID programmes which may directly or indirectly contribute to provision of security and justice services for women.

3) Results (continued)

Evidence supporting results

Proposed results reflect the ambition of the Government of Ethiopia's (GoE) Growth and Transformation Plan for 2010 to 2015, the level of need, Ethiopia's recent track record of delivering progress on a large scale and the recurring humanitarian crises. Evidence of what works – particularly for service delivery and social protection – is strongly grounded in international and locally generated analyses and evaluation. Analysis of conflict and governance in Ethiopia is extensive. Proposed new programme areas build on international and local data to provide credible estimates of results expected in the next four years. But high quality data and evidence is not routine in many sectors, and we rely on a mix of national, international, and project level data sources to generate evidence of results. GoE has strong ownership of overall development strategies and is keen to learn from best practice, and base policy on robust evidence. The humanitarian situation poses a risk to the achievement of our humanitarian and food security results and could potentially have wider implications, particularly in basic services.

Planned work on governance, peace and security in four regional states of Ethiopia is based on national data of exclusion and inequality in development indicators, supported by a platform of extensive background research and evidence of service delivery in conflict-prone areas, a pilot project on education, and the role of youth in peace-building. The programme will draw on internationally recognised and conflict-sensitive measures to monitor results in service delivery, security sector reform and on violence against women.

Expected results in MDG pillars reflect our ambition to work to scale, based on strong evidence of performance from sector information systems and numerous evaluations. New programme approaches, such as results-based aid, will incorporate evaluation from the outset.

Value for Money (VfM) rationale

DFID Ethiopia's VfM approach is based on the overarching premise that delivery through government systems is by far and away the most effective means of delivering results at scale. There is already evidence that in Ethiopia DFID can deliver results in most areas more cheaply than in many other sub-Saharan African countries. This is because our programmes are largely delivered through the Government's decentralised and robust systems which utilise low cost techniques (such as community health workers) and minimise leakage.

With low wage rates and low corruption, **Ethiopia offers good value for money** for investments in labour-intensive services such as health, education and social protection. The 2009 DFID Education Portfolio review reported that, at £20 per child per year, it costs around half the amount to educate a child in Ethiopia compared with Nigeria, and a quarter of the cost in Pakistan and Yemen. The Protection Safety Net programme is internationally regarded as an efficiently run programme with 80p in every pound going directly to beneficiaries in the form of food and cash transfers. Addressing underlying resilience and food security will be more cost effective than humanitarian relief. Overall, our Fiduciary Risk Assessment determines that the level of fiduciary and corruption risk in Ethiopia remains moderate. Recent analysis suggests that Ethiopia's public finance management (PFM) system is stronger than in any African country of comparable size and complexity, bar South Africa – and that PFM improvements in Ethiopia are moving at a faster than average pace when compared with the 41 countries for which data is available. DFID Ethiopia is also investing in a range of innovative programmes but will seek to ensure that here too value for money is maximised. For example, with the Office of DFID's Chief Economist, we commissioned new work on value for money and adolescent girls. This review of available evidence endorsed a focus on reproductive health (delaying the age of first pregnancy) and completion of secondary education for girls, both of which will be addressed by activities in this plan.

Over the next decade, the cost of delivering services is likely to rise in Ethiopia as a developing private sector leverages up the wages for skilled workers, as the services expand into less densely populated or peripheral areas where the unit cost of delivery will be more expensive, and as the standard of services rise (particularly in health and education). We will work hard with our partners to mitigate any future risks that could undermine this position.

4) Delivery and Resources

Delivery channels

The UK is well placed to support plans for growth and transformation in Ethiopia through constructive, mature dialogue and relationships, and high quality, predictable programming. **We will use a combination of aid instruments and a mix of channels** to maximise impact and value for money, including sector budget support, multi-donor programmes and some bilateral projects (particularly for more innovative and higher risk interventions) working with non-governmental organisations (NGOs) and the private sector.

