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<td>Woreda Labor and Social Affairs Office</td>
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PART 1: OVERALL INTRODUCTION
CHAPTER 1: INTRODUCTION TO THE PROGRAM IMPLEMENTATION MANUAL

1.1 Rationale for the Manual

The Government of Ethiopia (GoE) developed the Urban Food Security Strategy (UFSS) in 2015. This was followed by a 10-year Urban Job Creation and Food Security Program (UJCFSP). The objective of the UJCFSP is to alleviate urban food insecurity and tackle the increasing levels of vulnerability by supporting over 4.7 million urban poor living in 972 cities and towns. This is expected to be achieved over a long-term period through a gradual roll-out plan indifferent phases starting with big cities that have a population of over 100,000 people.

The Urban Productive Safety Net Program, the first of its kind in urban areas, is a five-year phase of the Government program targeting 11 major cities. This Program Implementation Manual (PIM) has benefited from the country experience in delivering rural productive safety net over the last 10 years. It is designed to facilitate the implementation and management of the program and to provide guidelines and operating procedures that will assist the key implementing institutions mainly the Ministry of Urban Development and Housing (MoUDH), Urban Job Creation and Food Security Agency (UJFSA), the Ministry of Labour and Social Affairs and other relevant ministries and agencies, regions, city administrations and municipalities. The PIM is a necessary to introduce the program to various stakeholders some of whom may have not implemented safety nets before and also define their roles. The PIM also serves as a unifying framework that ensures the application of similar procedures in all program regions, cities/towns, and communities and provide a common and clear understanding of the program and harmonization of activities.

1.2 Objectives and scope of the PIM

The objective of the manual is to provide directions, rules, procedures, guidance and where necessary checklist for the implementation of the UPSNP on all key aspects. It is a comprehensive manual covering targeting mechanisms, component and sub-component action plans, selection of eligible activities for public works and livelihood enhancement, allocation of funds to activities, monitoring and evaluation, criteria for accessing funding by participating cities and towns, financial management, procurement, environmental and social safeguards and payment modalities. It also covers areas that facilitate the effective implementation of program activities including citizen’s engagement and social accountability, grievance redress mechanisms and financial transparency.

The PIM serves implementers, coordinators and other stakeholders at all levels of administration where the program is implemented. That is (i) the Federal Ministries and Agencies level, (ii)
program beneficiary cities and towns in the nine regional states and city administrations (iii) communities and local service providers.

The UPSNP is designed for five years (2016/17-2020/21). It is targeting 11 major cities that include the two City Administrations (Addis Ababa and Dire Dawa), and one major city/town from the nine regional states. These are Adama (Oromia), Assaita (Afar), Asosa (Benshangul), Dessie (Amhara), Gambella (Gambella), Hawassa (SNNPR), Harar (Harari), Jigjiga (Somali), and Mekele (Tigray). In the first phase, 604,000 beneficiaries will be targeted through a gradual roll-out plan during a five-year period. The broad criteria for the selection of these cities/towns are (i) the poorest 12 percent and about 55 percent of people living below the poverty line.

1.3 Structure of the Manual

The manual is divided into seven parts and 18 chapters. **Part One** consists of two short introductory chapters. Chapter 1 is this introduction to the PIM and Chapter 2 is introduction to the UPSNP. The latter describes program background, objective, principles, components, safeguards, scale and scope of the program and UPSNP links with the overall government policy and strategy.

**Part Two** deals with planning and preparatory activities of the program... It includes five chapters. Targeting, Program Entry and Exit (Chapter 3); Transfer Schedule, Wage Rate and Mode of Transfer (Chapter 4); Permanent Direct Support Clients (Chapter 5); Public Works (Chapter 6); Livelihoods Services (Chapter 7) and Annual Planning (Chapter 8)

**Part Three** describes the core program elements. It provides detailed steps that implementers at different levels need to follow in order to implement the program. In order to facilitate this, this part of the document is sub-divided into four chapters: Permanent Direct Support Clients (Chapter 9); Public Works Implementation (Chapter 10); Livelihoods Services (Chapter 11) and Citizens Engagement (Chapter 12).

The rest of the PIM (**Parts 4-7**) deals with all other management related issues such as financial management, procurement and physical resource management, capacity and systems building, monitoring and evaluation and institutional arrangements of the program. In addition to the main body of the document, a number of formats and other key materials are annexed.

1.4 How to Use the Manual

Different implementers need different chapters of the Manual to fulfill their mandates. There are also overlaps where different implementers should refer to the same chapters. For ease of reference, the 18 chapters are allocated as follows: all implementers refer to Chapters 1 and 2; direct support implementers should refer to **eleven** chapters; public works should refer to **eight** chapters; livelihood should refer to **ten** chapters and system building/strengthening should refer to **16** chapters. Details are given below.
Table 1: Quick reference to the PIM

<table>
<thead>
<tr>
<th>Chapter No.</th>
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<th>PW</th>
<th>Livelihoods</th>
<th>System building/strengthening</th>
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1.5 Complementary Manuals and Guidelines

This PIM is not entirely standalone. There are a number of aspects of program implementation that require detailed guideline and these are developed separately. The PIM provides summary of the issues and implementers should refer to the respective guidelines for further information and guidance. These include:

- Procurement guidelines
- Financial management manual
- Livelihoods guideline
- Public Works guideline
- Targeting manual
- Payment system manual
- M&E and MIS manual
- And other manuals and guidelines will be developed as the need arises (e.g. Graduation/Program exit Guidance Notes)
1.6 Role of regions and zones in the current phase of UPSNP

In this stage of the program, the role of regional and zone offices is minimal. The level of aggregation is too small (one city/town per region) to warrant a separate regional and zonal structure or assign substantial roles to existing structures. It would be similar to city level structures and plans. However, it is important the city plans are shared with relevant regional/zonal offices. This has at least two purposes:

- First, even in the present phase there may be cases where the program city/town may need follow up and support simply because it is within the geographic location of the region/zone.
- Second, at the end of the present phase, it is envisaged that the program will be scaled up to cover 4.7 million people in over 990 cities/towns. Engaging regions and zones at this point is an investment for the future as regions and zones will be substantially engaged in implementation.

1.7 Revisions of the PIM

The PIM is a living document. It will be revised, in full or in part, if (i) evidence gathered from the regular review and supervision missions recommend a revision; (ii) there are changes in any of the accompanying manuals. The PIM needs to incorporate these changes; and (iii) the GoE and the World Bank agree that there is a need to revise the PIM. These provisions are particularly important for this manual because the UPSNP is new and cases of enforcing challenges may arise during implementation.
CHAPTER 2: INTRODUCTION TO UPSNP

2.1 Background and Context

The Government of Ethiopia (GoE) has completed the first Growth and Transformation Plan (GTP I) (2010/11–2014/15), which set a long-term goal for Ethiopia to become a lower middle-income country by 2025. The growth rate of at least 11.2 percent per year was set and achieved during the plan period. The second phase of the GTP (GTP II 2016-2020) is essentially a continuation of GTP I objectives and priorities are given to key sectors such as industry and agriculture as drivers of sustained economic growth and job creation. The GTP II also reaffirms the GoE’s commitment to human development. The programs of development partners (DPs) are broadly aligned with the GTP II priorities.

There is strong record of reducing extreme poverty in recent years. The main drivers of this progress have been rural based namely, agricultural growth, provision of basic services, and rural safety nets. However, the structural transformation that is needed in value addition (a shift from low value/wage to high value/wage sectors) has been in adequate to make significant contribution to poverty reduction.

Although Ethiopia remains predominantly rural, urbanization is taking place, and as Ethiopia urbanizes, poverty becomes more urban. In 2000, 11 percent of Ethiopia’s poor lived in cities, but this rose to 14 percent in 2011. The urban population reached 11.9 million by the last census in 2007 and was estimated to reach 16.7 million in 2014, with an average population growth rate of 3.8 percent. Urban population is projected to triple by 2034 reaching 30 percent of the total population.\(^1\) As more of the urban poor live in large urban centers, expanding development programs to address key challenges to urban poverty reduction is imperative.

An economically productive urban transformation is necessary for Ethiopia to reach middle-income status, end poverty, and improve shared prosperity. Getting urban growth correct now is crucial to developing the type of cities that foster inclusive growth in the long run. If managed proactively, urban population growth presents an opportunity to shift the structure and location of economic activity from rural agriculture to the larger and more diversified urban industrial and service sectors. If not managed proactively, rapid urban population growth may pose a demographic challenge as cities struggle to provide citizens with jobs, infrastructure and services, and housing\(^2\).