Progress towards the MDGs will largely be delivered through support to proven, nationwide government-led programmes. The impact of these programmes will be maximised through complementary efforts (through both the Government and civil society organisations) to increase decentralised ability to deliver services and improve accountability for their delivery and quality. We will innovate to increase the impact of these basic services, piloting results-based aid in education and supporting efforts to improve service quality. In the fragile and conflict-affected peripheral regions of Ethiopia, we will enhance development progress through conflict-sensitive peace-building activities and provision of basic services, tailored to the distinct needs of each region.

In newer areas of focus, such as wealth creation and climate change, we will develop innovative, impact-focussed partnerships with the private sector and NGOs, to complement our ongoing dialogue and work with the Government. Wealth creation programmes will be designed to enhance the growth-focus of all relevant programmes, including through better education and health outcomes, investing in agricultural skills and know how, and in rural infrastructure. National support will help government institutions to deliver better services for the public and improve the investment climate.

DFID will help to build Ethiopia's institutional capacity to respond to climate change, including support to civil society and the private sector. The Strategic Climate Institutions Programme will support Ethiopia's climate negotiators, help the country attract climate finance and develop a coherent strategic response to climate change. It will also establish a Climate Innovation Centre to support low carbon technology enterprises. **DFID will mainstream considerations of climate change into our core investments in food security, peace-building, basic services and wealth creation.**

We have established **Girl Hub Ethiopia**, a demand-led resource to build the evidence, measure the impact and advise on best practice and policy for girls. The Girl Hub will be a catalytic facility, focused on convening new partnerships and building capacity with and for girls – providing better opportunities and skills.

While working to reduce underlying food insecurity and vulnerability, **we will maintain our position as a leading advocate on humanitarian issues** and respond to unpredictable crises through proven multi-donor channels that provide flexible, coordinated and rapid funding for humanitarian responses.

Partnerships

As the third largest donor (after the World Bank and the US) to Ethiopia, and with strong human resources, we have the capacity and responsibility to consolidate our position as an innovative thought leader within the development community. **DFID will champion results, transparency, independent scrutiny and a focus on girls**, as part of wider leadership on aid effectiveness. We will explore ways to work with new and emerging donors while taking a more systematic approach to measuring the performance and value for money of the partners we work with and through, particularly the multilateral agencies, in tune with the results of the Multilateral Aid Review. DFID Ethiopia will continue to support the successful development of the Delivering As One UN initiative, and to further improve the effectiveness of the World Bank, the EU, global funds and the humanitarian agencies. Our support to civil society will be scaled up through multi-donor programming as well as targeted work to monitor and mitigate the impact of legislation which seems to be limiting their work and partnerships on the ground.

4) Delivery and Resources (continued)

Programme Spend

Pillar/Strategic priority	2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL	
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000
Wealth Creation	26,262	480	17,789	3,960	11,693	6,380	21,568	3,240	29,261	3,120	80,311	16,700
Climate Change	3,516		4,320		11,228	10,636	5,207		2,867		23,622	10,636
Governance and Security	18,561	3,800	19,097	3,800	15,172		29,643	2,800	24,000	2,800	87,912	9,400
Education	75,882		64,630		64,983	2,700	71,597	800	102,583	800	303,793	4,300
Reproductive, Maternal and Newborn Health	10,303		28,053		28,100		31,601		30,400		118,154	-
Malaria	2,341		8,761		10,200		11,250		12,000		42,211	-
HIV/Aids	5,048		722		39		1,640		1,640		4,041	-
Other Health	19,159		40,507		45,700	2,600	64,129		78,239		228,575	2,600
Water and Sanitation	5,460	15,200	4,993	15,200	5,940	3,000	7,280	14,400	11,998	14,400	30,211	47,000
Poverty, Hunger and Vulnerability	42,601	3,520	14,409	39,040	28,050	13,684	29,050	28,760	27,200	22,880	98,709	104,364
Humanitarian	6,130		57,010		20,605		19,112		22,000		118,727	-
Other MDG's											-	-
Global Partnerships	1,518		1,073		2,327		2,923		3,812		10,135	-
TOTAL	216,781	23,000	261,364	62,000	244,037	39,000	295,000	50,000	346,000	44,000	1,146,401	195,000