Although urban poverty rates in Ethiopia are quite high, particularly in the large cities, the urban-rural poverty rate differential is low in comparison to other countries. The total national poverty

\(^1\) World Bank (2015), Ethiopia Urbanization Review
\(^2\) Ibid
head count in 2011 was 29.6 percent (30.4 percent in rural Ethiopia and 25.7 percent in urban areas). Poverty rates in Addis Ababa and Dire Dawa were as high as 28.1 percent and 28.3 percent, respectively. The poverty gap index is estimated to be 8 percent in rural Ethiopia and 6.9 percent in urban Ethiopia. In large cities, poverty has been falling, but not as fast as in rural areas and smaller urban centers. From 2005 to 2011, consumption growth was negative for the poorest 15 percent of the urban population and for the majority of households in Addis Ababa as wages did not increase to compensate households for the rising food prices that they faced. One-fifth of Ethiopia’s urban population lives in Addis Ababa and reducing poverty rates in this and other large urban centers is a key priority toward addressing poverty reduction in Ethiopia in general.

The problem of food insecurity in urban settings is chronic and complex. Moreover, the marketing system for agriculture products is not well developed to promote the growth of industrialization; boost employment opportunities; and linkage with the rural areas is improving but still at an infant stage due to the slowly expanding infrastructure and services. Unless urban centers become centers of modern market exchange, technology transfer, and good governance, they may negatively affect and slow down the overall development of the country. In order to improve this situation in urban areas, the government of Ethiopia has designed urban food security strategy and job creation and food security program.

The situational analysis of the Urban food Security Strategy (MoUDH, Ref:), has established that some of the root causes of food insecurity in urban areas are: unsystematic rural-urban migration (that is urban rural migration not guided by economic indicators); lack of adequate employment opportunities; lack of integrated social protection for disadvantaged groups; underutilized potential of urban agriculture; lack of modern market exchange system; lack of efficient service delivery; lack of conducive working environment; poor solid and liquid waste management; and environmental, natural and man-made hazards. Urban areas are also severely affected by price hikes that arise from production falls due to drought and other natural disasters.

Due to aforementioned problems, a significant number of people in urban areas are unemployed and underemployed and as a result, they are facing food insecurity and living in difficult circumstances. Moreover, the number of street dwellers, beggars, people with mental disorder, juvenile delinquency, disadvantaged groups and other victims of social problems and evils are increasing from time to time.

The Government is committed to minimizing the chronic problems of the urban dwellers thereby improving their quality of life by strengthening rehabilitative and preventive measures in line with the GTP II and the Sustainable Development Goals (SDGs). There are initiatives to ensure employment opportunities, rehabilitating, reintegrating and reunifying the victims of social evils and problems.

The Ministry of Urban Development and Housing (MoUDH), as key Government executive organ, is given the mandate to tackle the urban food insecurity and poverty. To this end, the ministry has developed Urban Job Creation and Food Security Strategy and Program as part of the National Social Protection Policy and Strategy of the country. The initial phase of the
program is implemented in collaboration with various stakeholders and the World Bank as development partners financing the program.

The rural PSNP, which has been implemented since 2005, has demonstrated that safety nets are important tools for addressing chronic food insecurity. Based on these experiences, the MoUDH has led the design of a systematic productive urban safety net and livelihood support intervention which will be implemented through a 10-year program framework. The long-term program framework has an objective of reaching 4.7 million poor in 972 urban areas by implementing productive and predictable urban safety nets and complimentary livelihood interventions. The first phase supported by the UPSNP runs from 2016/17 to 2020/21 in 11 cities (Addis Ababa, Adama, Dessie, Mekele, Hawassa, Dire Dawa, Harari, Gambella, Asosa, Jigjiga and Asayita) and will focus on putting in place basic safety net building blocks, including productive and predictable transfers through PW, livelihood interventions, and capacity building.

2.2 Links with the Overall Government Policies, Strategies and Programs

The GTP II clearly stipulates that reducing food insecurity, urban poverty and ensuring sustained job creation in urban areas is a top priority. A number of policies, strategies, initiatives and programs are designed to address aforementioned urban challenges and hence the UPSNP is complementary to these Government strategies and programs.

The policies, strategies, initiatives and programs include, inter alia,

(a) National Social Protection Policy and Strategy (November 2014)
(b) The Urban Development Policy (2013)
(c) The Environmental Policy of Ethiopia (1997)
(d) Urban Food Security Strategy (May 8, 2015)
(e) The National Policy and Strategy on Disaster Risk Management
(f) The Climate Resilient Green Economy Strategy (2012)
(g) Urban Solid Waste Handling and Disposal Strategy (2014)
(h) The Climate Change Resilient Urban Green Infrastructure Strategy (2014)
(i) The National Nutrition Program (NNP)
(j) The Rural Productive Safety Net Program
(k) Urban Local Government Development Project (ULGDP I)

A brief description of these key policies and strategies is provided below to contribute to UPSNP implementers’ awareness of the policy and strategy environment within which the program is implemented.

a) National Social Protection Policy and Strategy (November 2014 and January 2016): The Social Protection Policy has a vision to see all Ethiopians enjoy social and economic wellbeing, security and social justice through a comprehensive social protection system that creates an enabling environment for equitable access to social protection services, inclusive growth and development. Overall, the policy commits the government to move beyond the partial and fragmented, provision of social protection. The policy puts strong emphasis on the need to
expand social safety nets and livelihood and employment interventions in rural and urban areas. The policy also focuses on ensuring access to social services including micro insurance for the most vulnerable. A strategy for implementing these policy intentions has been developed. Both the policy and strategy recognize the role of the urban and rural productive safety nets in transitioning to a social protection system.

b) Urban Development Policy (2013): Addresses environmental conservation and sanitation in cities and encourages the participation of the public and private sector in waste management including supporting a waste recycling system, and distributing technology that can be used for recycling purposes at family, district city and institutional level. Other strategies of the policy include creating an attitude for preventing pollution and conserving the environment among the public, ensuring a sustainable and integrated popular participation and ownership of projects.

c) The Environmental Policy of Ethiopia (1997): The policy demands that cities/towns to give priority for waste disposal system and for this purpose undertake studies on land fill sites and to construct treatment facilities. This framework includes issues to maintain safe waste management at localities; provision of environmental sanitation awareness to the community to bring attitudinal change, the possibility to recycle liquid and solid wastes from homesteads and establishments for the production of energy, fertilizer and for other uses and integration of actions among all stakeholders in sanitation interventions.

d) The National Policy and Strategy on Disaster Risk Management (2013)

The main objective of the policy and strategy is to reduce disaster risks and potential damage caused by a disaster through establishing a comprehensive and coordinated disaster risk management system in the context of sustainable development. Specific objectives of the policy are: (i) to reduce and eventually prevent disaster risk and vulnerability that pose challenges to development through enhancing the culture of integrating disaster risk reduction into development plans and programs as well as by focusing on and implementing activities to be carried out before, during, and after the disaster period to address underlying factors of recurrent disasters; (ii) to save lives, protect livelihoods, and ensure all disaster affected population are provided with recovery and rehabilitation assistances; (iii) to reduce dependency on and expectations for relief aid by bringing attitudinal change and building resilience of vulnerable people; and (iv) to ensure that disaster risk management is mainstreamed into development plans and programs across all sectoral institutions and implemented at all levels.

e) Urban Food Security Strategy (May 8, 2015): Within the framework of the NSPP, the Ministry of Urban Development and Housing (MoUDH) has developed an Urban Food Security Strategy. The strategy aims to reduce poverty and vulnerability among the urban poor living below the poverty line over a period of 10 years. The UPSNP is the first instrument of the government to implement this strategy.

f) The Climate Resilient Green Economy Strategy (2012) targets fulfilment of the sustainable development goals by improving handling of solid and liquid waste. The total abatement
potential of improved by handling waste (solid and liquid) amounts to be around 2Mt CO$_2$e in the year 2030.

g) **Urban Solid Waste Handling and Disposal Strategy (2014)** serves as a framework for city/town administration to develop effective and sustainable integrated solid waste management for their citizens in order to protect public health and environmental quality.

h) **The Climate Change Resilient Urban Green Infrastructure Strategy (2014)** serves as a framework for city/town administration to develop effective and sustainable urban green infrastructure (UGI) for their citizens in order to protect public health and environmental quality.

i) **The National Nutrition Program (NNP):** this is the principal Government document that guides nutrition specific and nutrition sensitive interventions. Nutrition specific interventions are mainly by the Ministry of Health. Nutrition sensitive interventions are multi-sectoral including agriculture, social sectors, trade and industry. Social safety nets are proven methods of ensuring the poor and most vulnerable get access to nutrition education and improve their dietary diversity.

j) **The Rural Productive Safety Net Program:** The PSNP has been providing transfers to the rural beneficiaries since 2005 and in its current phase (PSNP 2014/5- 2019/20 Phase IV) will reach 10 million beneficiaries. About 80 percent of the transfers are made in return for engagement in PW. The program has resulted in considerable experience being built within the GoE on how to target poor beneficiaries; deliver timely and predictable transfers; and design and implement PW on a large scale.

k) **Urban Local Government Development Project (ULGDP I):** This World Bank project provides block grants to municipal local governments that are largely used by municipalities for developing infrastructure, in part through labor-intensive PW. The ULGDP has been successfully implemented for several years in 19 Ethiopian cities and is now into its second phase by scaling up to 44 cities as a Program for Result (PfR). It has effectively delivered labor-intensive PW programs in urban areas, mainly cobblestone projects, green development and solid waste management as well as created jobs and enhanced the livelihoods of the urban poor through improvements in infrastructure and services.