The 2010/11 figures reflect actual outturn as the baseline year before the current spending review period. Figures for 2011/12 to 14/15 are planned budgets within the spending review period. The 2012/13 figures differ from the previously published Operational Plan as the 2012/13 budget round has now taken place and updated allocations for this year have been agreed. 2013/14 and 2014/15 figures are subject to updates in subsequent years.

4) Delivery and Resources (continued)

Operating Costs

	2010/11 (outturn)	2011/12	2012/13	2013/14	2014/15	Total (2011-15)
	£'000	£'000	£'000	£'000	£'000	£'000
Frontline staff costs - Pay	1,365	1,955	2,344	2,700	2,800	9,799
Frontline staff costs - Non Pay	736	1,075	785	1,112	1,116	4,088
Administrative Costs - Pay	400	324	334	350	370	1,378
Administrative Costs - Non Pay	509	401	489	470	450	1,810
Total	3,010	3,755	3,952	4,632	4,736	17,075

During the course of the Operational Plan (OP) period, the Front Line Spend (FLS) budget will increase to accommodate the additional posts required to deliver the OP results. The Administrative Costs budget is set to reduce over the OP period principally through a reduction in the number of Home Civil Service posts funded therein, including a reduction of two posts in 2011/12. All significant savings have been made in 2011/12, but we will continue to try to identify further areas of savings in the remaining years of the OP, while ensuring sufficient support is maintained for the overall increasing number of staff in DFID Ethiopia. The increase in administrative staff numbers is due to increased locally appointed posts.

The 2010/11 figures reflect actual outturn as the baseline year before the current spending review period. Figures for 2011/12 to 14/15 are planned budgets within the spending review period. The 2012/13 figures differ from the previously published Operational Plan as the 2012/13 budget round has now taken place and updated allocations for this year have been agreed. 2013/14 and 2014/15 figures are subject to updates in subsequent years.

4) Delivery and Resources (continued)

Efficiency savings

Delivering Programme Efficiencies		
Category	Details	Residual cost in the SR period £'000
Strategic Reprioritisation	(i) Graduate support for HIV/AIDs [£1 million reallocated in 2010/11] (ii) Exit from the infrastructure sector [total contribution £0.44 million in 2010/11] (iii) Complete co-leadership of Development Assistance Group (DAG) [costed at £0.052 million in 2010/11]	(i) n/a (ii) £0.60 million in 2011/12 (iii) £0.021 million in 2011/12
Further examples of Programme efficiency		

Administrative Cost Savings Initiative	2011/12		2012/13		2013/14		2014/15	
	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000
Reduction in Consultancy Payments		17						
Reduction in Travel		45						
Reduction in Training		20						
Reduction in Estates & Property Costs								
Reduction in costs as a result of Office Restructuring	76							
Other Reductions		26						
Total	76	108	0	0	0	0	0	0

5) Delivering Value for Money (VfM)

Delivery of results in Ethiopia offers excellent value for money. DFID can deliver results in most areas more cheaply in Ethiopia than in many other sub-Saharan African countries. This is because DFID programmes are largely delivered through GoE's decentralised and robust systems which utilise low cost techniques (such as community health workers) and minimise leakage. With low wage rates and comparatively low corruption, Ethiopia offers good value for money for investments in labour-intensive services such as health, education and social protection. We will work hard with our partners to mitigate any future risks that could undermine this position.

DFID Ethiopia has started to more fully integrate value for money analysis into the design, implementation and review of all programmes. In human development and social protection, we have constructed comparable unit cost data and drawn on extensive evaluations. We are learning from international best practice to introduce VfM in new governance, climate change and wealth creation programmes at the design stage. We will improve staff skills for VfM appraisal and monitoring and are maintaining a comprehensive database of VfM metrics to monitor performance across our programme portfolio to improve our effectiveness.

We will implement a VfM Strategy centred on the principles of Economy, Efficiency and Effectiveness. In doing so, we will:

- Make VfM a key consideration in project design and appraisal, and use this process to both undertake cost benefit/effectiveness analysis and to develop a series of VfM metrics for all interventions;
- Ensure that innovative project monitoring and evaluation systems (including log frames) are designed to capture and report on this information;
- Routinely monitor VfM metrics during programme reviews;
- Proactively manage the fiduciary risks associated with growing programme and administrative expenditure;
- Take a more commercial approach to the management of both our administration and programme resources; and
- Transparently assess our failures, to make sure we learn from what does not work and prevent further spending on such activities.

In order to do this DFID Ethiopia will need to:

- Embed VfM in project cycle management and address VfM challenges, such as how to construct comprehensive indicators for new programming areas including hard-to-measure areas such as governance and climate change;
- Improve staff skills through on the job, online and workshop training in VfM analysis, economic appraisal, financial management and evaluation providing incentives within staff performance frameworks;
- Compare our performance bi-annually with both a sample of our local partners (including other donors and private sector bodies) as well as other DFID offices;
- Support VfM measurement and implementation within partner organisations such as the World Bank, the EU and other large bilateral organisations;
- Work with GoE to monitor and analyse the factors that currently drive Ethiopia's strong VfM performance such as sound financial management and the use of cost effective solutions such as the focus on primary and preventative health care;
- Redefine the nature of our relationships with commercial suppliers, including an increased use of management information to extract greatest value for DFID; and
- Act commercially during project design, engaging early to ascertain market capacity and opportunities for use of local market suppliers.

6) Monitoring and Evaluation

DFID Ethiopia recognises that monitoring and evaluation (M&E) is critical to the overall success of its programme and will continue to invest in strengthening in-house knowledge and expertise as well as building national and regional government capacity.

Monitoring

This plan is underpinned by a results framework derived from individual project logical frameworks which are the building blocks of our monitoring strategy. The majority of our programme by value is delivered through government systems where we will continue to monitor progress using national data drawn from administrative and survey sources. In newer areas such as wealth creation and climate change we will also invest in additional data collection where necessary including to establish relevant baselines. We will support greater use of participatory tools such as perception surveys to provide an additional perspective on the progress of our investments. With the Girl Hub we will also pilot a range of innovative monitoring tools to measure the impact of our programming on women and girls. Monitoring of results will be led by the Corporate Effectiveness Team (CET), which includes a Results Adviser. Programme monitoring, evaluation and review will be the responsibility of individual teams, with oversight from the CET. Results monitoring will be a priority for learning and development, and will be embedded as a core responsibility across all members of the programme team. The CET will also lead a quarterly strategic forward look across the entire DFID Ethiopia programme to take stock of progress and identify areas where greater effort is needed to deliver planned results.

Evaluation

Reflecting the size of its overall investment DFID Ethiopia is committed to improve evidence and accountability through evaluation. We aim to ensure the majority of our programme by value is covered by formal evaluation and that a significant proportion is covered by rigorous impact evaluation. Our evaluation strategy maps out how we will honour this commitment through:

- Identifying criteria for evaluation: ensuring programme approaches to evaluation are proportionate to help maximise overall value for money and impact;
- Strengthening design of new programmes: maximising use of evidence and ensuring monitoring and evaluation are fully considered during all project designs;
- Increasing in-house evaluation capacity: creating appropriate learning and development opportunities for all programme staff and raising the level of formal accreditation within DFID Ethiopia;
- Working with partners: raising quality of systems and processes for monitoring and evaluating multi-stakeholder programmes to which DFID Ethiopia contributes; and
- Building demand: stimulating demand in DFID, Ethiopia and the global development community for high quality independent evaluation.