### 2.3 Program Development Objectives /PDO/

The long term objective of the Urban Productive Safety Net Program (UPSNP) is to reduce urban poverty and vulnerability among the urban poor living below the poverty line. This can be achieved through a safety net, financial and technical support to access livelihood opportunities, building the capacity of institutions to effectively deliver this support, and developing core systems for delivery of safety nets and complementary livelihood services and also promoting linkages with other development intervention.
The Development Objective of the five year program is to support the government of Ethiopia to improve income of targeted poor households and establishing urban safety net mechanism. Based on this PDO, the key results of the program are measured using the following indicators:

- Direct beneficiaries (number), of which female (percentage)
- Beneficiaries reporting that program investments reflected their needs (percentage), of which female (number) and male (number)
- Program beneficiaries under the national poverty line (percentage)
- Beneficiaries reporting increased household consumption as a result of the program (percentage)
- Livelihood services beneficiaries who secured a new job or set up/expanded a business and are still in the new job/operating the business 12 months later (percentage)
- Number of participating Urban Local Governments (ULGs) reporting improved capacity to deliver safety nets and livelihood services as a result of program support

### 2.4 UPSNP Principles

1. **Goal oriented**: all activities and interventions are geared towards the goal of reducing urban food insecurity and vulnerability.

2. **Strategic based**: interventions are aligned with Government’s policies, strategies and programs so as to create synergy and accelerate poverty reduction.

3. **Fair and transparent**: UPSNP planning, targeting, implementation and other processes shall be fair and transparent.

4. **Non-discrimination**: All program beneficiaries are treated equally. The PIM makes sure that there are no practices of treating one person or group of people less fairly or less well than other people or groups.

5. **Timely, predictable and appropriate transfers**: Transfers can be considered predictable if UPSNP clients have timely knowledge of their eligibility for the program, and they know the amount of transfer they will receive well in advance. A transfer is timely if (i) it is provided to clients before or at the time during the year when they need it most; (ii) A timely transfer also it should be done according to a planned transfer schedule. A transfer is appropriate if it meets the needs of households.

6. **Integration with local sustainable development plans**: UPSNP plans are integrated into wider development plans of City and woredas/kebeles administrations.

7. **Gender equity**: The UPSNP is designed to respond to the unique needs, interests and capabilities of men and women to ensure that they benefit equally from the program. This is done by promoting the participation of both men and women in UPSNP decision-making structures and responding to women’s responsibility for both productive and reproductive work and the differential access of female-headed households to resources.
8. Avoiding dependency syndrome: The UPSNP is a productive safety net which protects food consumption and livelihood improvement and addresses some of the underlying causes of food insecurity. Safety nets and livelihoods support are integrated to lead to self-reliance. The productive element comes from infrastructure and improved natural resources base created through UPSNP public works and from the multiplier effects of cash transfers on the local economy.

9. Confidentiality (link it to ethics): All client information stored in electronic or print form remains confidential and not transferred to any third party.

10. Clients’ access to information: notwithstanding the provision in Principle 9 above, UPSNP clients both PW and Direct Support have access to information stored about them and their families at any time they request.

2.5 Scale and Scope

In urban areas, poverty, food insecurity and vulnerability have been accumulating overtime and have never been addressed systematically until the design of UPSNP. Given this situation, the Government is approaching the problem in a phased approach to (i) cope with initial start-up challenges of low capacity, inexperience, weak institutional arrangement; and (ii) document best practices and draw lessons to facilitate faster and informed scale-up in later phases.

Accordingly, in the first phase of five years (2016-2020), it focuses on 11 cities: one each from 9 regional state and the two city administrations. These are, Addis Ababa, Dire Dawa (two city administrations), Adama (Oromia), Dessie (Amhara), Hawassa (SNNPR), Mekelle (Tigray), Harar (Harari), Jigjiga (Somali), Gambella (Gambella), Assosa (Benshangul) and Assaita (Afar). A total of 604,000 beneficiaries (55 percent of the population living below poverty line) are targeted in these cities. Given the large size of Addis Ababa and the relatively high poverty rates it records, about three-quarters of the beneficiaries will be from Addis Ababa.

Graduation is an important outcome of the UPSNP one graduation cycle being three years). As clients graduate, new clients will be added on a needs basis, using the targeting system, as long as there are unmet needs in the urban centers of the country.

The UPSNP will scale up to a national Urban Job Creation and Food Security Programs which is designed to support over 4.7 million urban poor living in 972 cities and towns. The program will scale up systematically so as to ensure that capacity is built before project implementation begins in each area.

2.6 Program Components

The UPSNP has interventions that meet the varied needs of the urban poor and vulnerable. It provides continuous income support to the elderly and disabled living in households with no working-age members, street children, the homeless, and beggars. Additional services to meet the specific needs of street children, the homeless, and beggars (access to shelter, healthcare, counseling, and where possible reunification with their families) are also integral provisions. A
A combination of income support and services to increase employability of those with too little work or in low-quality employment are planned.

The UPSNP has adopted a three-phase integrated model or pathway designed to provide income support and increase employability. In the first phase, clients will receive transfers (conditional on meeting their co-responsibilities) followed by life skills training and guidance on the employment pathways, namely self-employment and wage employment. In the second phase, clients will continue to receive conditional transfers, training and job-matching services to increase employability. In the third phase, clients will have the option to continue to receive a small amount of conditional transfers to supplement income derived from employment secured as a result of program support or through other means. Support will be provided for a maximum of three years but some beneficiaries may choose to graduate earlier. As this is a first project of this nature in urban areas, it is important to acknowledge that the proposed approach (including graduation from the program) particularly the livelihood services interventions will be piloted, evaluated, course-corrected, and expanded as needed. Figure 1 is a schematic representation of this model.

Figure 1: Phases of the Integrated Development Pathway

Source: World Bank staff depiction

Based on this integrated model, the proposed project will have three major components:

(a) Safety Net Support; (b) Livelihood Services; and (c) Institutional Strengthening and Project Management

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3 Adapted from the graduation into sustainable livelihoods approach, Consultative Group to Assist the Poorest-Ford Foundation 2014.
**Component 1: Safety Net Support:** -This component will support the delivery of a predictable, timely, and productive safety net through conditional and unconditional safety net transfers. The program will ensure that various safety net principles such as primacy, adequacy, and predictability of transfer are respected.

**Sub component 1.1: Conditional cash transfers:** -The conditional transfers will target able-bodied persons in households eligible for program support. This group constitutes an estimated 84 percent of total program beneficiaries. Conditional transfers will require participation in PW which can range from small-scale infrastructure to urban greenery development and environmental and other services. PW that increase skills and productivity of beneficiaries will be encouraged.

The program will support the financing and development of sustainable community assets and public services implemented using labor-intensive methods. A menu of PW appropriate for the urban areas and customized to the special environments in each of the participating cities will be provided as guidance to the communities in participating areas. These may include urban greenery development, watershed management activities, solid waste management activities, environmental cleaning activities, and other type of PW activities emanate from the community. Specific guidelines and manuals will be developed by MoUDH, MoLSA and UJCFSA to guide the design and implementation of various PW subprojects.

**Subcomponent 1.2: Unconditional cash transfers:** - Unconditional transfers will target persons who for various reasons are unable to perform work (for example, the chronically ill, the elderly, people with disabilities, and the urban destitute). The urban destitute include the target group who do not have access to a sustainable livelihood and often resort to begging or illicit activities to make a living. The unconditional transfer beneficiaries will reach up to 16 percent of the total program beneficiaries.

**Sub component 1.3: Safety net mechanisms and systems:** - The program will also support the development of common safety net mechanisms and systems. This will include payment systems, targeting, wage rate setting, and market price monitoring.

**Component 2: Livelihood Services:** - This component will support interventions that will facilitate graduation from the program and promote moving out of poverty. The target groups for these interventions are individuals in households receiving conditional transfers who desire more and higher-paid work and a few number of beneficiaries who have a business skill directly involve in livelihood activities. One individual per household can receive this support which will result in a total of 98,000 individuals eligible for this component.

The individual will be selected by the household. Criteria that the individual (male or female) should meet are provided I Chapter 7 of the PIM.

The support will be implemented by the One Stop Center Directorate (OSCD) in the Urban Job Creation and Food Security Agency (UJCFSA) which established One Stop Centers in Woredas/Kebeles. Some of the functions will be performed in collaboration with MoLSA.
**Sub component 2.1: Counseling and life-skills development:** The first phase of livelihoods support will focus on enhancing financial literacy and soft skills that will be useful across a range of livelihood choices; assessing the technical skills of beneficiaries; and providing individuals with information on entrepreneurship and wage opportunities in their location.