Evaluation will be built into new programmes in wealth creation and climate change, investing in the establishment or improvement of baselines, data collection and analysis. Evaluation skills will be contracted from local partners from academia and international institutes, and draw on regional and international experts for additional evaluation capacity. We will work with the DFID Evaluation Department on strategy monitoring and use the existing independent quality assurance panel to review evaluation designs and products. Independent evaluations are currently underway or in design for the following programmes; Productive Safety Nets Programme; General Education Quality Improvement Programme; Education Results Based Aid; and Strategic Climate Investment Programme. We will also have evaluation plans in place for our Peace and Development and End Child Marriage Programmes early in 2012/13.

Building capacity of partners

We will continue to influence improvements in M&E systems to support our key investments in government programmes. Through the M&E component of the Protection of Basic Services programme we will support federal and regional government capacity building and a range of evaluation studies aimed at improving the effectiveness of the overall programme. We will continue to support delivery of the the National Statistics Development Strategy and wider monitoring of the Growth and Transformation Plan. We will continue to contribute to steering independent evaluation of key programmes such as the Productive Safety Nets Programme.

7) Transparency

Transparency is one of the top priorities for the UK Government. We will ensure that we continue to meet our commitments under the UK Aid Transparency Guarantee including publishing detailed information about DFID projects, including programme documents and all spend above £500. We will continue to ensure that information is accessible, comparable, accurate, timely and in a common standard with other donors and that we provide opportunities for those directly affected by our projects to provide feedback.

DFID Ethiopia will continue to meet its commitments under the UK Aid Transparency Guarantee, by:

- **publishing on the DFID website** detailed information of all expenditure over £500, ensuring information is comprehensive, accessible, of high quality and in plain English. A small number of exclusions will apply based primarily on key principles of the Freedom of Information Act. We will contribute on a quarterly basis, to the Aid Management Platform, a joint project of the European Union and Government of Ethiopia (GoE) which is an on-line facility to inform the public, civil society and development partners in Ethiopia about the type and volume of development aid each bilateral and multilateral donor provides in Ethiopia. **DFID Ethiopia will meet the standards set out in the International Aid Transparency Initiative (IATI)** and will work closely with our programme partners to improve their transparency. This will require, over time, any civil society organisation that is in direct receipt of DFID funds to adhere to similar standards of transparency and accountability. DFID will also work to encourage other bilateral and multilateral organisations to adhere to similar standards of transparency.

- **promoting transparency and accessibility to information in Ethiopia** by translating key documents of the programmes the UK supports into local languages. DFID will continue to support GoE through the accountability component of the Protection to Basic Services Programme, to post timely budget information on service delivery units at district level, promoting greater transparency on budget information, and enabling citizens to better engage with their local government. Through the introduction of the client card, we will strengthen accountability for cash transfers, providing clients with an increased sense of certainty over their entitlements, and better evidence for appeals. Through our programmes and dialogue with the Government of Ethiopia, we will encourage transparency to Ethiopian citizens about their budgets and the aid received, in line with the IATI.

- **providing opportunities for feedback** from beneficiaries and those affected by DFID programmes. We will improve monitoring and joint reviews in our largest programmes to ensure feedback is collected during field visits. Improving evaluation across our programme will help us to derive evidence and feedback and increase opportunities to discuss programme results and recommendations with beneficiaries. We will update DFID Ethiopia's Country Brief and website every quarter.

- **improving quality assurance** across DFID Ethiopia's programme and resource management. With an increasing budget to deliver aid in Ethiopia, DFID will improve systems to respond to increased scrutiny from taxpayers, Parliament, and the public, i.e. the Corporate Effectiveness Team will check and ensure that all programme documents are clear, factual, and in plain English. In addition, DFID will ensure all transactions are accurate and of high quality, and that those with delegated authority to assess and approve expenditure, are fully competent to take on this responsibility.