**Sub component 2.2: Financial support and training for livelihood development:** In the second phase of livelihoods support, individuals who received guidance in the first phase will choose whether they would like to receive support to increase their income from self-employment (either by starting a business or increasing the profitability of an existing business) or wage employment (either by gaining access to wage employment or moving from low- to higher-wage employment). They will receive financial support to pursue this livelihood pathway upon completion of a plan accepted by the relevant OSCD and MoLSA staff. The plan will be accepted if it is realistic in terms of viability of activities envisaged and reflects the skills the individual has. In addition to financial support, individuals will receive the information, mentoring, and training necessary to develop and implement a plan.

**Component 3: Institutional Strengthening and Program Management:** This component will support the development and strengthening of program systems for targeting, monitoring and evaluation and MIS, payments, and citizens’ engagement (CE). It will also finance capacity building (human resource, training, administrative, and physical capacity) and strengthening program management (coordination, Financial Management (FM), procurement, and safeguards).

**Sub component 3.1: Operational system development:** A number of system development activities will be supported by the program. The main ones will include systems for (a) M&E, (b) FM, (c) human resources management, (d) targeting, and (e) MIS.

**Sub component 3.2: Capacity building:** The UPSNP is being led by an institution which has not been involved in safety nets design and implementation in the past. The program will thus require targeted continuous and fast-tracked capacity development and institutional strengthening as part of implementation. Capacity-building and skills-enhancement activities for the parent and other ministries that will be closely involved, as well as for other institutions at federal, regional, and city levels, are a priority. The capacity-development activities are expected to ensure that the primary managers, implementers, and stakeholders of the UPSNP have the required awareness levels for safety nets in general and urban safety nets in particular and impart them with skills to successfully deliver their roles.

**Sub component 3.3: Citizens’ engagement (CE):** The UPSNP design has created opportunities for citizens’ engagement and this will be pursued during the implementation stage, monitored and evaluated on a regular basis. The objective is to ensure that the program’s clients are receiving their entitlement promptly, in full, and with dignity and that citizens’ participation in planning and providing feedback on program activities are facilitated to allow informed feedback and development of appropriate solutions. This initiative under the program will be
closely coordinated with other Bank-financed operations with CE interventions. The basic elements of this initiative are explained in Chapter 12 of the PIM.

2.7 Safeguards

The UPSNP has put in place a variety of safeguards that ensure that the program does not have any negative environmental or social impacts. As part of this brief introduction to the program, these safeguards are summarized below by key program elements. Appendix 2 provides more details on safeguards.

Table 2.1: Key elements of safeguards

<table>
<thead>
<tr>
<th>Key Program Elements</th>
<th>Safeguards</th>
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</table>
| General              | • Charter of rights and responsibilities  
                     | • Grievance Redress Mechanism  
                     | • Social Accountability (SA) and Financial Transparency and Accountability (FTA) |
| Targeting, program entry and exit | • Public posting of client lists  
                     | • Public Dissemination of information  
                     | • Appeals through Grievance Redress Mechanism |
| Payments             | • Client cards and PASS  
                     | • Grievance Redress Mechanism |
| Public works         | • ESMF  
                     | • Community review of UPSNP Public Works plans presented at kebele level, after city JCFSTF approval. |
| Livelihoods          | • ESMF  
                     | • Grievance Redress |
| Resource Management  | • Audits (Financial audit, procurement audit, performance assessment, etc.) |
Very specific to environment and social safeguards, the program Safeguard Category is assigned to Category B (see Box 1) and has triggered three out of the ten safeguard polices which are Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11) and Involuntary Resettlement (OP/BP 4.12).

The Environmental Assessment policy has been triggered to enable reviewers identify potential adverse environmental impact of public works or targeted infrastructure sub-projects, assess the impacts, design and implement measures and plans to avoid, minimize, mitigate or compensate for adverse impacts including development of associated management and monitoring measures. The Involuntary Resettlement policy has been triggered because of the potential that public works or targeted infrastructure sub projects may require land displacing or restricting access by current users.

Activities to be financed by the UPSNP, which have environmental concerns, include urban greenery development, solid waste or garbage collection services, construction of cobblestone roads, building of drainages and community infrastructure, and construction of shelters and sheds for income-generating MSE activities.

The overall environmental impact of the program is positive, especially given that some of the subprojects may play a pivotal role in establishing greenery areas and cleaning the urban environment. However, some limited environmental risks may arise as a result of some of the infrastructure subprojects such as greenery development, solid waste management, urban watershed management projects and market sheds.

Finally, the UPSNP provides an opportunity to improve implementation and continued monitoring through systems improvement. The program also offers the possibility of improved skills and capacity along with increased coordination among various ministries, agencies and donor partners on environmental and social aspects. Grievance redress and dispute resolution mechanisms and consultation mechanisms will also be in place along with more targeted awareness programs about environmental health issues related to social safety net, livelihoods and public works program. Improved systems for Information Disclosure and Stakeholder Consultation will be established.

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**Box 1: Environmental sensitivity of subprojects**

**Category A:** the proposed subproject is likely to have **significant adverse environmental impacts** that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works. Category-A LIPW subprojects will not be eligible for financing under the project.

**Category B:** the proposed subproject’s potential adverse environmental impacts on human population or environmentally important areas—including wetlands, forests, grasslands and other natural habitats are **less adverse** than those of Category A projects. These impacts are site specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A Projects.
Accountability and transparency of institutions would be essential to ensure that the program support is (including an incentive program) used in a productive manner to reach all the beneficiary groups who are targeted by the program. This will include a strengthened grievance redress mechanism which will be integrated into program design. The training and capacity building in community involvement and participatory decision making will be undertaken and dissemination, awareness raising activities and advocacy workshops for environmental and social due diligence measures will be built into the UPSNP.
PART 2: PLANNING AND PREPARATORY ACTIVITIES

CHAPTER 3: TARGETING - PROGRAM ENTRY AND EXIT

This part of the manual describes the processes for identifying households eligible for the various components of the UPSNP. It describes how they should be identified for entry into the program (targeting) and the criteria by which they should exit from the program (graduation). Materials in this chapter should be sufficient to kick start the program. A separate targeting manual will be developed providing more detailed guidance following documentation of some practices.

3.1 Program Entry Principles

The overall program principles introduced in Section 2.4 also apply to program entry or targeting. There are a few that are specific to targeting.

- **Participatory approach:** The community participates in the identification & planning and has an opportunity to verify and validate the final selection list.
- **Coordination and collaboration:** Coordination and collaboration play a significant role.
- **Based on appropriate documentation:** All activities in beneficiary selection should be supported by appropriate documentation.
- **Access to an appeals mechanism:** Households will have access to an effective appeal mechanism to address inclusion or exclusion errors.

3.2 Sub-programs

For the purpose of targeting, there are two sub-programs from which individual households receive benefits and therefore resources need to be targeted. In both sub-programs beneficiaries will be selected based on assessed poverty status. The expected characteristics of sub-program households are presented as follows.

**Sub-program 1: Safety net support:** This sub-program has two major categories:

- Labor intensive public works (conditional transfers)
- Unconditional transfers (permanent and temporary direct support and psychosocial support)

1. LABOR INTENSIVE PUBLIC WORK BENEFICIARIES

These are characterized as families:

- **(i) low-wage employment:** Individuals in this group are from households where all adults are unemployed, have wage jobs and are fully employed but they do not earn enough to cover the basic needs of their household.
(ii) **who need more work to make ends meet:** Individuals in this group are poor because there are people in the household who are unemployed or underemployed (do not have enough work to occupy them full time).

(ii) **marginal self-employment:** Individuals in this group are from households where all adults work, but they are engaged in self-employment activities that do not make much money to meet their basic needs.

A combination of all these factors means that **families do not earn any income or earn enough to meet their food needs.**

<table>
<thead>
<tr>
<th>Selectin criteria into Sub-program 1 (Labour intensive public works)</th>
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<tbody>
<tr>
<td>Therefore, the eligibility criteria for selection into <strong>labour intensive public works</strong> are:</td>
</tr>
<tr>
<td>i) The Targeting Committee has established beyond reasonable doubt that the household is poor and vulnerable and not able to meet its food needs</td>
</tr>
<tr>
<td>ii) Have been residing in the program area (city/sub-city/woreda/kebele) for at least six months</td>
</tr>
<tr>
<td>iii) Have able bodied persons (health and of working age as per the national definition)</td>
</tr>
<tr>
<td>iv) up to four members of each eligible urban household</td>
</tr>
</tbody>
</table>

*Households who meet these criteria will work and be entitled to 12 months payments.*

## 2 UNCONDITIONAL TRANSFER BENEFICIARIES

### i) Permanent Unconditional transfer beneficiaries

These are characterized as households that have no healthy and working age individuals able to participate in public works. All household members are:

a. too young/child headed and with no support
b. chronically ill and with limited (support that does not meet food needs) or no support
c. people with disability and with limited support (support that does not meet food needs) or no support.
d. elderly people equal to or greater than the national retirement age and with limited support (support that does not meet food needs) or no support.
By definition all these features point to the fact the household is *labor constrained and cannot participate in public works*. 

### Selection criteria into Sub-program 1 (Permanent Unconditional transfer beneficiaries)

Therefore, the eligibility criteria for selection into **permanent unconditional transfer are:**

1. The Targeting Committee has established beyond reasonable doubt that the household is poor and vulnerable and not able to meet its food needs
2. Have been residing in the program area (city/sub-city/woreda/kebele) for at least six months
3. Does not have able bodied persons (healthy and of working age as per the national definition)
4. All household members meeting the above criteria are enrolled for transfers

*Households or individual who meet these criteria are not required to work and are entitled to 12 months payments.*

### ii) Temporary Unconditional transfer beneficiaries

These are characterized as households that have lost the ability to participate in public works on a temporary basis and exempt from public works for one or more of the following reasons:

- a. Pregnant – the UPSNP has provisions for access to social services such as health. Therefore, target households may be required to present evidence of pregnancy by way of encouraging seeking behavior for pre-natal care;
  - b. lactating women with a child less than one year old who are temporally exempt from public work; and
  - c. Due to accident and ill unable to work.

### Selection criteria into Sub-program 1 (Temporary Unconditional transfer beneficiaries)

Therefore, the eligibility criteria for selection into **temporary unconditional transfer are:**

1. The Targeting Committee has established beyond reasonable doubt that the household is poor and vulnerable and not able to meet its food needs
2. Has been residing in the program area (city/sub-city/woreda/kebele) for at least six months
3. Has evidence of the reasons for exemption from public works.
4. Does not have able bodied persons (healthy and of working age as per the national definition)

*Households or individuals who meet these criteria are not required to work and are entitled to payment for the number of months they are exempt from PW.*
iii) Psycho-Social Support targeting criteria

Psychosocial support addresses the psychological impact of stressful events experienced in emergencies and other personal shocks such as death in the family. It facilitates the reconstruction of local social structures or norms that may have been weakened by the shock. Iddirs have been providing such support to those suffering from loss of loved ones for centuries. This role has recently been extended to supporting orphans and PLWH and has the potential to be extended to supporting other target groups such as elders who leave alone.

In the context of UPSNP, psychosocial support addresses the psychological impact of stressful events experienced in homelessness, living on the streets, and begging. Street dwellers (street children, the homeless and beggars) in particular need this support in order to transition from the current state to becoming employable or engage in livelihood options. Alternatively, they may choose to re-integrate into communities in their home town.

Box 2: Challenges of identifying special target groups

Identifying these special target groups can be challenging because of lack of fixed address. A system of registration may need to be developed by local administration/Ketana Care Coalition with the help of non-government organizations that have experience in working with this target groups. This special group lies between the public works/livelihoods group and permanent/temporary direct support. Having received the psychosocial support, this target groups may move to public works/livelihoods or permanent/temporary direct support as illustrated below.

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4 See for example, Binega (2014)
The characteristics of the target group for livelihood services are as follows:

- Individuals in poor households receiving conditional transfers who desire increased access to quality work
- Households with an unemployed or underemployed member, who is able to increase the hours spent in employment, would be encouraged to select this member.
- Households in which members are engaged in marginal self-employment may opt for this member to receive support to increase the productivity of their self-employment.
- Households with a member in low-wage employment may choose this member to receive support to transition to a new wage opportunity.

3.3 Targeting Process and Steps

Program beneficiaries are identified through a combination of geographic targeting, community-based targeting, proxy means tests and self-selection. The UPSNP is inherently a geographically targeted program in that it operates only in selected cities/towns in Ethiopia. The cities included in the program are cities with the highest rates of poverty. Although the program will scale to cover all areas of the city, in the first year it will target beneficiaries in the poorer parts of the city based on poverty maps and expand to other parts of the city in the second and third year.

City poverty maps have produced three levels of poverty – low (less than 20%), moderate (between 20% and 40%) and high (above 40%). In the first year of implementation, the program will start in a selection of the poorest woredas (those with high and moderate poverty rates) with the remaining high and moderate poverty woredas being included in the second year. In the final year, low poverty woredas will also be included.

The specific steps for area/beneficiary targeting are as follows:

**Step 1:** Community/Ketena Targeting Committee or Community/Ketena Care Coalitions are established (or strengthened where they exist) in each community composed of 7, 9 or 11 members for ease of decision making of which 3-4 members will be women. The distribution is as follows:

- i) two community elders (one woman and one man)
- ii) one NGO representative with experience in supporting vulnerable groups in urban areas
- iii) one representative of community based institutions (e.g., Idir/Clan Leader)
- iv) two representatives of professions (e.g., teachers, health)
(v) 2-3 representatives of associations (e.g. disability association, elder association, women and youth) depending on availability and
vi) one social worker

Kebele/woreda personnel and social workers (see Step 3 below) are tasked with providing and sensitizing eligibility/targeting criteria to ensure a common understanding.

**Step 2:** The poorest woredas/kebeles are selected for the first year of implementation using 2011 within-city poverty maps. The current population of each woreda/kebele and the 2011 poverty rate is used to determine the number of target beneficiaries in each woreda/kebele.

**Step 3:** Ketena Targeting Committees rank and select beneficiaries. The list is made public.

**Step 4:** Kebele/woreda personnel and social workers oversee the community targeting process in the kebele/woreda. This involves (i) assigning the indicative number of beneficiaries across the ketenas in the respective kebele/woreda; (ii) sensitizing and awareness campaigns about the program in general and eligibility/targeting criteria in particular; and (iii) updating list of registered households and members are updated to take into account any recent changes.

**Step 5:** Lists of registered households and members are updated to take into account any recent changes, and an additional list of unregistered members or households is developed containing those that have been residing in the woreda/kebele for at least six months.

**Step 6:** UPSNP PCU at sub-City level provide technical support to woreda/kebele/ketena targeting committees.

**Step 7:** The woreda office provides information to an independent data collection agency contracted by the program who works with UPSNP staff to sample households. Based on data collected, a PMT poverty score is calculated for sampled households, confirming or querying their assignment to be a beneficiary. All non-sampled households on the beneficiary list remain eligible for the program.

**Step 8:** Households for whom the assignment to beneficiary or non-beneficiary is queried are discussed by woreda officials, program staff, and the Ketena Targeting Committee and a final decision is made. The final list of proposed beneficiaries is made public.

**Step 9:** For all eligible households, categorical targeting will be used to determine who is eligible for conditional and unconditional transfers. Those who are eligible for the conditional transfers decide whether they want to participate in PW, given the wages paid in return for PW, and they register. They will also decide how many days will be worked by each beneficiary.

*When do PW candidates opt out of PW? If market wages are higher than PW wages, they may opt for finding job on the labor market. As a matter of fact, they are encouraged to do so. Only those unable to secure jobs on the labor market because of their vulnerability status will opt for PW.*
Step 10: Those eligible for permanent unconditional transfers who would like to receive these transfers register and provide verification of age (above 65 years only) or of their disability or chronic illness that prevents them from being able to perform a co-responsibility for the transfer.

Step 11: Households eligible for temporary unconditional transfers are identified by the social worker and presented to Ketena Targeting Committee for consideration. If they are interested to receive the payment, provide verification of pregnancy or other temporary factors that prevent them from participation in PW specify the period of exemption.

Step 12: This list will not include street dwellers that will be targeted separately by skilled professionals that are experienced in tracking and identifying these individuals.

Step 13: A Woreda Appeals Committee allows targeting decisions to be appealed (see Section 3.4 below). Figure 1 is a flow chart summarizing program entry into five stages: (i) geographic targeting, (ii) community targeting of program beneficiaries, (iii) developing PMT, (iv) category targeting and (v) registration and issuing ID cards.

Figure 2: Summary flow chart for Program Entry

Figure 1 is a flow chart summarizing program entry into five stages: (i) geographic targeting, (ii) community targeting of program beneficiaries, (iii) developing PMT, (iv) category targeting and (v) registration and issuing ID cards.

Figure 2: Summary flow chart for Program Entry

- Used to identify the poorest city and Ketena/Kebele based on poverty maps
- Beneficiary’s selection by Ketena Targeting Committees with in Ketena/Kebele
- Data should be gathered through proxy means test so as to get reliable information about the living conditions and livelihoods of their members
- Helps to determine the beneficiaries are eligible for different program elements (conditional and unconditional transfer)
- It is the registration and documentation process. All UPSNP clients will be issued with a Client Card (ID)

The beneficiaries or members of the community have the right to provide feedback or make a complaint about selection of eligible program participants. In order to manage and resolve grievances about beneficiaries’ selection or any other implementation procedures, woreda/kebele
appeals committees are established in UPSNP woredas/kebeles. The woreda/kebele Council is responsible for overseeing the establishment of appeals committees. The number of committee member should be 7, 9 or 11 for the purpose of decision making of which 3-4 members will be women.