Annex: Revisions to Operational Plan 2011/12

This Operational Plan has been refreshed from its original version primarily to reflect changes to the wider country context and more detailed programme design. The Plan also addresses the findings from a report by DFID's Internal Audit Department in early 2012 which highlighted increased risks to delivery arising from changes to the political governance, human rights and humanitarian situations in Ethiopia during the past 12 months.

Context: A number of revisions have been made to ensure that data are the most up to date and the overall text remains appropriate and relevant to the current situation.

Vision: The "what we will stop doing" section has been updated slightly to reflect recent programming decisions.

Results: Our headline result on **wealth creation** has been revised to reflect final programme design choices which maximise value for money. While both our main programme interventions – Private Enterprise Programme Ethiopia and Government for Growth will stimulate job growth we believe that the main demonstrable outcome from these programmes will be increased household income levels. Our headline **humanitarian** result has also been revised to provide a clearer indication of the number of people helped through our programmes as a clearer measure of impact and value for money. Neither of these results represent a deterioration in our overall level of ambition. We have also made revisions to the baseline data for indicators on **governance, water and sanitation** and **health**, reflecting improved understanding of the underlying data and consistency with central DFID methodology. Overall expected results against these indicators are not affected.

The supporting text on results has been amended to reflect the increased risk to delivery represented by the ongoing humanitarian situation in Ethiopia. The text has also been revised to reflect the findings of the latest DFID Ethiopia Fiduciary Risk Assessment analysis which has been finalised since publication of the original plan.

Delivery and Resources: The text has been amended slightly to provide more appropriate reflection of DFID Ethiopia's key partnerships, particularly with civil society. Budget allocations have also been adjusted in light of actual outturn for 2011/12 and amendments to outer year planning assumptions.

Delivering Value for Money: The text has been amended to reflect the latest version of the DFID Ethiopia Value for Money Strategy.

Monitoring and Evaluation: The text has been amended to reflect the latest version of the DFID Ethiopia Evaluation Strategy. The text on monitoring and working with partners has also been edited for presentational reasons but changes here do not represent changes to the overall DFID Ethiopia approach.

Transparency: The text has been amended slightly to ensure consistency with central DFID commitments.

Annex: Results Progress

Progress towards headline results – one year on*

Pillar/ Strategic Priority	Indicator	Baseline (including year)	Progress towards results (including year)	Expected Results (including year)
Wealth Creation	Number of household incomes raised by 20% or more (C)	0 (2011)	This project is on track for approval in Q2 2012/13.	275,000 (by 2015)
Climate Change	Number of poor people better able to cope with climate shocks (C)	0 (2011)	This project is on track for approval in Q2 2012/13.	1.5 million (in 2015)
Governance and Security	Number of women with improved access to security and justice (A)	0 (2011)	This project is on track for approval in Q2 2012/13.	3.5 million (in 2015)
Education	Number of children supported by DFID in primary education (A)	1.42 million of whom almost half are girls (2010)	1.67 million children were supported in 2011, including 794,000 girls.	1.94 million of whom almost half will be girls (37% more girls and boys supported in 2015 compared to baseline)
Health	Number of births delivered with the help of nurses, midwives or doctors through DFID funding (A)	33,000 (2010)	34,000 births were attended in 2011, which is steady progress towards the 2015 target.	500,000 (births safely delivered between 2011-15)
Water and Sanitation	Number of people with sustainable access to clean drinking water sources through DFID support (A)	800,000 (2010)	86,000 people were assisted in 2011. Representing good progress towards the 2015 target.	1.4 million more people with access (by 2015)
Poverty, Hunger and Vulnerability	Number of people achieving food sufficiency (A)	10,000 (2010)	125,000 people were assisted in 2011. The 2014 target is on track to be delivered.	495,000 of which half will be women (by 2014)
Humanitarian	Number of severely malnourished children (C)	1,067,000 (2011)	No new data available but project implementation is on track.	848,000 (a reduction of 219,000 by 2015)

* These results may not directly aggregate with other country results due to different measurement methodologies