The committee shall consist of

- 1 elected Woreda/Kebele Council member
- 1-2 members of the community care coalition/ community targeting committee
- 1 health extension worker or volunteer community health worker
- 1 Social worker from city level Labor and Social Affair office.
- 1 representative of women association
- 2 elder representatives (1 female)
- Other concerned bodies (e.g. one representative from One Stop Centre)

There should be no overlap between targeting and appeal committees. That is, an individual who is a member of targeting committee cannot be a member of the appeal committee.

If beneficiaries or members of the community are concerned about selection of the eligible participants, they should approach the woreda/Kebele appeals committees in the first instance. In most cases the woreda/kebele appeals committees is responsible to resolve complains and alleviate the beneficiaries concerns. Complaints are discussed monthly by appeal committee so as to resolve complain. Following each meeting, the woreda/Kebele appeals committee submits a complete listing of grievance cases, grievance solutions and unresolved grievances to the woreda/Kebele Council. The Council should verify the solutions discuss any unresolved complaints with the woreda/Kebele appeals committees.

At each level of administration, an appeals committee should be established which follows the hierarchs from the woreda/kebele to the sub-city or city level. If the complainant is not satisfied with the response given at a given level then the complaint can be lodged to the next level.

### 3.5 Access to Special ID for Target Groups

Once the targeting process has been completed, the participant list is approved by the Technical Coordination Committee (TCC) and submitted for final approval to the National Steering Committee. All UPSNP clients are issued with a Client ID Card within 10 working days of being targeted. The ID has a barcode to identify beneficiaries. For PW participants, the card also shows how many days each household must work and the amount of payment they will receive. Similarly, the IDs issued to direct support beneficiaries show the amount and period of payment. The ID has the following additional characteristics:

- be unique to each beneficiary and contain personal details, including (i) name that appears on Kebele ID or any other official document carried by the beneficiary; (ii) address, (iii) sex , (iv) date of birth, (v) photograph; (vi) the card holder’s signature, or fingerprint.
• IDs need strong management information systems to operate efficiently and transparently.
• Appropriate control measures should be put in place to reduce error, fraud, and corruption among ID issuers and cardholders.
• Legislation must be developed to enable inter- and intra-agency data exchange and privacy control.
• Appropriate communication strategies should be developed to bridge the gap between administrative and user understanding of IDs.

3.7 Program Exit/Graduation

3.7.1 Principles of graduation

It is the basic principle of the program that beneficiaries should not develop dependency on transfers. One way to operationalise this principle is to encourage and facilitate the process of graduation. Graduation involves a re-targeting exercise using the community-based target mechanism and means testing as a verification that households have sufficient assets to exit from the program.

Experience from the rural PSNP suggests that graduation is a very complex that needs careful handling. A graduation guidance note was developed based on a detailed assessment. Similarly, the Government will prepare a separate UPSNP graduation guideline based on an assessment of the program over the coming year. As a design, each beneficiary will have to stay in the program for at least 3 years anyway.

In this phase of the program, the graduation process and thinking is guided by following principles.

1. **Evidence Based:** The identification of a household for graduation must be based on that household meeting the criteria for graduation (rather than based on targets).
2. **Transparency:** the system must be transparent to external actors (federal/regional government and donors) and to UPSNP clients.
3. **Accountable:** the system must be accountable to UPSNP clients.
4. **Simple, responsive and relevant:** the criteria used to identify clients for graduation should be easy to use, livelihood specific and revised periodically to remain relevant.
5. **Flexible:** the system should be implemented in a flexible manner (similar to targeting).
6. **Balance incentives:** the system needs to be responsive to both positive and negative incentives.
7. **Community awareness and involvement:** communities are best placed for operation.

3.7.2 Process of Graduation

Figure 1 presented earlier gives the necessary support needed for program exit or graduation.
**Self-Graduation** - Self-graduation occurs when a beneficiary voluntarily withdraws from the program. This may occur if beneficiary determine that their time and labor are better used engaging in non-program income generation activities than in public works activities. However, self-graduation must occur on a completely voluntary basis and not due to urging on any level from program officials.

**Predicting the Likely Graduation Rate** - A Graduation Prediction System should be designed to support the assessment of likely graduation rates to predict the likely graduation rate. Encouraging savings will be designed to facilitate the graduation mechanism to self-employment in the livelihood activities. The program provides more intensive income support to beneficiaries by providing access to more days of public works during the first year and then gradually letting them have more time for livelihood support. Analysis suggests that, on average, 2,000 Birr from the first year’s transfers can be saved after all consumption needs have been met, if the full entitlement of days is worked within a family. Therefore, the beneficiaries expected to graduate from the program within three years. In order to graduate from the public work the beneficiaries are expected to take all skill development trainings that will enable them to gain different skills and submission of feasible business plan in climbing the graduation ladder to more regular employment and sustained livelihoods. Moreover, clients should save not less than 20% of their earnings.

**3.8 Baseline assessment**

The targeting process identifies the poorest of the poor that take into account only the most vulnerable segments of the population. In order to measure the impact of the program on these target groups, baseline information will be gathered on wealth and food security status of the beneficiaries. Such an assessment minimizes the risk of exclusion and inclusion error. In addition, it helps to give priority to the most vulnerable segments of the population.

Assessment check list should include at list the following key point

- Household size
- Bio-physical description of the beneficiaries’ prior to the program/disabled/chronically ill/
- Household number of the beneficiaries’ prior to the program
- Household condition of the beneficiaries’ prior to the program: male/female/child-headed households
- Socio-economic features of the beneficiaries’ prior to the program
- Formal and informal access to financial services of the beneficiaries’ prior to the program
- Household owns the home
- Available basic services prior to the program
- Presence of physical/cultural resources prior to the program
- Livelihood and economic activities and opportunities available prior to the program
Based on baseline information that gathered through assessment the TCC should rank beneficiaries’ wealth and food security status and prioritize the neediest households.

In order to create effective management and coordination among the implementers and stakeholders there should be MoU agreement between them based on rule and responsibility. The signatories therefore, will use the monitoring and evaluation plan of direct support component.

3.9 Roles and responsibilities for Program Entry and Exit (graduation)

Chapter 18 of the PIM provides a comprehensive roles and responsibilities and coordination mechanisms for the entire program implementation. This section is limited to roles and responsibilities of institutions dealing with program entry and exit.
# Table 2: Roles and responsibilities for program entry and exit

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Program entry</th>
<th>Program Exit</th>
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</table>
| **1. Ministry of Urban Development and Housing/City Bureau of Urban Development and Housing** | • Responsible for overall management and coordination of the urban job creation and food security program entry process  
• Provide technical support for planning and implementation of program entry | • Responsible for overall management and coordination of the urban job creation and food security program exit process  
• Review and approve through the steering committee the beneficiaries proposed to exit the program |
| **2. Federal Urban Job Creation and Food Security Agency** | • Provides directions for program entry  
• Prepare & update implementation manual of targeting  
• Identify and Support targeting mechanisms  
• Prepare implementation manuals  
• Arrange awareness creation and training programs for the community  
• Take the lead in developing and piloting the poverty index to support targeting in discussion with MoLSA  
• Identify cities for the programs with the help of regions  
• Review the number of clients for each existing or new cities on the basis urban poverty rate  
• Support the development the National Household Registry in consultation with MoLSA  
• Support the review of the number of clients for each existing or new cities on the basis of the poverty rate | • Provides directions for program exit  
• Prepare & update program exist/graduation manual  
• Arrange awareness creation and training programs for the community and local level implementers on program exit process  
• Take the lead in developing and piloting the poverty index to support targeting in discussion with MoLSA  
• Review the number of clients for each existing or new cities on the basis urban poverty rate  
• Support cities to conduct re-targeting process to determine beneficiaries that are ready to exit the program. |
<p>| <strong>3. Ministry of Labor and Social Affairs/Bureau of Labor and Social Affairs</strong> | • Collect and analyze data on people living under difficult circumstances like elders, disables, street dwellers, and people with mental disorder | • Provide input in the development of program exit strategies support city level implementers in managing the program exit process |</p>
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<th>Institutions</th>
<th>Program entry</th>
<th>Program Exit</th>
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|             | • Support the development and piloting the poverty index to support targeting  
|             | • Develop the Unified Single Registry with UPSNP and eventually assume full responsibility  
|             | • Serve as a member of steering committee and technical committee at Federal and City/Town levels |  
|             | • Provide technical assistance to ensure targeting is applicable on women, children and youth,  
|             | • Ensure gender issues are adequately addressed, monitored, and adjusted accordingly | • Provide technical assistance to ensure program exit process is gender sensitive and is applicable on women, children and youth,  
|             | • Engage in the targeting process to ensure poor and vulnerable youth issues are adequately addressed, monitored, and adjusted accordingly | • Ensure gender issues are adequately addressed, monitored, and adjusted accordingly during exit/graduation process  
|             | • Conducting targeting process and strengthens coordination between different actors.  
|             | • Provides technical support and capacity building for Ketena/Kebele targeting committee  
|             | • Assists planning and reporting procedure of targeting,  
|             | • Chair targeting committee and technical committee  
|             | • Collect and organize beneficiaries’ information  
|             | • Conduct recertification of program clients  
|             | • Distribute client cards to each beneficiaries  
|             | • Complete client targeting | • Provides overall strategic directions for graduation.  
|             | • Plans and budgets as well as monitors the graduation process  
|             | • Planning Preparing incentives mechanisms for the best performers  
|             | • Provide strategic documents and supportive packages for graduation.  
|             | • Conduct continual attitudinal change training for the community about graduation  
|             | • Build strong linkages with stakeholders for effective graduation process  
|             | • Provide mentoring support for all public work pathways and graduation  
<p>|             | • Collect and analyze data about the beneficiaries |</p>
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<th>Institutions</th>
<th>Program entry</th>
<th>Program Exit</th>
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</table>
| 7. City Job Creation and Food Security Technical Committee                  | - Select any new kebeles/ketena for inclusion in the program following geographical targeting or expansion in client numbers  
- Review how any additional client numbers should be allocated across kebeles/ ketena.  
- Approve the overall client list for the cities | - Identify and organize eligible beneficiaries for public work  
- Identify beneficiaries who are ready to graduate based on the recertification process |
| 8. City Labor and Social Affairs Office                                     | - Contribute to targeting processes as a member of the city level technical committee  
- Identify and organize those individuals affected by social problems and problems for training and support | - Provides technical support and capacity building in the graduation process for Ketena/Kebele targeting committee  
- Review and approve beneficiaries identified for program exit. |
| 9. City Job Creation and Food Security Task Force                           | - Discuss and agree allocation of client numbers between different communities  
- Identify and verify eligible beneficiaries for the program  
- Review and approve the client list.  
- Mobilize resource to assist the most vulnerable group  
- Prepare plan and report about targeting  
- Create awareness about the targeting process to the community  
- Support distribution of client cards | - Review and approve beneficiaries identified for program exit. |
| 10. Financial Institutions                                                   |                                                                                                                                                                                                              | - Provide continued and sustained financial literacy training for those who exist from programme so they do not fall back.  
- Facilitate continued and sustained credit services for clients that need money to expand their business,  
- Ensuring adequate savings are available for |
<table>
<thead>
<tr>
<th>Institutions</th>
<th>Program entry</th>
<th>Program Exit</th>
</tr>
</thead>
</table>
| 11. Ketena Targeting Committee/ Community Care Coalition: | - Identify initial list of potential beneficiaries based on community targeting process.  
- Participate in the validation of final list of beneficiaries based on PMT outcome. | - Identify and verify eligible clients for the graduation  
- Prepare plan and report about graduation  
- Create awareness about the process and value of graduation |
CHAPTER 4: PLANNING CONDITIONAL TRANSFERS

This chapter deals with the delivery of a predictable and timely transfers to program clients participating in public works who account for 84 percent of the total UPSNP target clients. It also explains how wage rate is set, the process for agreeing the types of public works, how to develop a payment mechanism and transfer schedule.

4.1 Transfer Entitlements and Schedule

**Transfer Schedule:** Seasonality in the availability of work is modest and poor urban households face shortfalls in meeting their basic needs throughout the year. In order to distribute additional income throughout the year and to ensure that UPSNP clients are not replacing existing economic activities with engagement in their co-responsibilities, transfers are made evenly throughout the year on monthly basis after completing public works. Wages are paid to client bank accounts opened in the nearest Commercial Bank of Ethiopia (CBE) within 15 days after the end of each month.

In the case of the conditional transfers linked to co-responsibilities, each eligible urban household will be in the program for three years and is entitled to transfers for over 12 months by providing labor for public works per average family of four members for up to:

- 240 days in the first year
- 160 days in the second year
- 80 days in the third year.

This model builds on the Government’s interest to provide higher and reliable income support in the first year by providing access to more days of public works and then gradually allowing targeted households more time for livelihood support interventions. Consistent with budgetary estimates for the labor vs. capital components of the public works, the labor intensity is expected to be not less than 70 percent on average so as to maximize payments to the target households.

Participation in the public works is designed to ensure it does not result in unnecessarily high levels of opportunity costs (foregone income opportunities from other sources). Specifically, the following measures are taken:

- individuals will *self-select* the number of days they spend on public works up to a cap that is 60 days per household member (60x4=240 days) in the first year and dropping in the second and third year to 40 (40x4=160 days) and 20 (20x4=80 days) respectively, for up to 4 person per household.
- the daily conditional payment rate will be *set lower than the average wage rate* received for unskilled work in the program area. This encourages targeted households to pursue other work first and take public works option as the last resort,
• the livelihoods grant provided through the livelihoods component will match any amount saved from labour intensive PW payments encouraging individuals to use labour intensive PW to increase, not replace, income.

4.3 Cash – UPSNP only mode of payment

The mode of payment is cash. However, this does not mean that the transfer itself will necessarily be made in physical banknotes and coins. Each client opens a bank account in a nearby CBE branch (or maintains the existing account) to which payments are made. Based on an analysis of the banking situation in Ethiopia, the program will suggest the best suited payment service provider(s) that offer the best combination of access points for its client (branches, ATMs, agents) and payment products such as transaction accounts and additional payment instruments (e.g. debit cards) which is most cost efficient for the program. The program will leverage the tailored financial education modules for the target populations of social protection programs in Ethiopia, currently under preparation by the DFID Harnessing Innovation for Financial Inclusion (HiFi) program. The HiFi program is currently identifying a firm to conduct analysis of and make recommendations for financial education delivery mechanism and content, develop localized, contextualized financial education content (addressing among other electronic payments) for the target populations, develop an implementation plan for a full-scale rollout among implementation partners, conduct pilot test with target populations, and develop training-of-trainer materials, identify trainers and conduct a series of workshops. The program will include the sensitization and training activities into the program rollout activities to ensure all beneficiaries feel comfortable with the electronic payment mechanism.

The UPSNP is a pioneer in establishing a formal partnership with a commercial bank which can pave the way for a future partnership with the wider social protection system and lessons learned will be documented so it feeds back to the system. Box 3 is a brief profile of the CBE.

4.4 Setting of Wage Rate

In the case of conditional cash payments, the daily rate is determined taking into account the market wage rate for similar or comparable unskilled labor, the availability of individuals to undertake their co-responsibilities, and market prices of basic food commodities. Accordingly, a daily payment rate of Birr 60 (sixty birr) per day (equivalent to US$2.91) is proposed for the first year of the program. This will be reviewed on an annual basis and adjustments made (up or down) as necessary depending on food price situation of each city/town.

Central Statistics Agency report on urban employment and underemployment for 2014 indicated that the 2015 market wage rate for those with primary and some secondary education converges at around Birr 50 per day (excluding construction wages). The program chose a higher wage of

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5 At the exchange rate of Birr 20.90 = US$ 1.00 (Oct. 2015)
Birr 60 to take into account expected inflation between 2015 and the program start date of 2016. Accordingly, the following example illustrates how much a typical PW household could take home:

**Example:** Taking the 60 days per household member (60x4=240 days) as an illustration, a typical PW household with 4 family members working could take home Birr 14,400 (240 days x Birr 60) per year.

### Box 3: CBE: financial partner to UPSNP

Commercial Bank of Ethiopia is the largest bank in Ethiopia with over 1120 branches spread across the country. The 2016 nine month performance review showed that the total deposit mobilized by the Bank has reached birr 272 billion. In addition, close to 64.9 billion birr loan disbursement was made. From the overall operation, it was possible to attain a gross profit of birr 10.9 billion. In the non-financial category, the Commercial Bank of Ethiopia accomplished several tasks that add considerably to the overall performance. Accordingly, different technical, developmental and ethical training were given to many employees. In an endeavor to strengthen the Bank’s workforce, more than 2,900 employees were recruited during the nine months. That makes the total number of employees 25,478.

In the Bank’s endeavor to contribute to the enhancement of the country’s payment system, the total number of CBE Reliable Cards distributed to customers reached 2.7 million. The total number of ATM and POS terminals deployed at various locations reached 740 and 4,458 respectively.

Additional facts about CBE:

- Various kinds of cards customized to meet customers’ demands.
- Number of E-Card holders reached 1,584,515 (as at June 30, 2015).
- Number of Mobile Banking subscribers reached 579,461 (as at June 30, 2015).
- More than 88 percent of the Bank’s branches went on line through T-24 Core Banking Solutions (as at June 30, 2015).

Source: [http://www.combanketh.et/](http://www.combanketh.et/) (accessed on 21/06/16)

### 4.5 Key Roles and Responsibilities for the conditional transfer clients planning

**Chapter 18** of the PIM provides a comprehensive roles and responsibilities and coordination mechanisms for the entire program implementation. This section is limited to roles and responsibilities of institutions dealing with conditional transfer clients.

**City Level Health Office**

- Plan to provide essential health and nutrition services,
- Plan provide data on DS beneficiaries
- Plan to assist in linking social workers to DS households.
- Serve as a member of DSTC

**Ketena Targeting Committee/ Community Care Coalition**

- Plan to identify and verify eligible beneficiaries for the program.
• Plan to provide assistance for Social Workers, and HEWs to link beneficiary to basic services
• Plan to mobilize resources to assist the most vulnerable group
• Plan to create awareness about the program among the community

**Social Worker**
• Plan to coordinate, facilitating and follow up daily activity of the program
• Plan to manage case and linking role.
• Plan to collect and organize permanent and temporary direct support beneficiaries data
• Plan to build the capacity of CCC, Ketena and DSTC
• Plan to provide psychosocial support to DS beneficiaries
• Plan to assist targeting committee

**Commercial Bank of Ethiopia**
• Establish a focal unit for UPSNP
• Work with Finance and Economic development officer at all levels
• Assist UPSNP clients open/maintain accounts
• Effect payment upon receipt of instruction/payroll from the relevant finance office
CHAPTER 5: PLANNING UNCONDITIONAL TRANSFERS

5.1 Introduction

Unconditional transfers target persons that for various reasons are unable to work (e.g. the chronically ill, the elderly and people with disabilities, urban destitute). The unconditional transfer clients are about 16 percent of the total program beneficiaries.

The planning process for Unconditional Transfer Clients (UTC) starts from the grass root level in which the community participates and identifies the demand and prioritized basic social services for the needy. In the planning process, the City Direct Support Technical Committee involves the community and the basic social service providers in the program area. Having, identified and prioritized lists of direct support clients, the committee identifies activities to be implemented to link direct support clients to social services. The budget, the human resource requirement and costs, the transfer and the process to link the basic services have to be clearly defined. In the preparation of the financial plan OFED play the prime role. The city administrators approve the unconditional transfer clients plan and submit to BoLSA. The City/Town permanent direct support plan includes the human resource, capacity development and finance requirements for unconditional transfer clients. The BoLSA in the program cities submits the regional social safety net plan to MoLSA.

5.2 Key Roles and Responsibilities for the support to UTC planning

Chapter 18 of the PIM provides a comprehensive roles and responsibilities and coordination mechanisms for the entire program implementation. This section is limited to roles and responsibilities of institutions dealing with unconditional transfer clients.

Ministry of Labor and Social Affairs

- Has an oversight of the planning process including support to DS Technical Committee (DSTC)
- Facilitates/strengthens coordination between different actors
- Provides technical support and capacity building for program cities/town on planning for UTC
- Collects and organizes plans from cities/towns in the nine regional states and two city administrations
- Prepare national plan on UTC and presents to the national council

City/sub-city Labor and Social Affairs Office

- Plan the implementation progress of the direct support component
- Plan to integrating social protection system and linkage with social protection policy and strategy.
- Plan for targeting process and strengthens coordination between different actors.
- Assist Direct Support Technical Committee to plan
- Provides technical support and capacity building for Ketena/Kebele targeting committee.
- Assist City/woreda level steering committee to plan
- Plan to evaluate performance of the program
- Plan to create link with the basic social services and help the beneficiaries to access.
- The City/woreda DSTCC reports to the City/woreda administrative council and City/woreda Direct Support Technical Committee.
- Compile and consolidation of beneficiaries planning

**Direct Support Technical Coordination Committee**
- Plan to closely follow up the implementation progress of the direct support component
- Plan to strengthen coordination between different actors.

**City/sub-city Health Office**
- Plan to provide essential health and nutrition services,
- Plan provide data on DS beneficiaries
- Plan to assist in linking social workers to DS households.
- Serve as a member of DSTC

**Ketena Targeting Committee/ Community Care Coalition**
- Plan to identify and verify eligible beneficiaries for the program..
- Plan to provides assistance for Social Workers, and HEWs to link beneficiary to basic services
- Plan to mobilize resource to assist the most vulnerable group
- Plan to create awareness about the program among the community

**Social Worker**
- Plan to coordinate, facilitating and follow up daily activity of the program
- Plan to manage case and linking role.
- Plan to collect and organize permanent and temporary direct support beneficiaries data
- Plan to build the capacity of CCC, Ketena and DSTC
- Plan to provides psychosocial support to DS beneficiaries
- Plan to assist targeting committee

**Commercial Bank of Ethiopia**
- Establish a focal unit for UPSNP
- Work with Finance and Economic development officer at all levels
- Assist UPSNP clients open/maintain accounts
- Effect payment upon receipt of instruction/payroll from the relevant finance office
CHAPTER 6: PLANNING FOR PUBLIC WORKS

6.1 Introduction

Public works are labour intensive. In order to maximize labour utilization, the proportion of capital (labour replacing machinery) is kept to the minimum. As a matter of fact, PW that increase skills and productivity of clients are encouraged. As the program develops, transfers may also be conditional on enrolment in tailored training programs aiming at connecting clients with job or self employment opportunities.

NOTE: UPSNP implementers should note that PWs are temporary jobs and should be seen as co-responsibility to obtain the social transfer not as a job-opportunity.

The purpose of this chapter is to identify and describe suitable activities that can be developed into sub-projects for the target audience.

6.2 Feasible Menus of Public Works in urban areas

Urbanization brings with it a number of positive and negative developments. Among the positive developments are infrastructure (e.g. roads, railways, housing), communications and social services (health and education by both private and public providers). Among the negative developments are population pressure leading to congestion and slum living conditions and waste disposal problems. UPSNP presents the first major opportunity to address these problems while at the same time providing employment for the poor and vulnerable.

The proposed PW component therefore focus on the labor intensive work activities such as urban solid waste management and environmental cleaning, urban beautification and greenery, urban integrated watershed management for the development of community assets and upgrading of social infrastructure.

The labor intensive public works sub-projects under UPSNP will support sustainable community assets and public services. A menu of PW appropriate for the urban areas and customized to the special environments in each of the participating cities will be provided as guidance to the communities in participating areas. The specific guidelines and manuals (e.g. urban greenery guidelines) are will be developed to guide the design and implementation of various PW subprojects.
Program implementers will exercise extreme care with all activities that they should not replace already existing income generating activities. PW activities are temporary employments but they can also be seen as paths to a more permanent income generating activity. They should not compete with jobs secured from the labour market. There is a need for coordination between public work implementers and the local labour market.

For the purpose of this PIM, a brief description of the above potential PW sub-projects is provided.

6.2.1 Urban solid waste and environmental cleaning activities

Prepare a more elaborate description of urban solid waste and environmental cleaning activities. Mention existing policies and guidelines that will inform UPSNP activities in this area.

The Urban Solid Waste Management and environmental cleaning activities will comprise of street sweeping, door to door waste collection, waste segregation, cleaning illegal dumping and water bodies, management of market and public spaces waste, waste segregation and waste recycling activities. These activities are expected to have significant environmental and human health benefits. Typical UPSNP sub-projects in this area will include:

- Primary waste collection /door to door collection from house to transfer station in areas where this is not yet existing
- Cleaning of the public roads, streets and lanes
- Segregation of recyclable waste at transfer station
- Composting of solid waste
- Cleaning markets and public spaces
- Cleaning illegal dumping places and keeping the place

6.2.2 Urban Beautification and Greenery activities

Urban Beautification and Greenery Development initiatives are widespread in most recent times. The activities focus on urban landscaping and basic green infrastructure development activities including planting and management of trees, shrubs, flowers and grasses along streets, in and around public parks. Unlike rural areas, the issue of implementing PWs on private lands is very unlikely to arise. Where this situation arises, PW will be done only if it is in the interest of the community. Such investments include in and around private and communal housing compounds, plaza and festival sites and others open spaces in order to upgrade environmental, social and economic functions of these urban spaces. Activities under this component could include:

- Urban nursery seedling production and management
- Planting and management of trees in urban parks, open spaces, cemeteries, institutional compounds as well as plazas and festival areas
• Landscaping and planting of different trees, grasses and flowers at road sides, road medians and traffic squares
• Greening urban renewal areas and communal housing compounds
• Urban forestry
• Watering urban greenery

6.2.3 Urban Integrated Watershed Development
The UPSNP Urban Integrated Watershed Development activities focus on biological and physical soil and water conservation activities as well as cleaning of waterways. These activities have environmental functions such as improving land productivity, soil fertility restoration, access to drinking and irrigation water and minimization of runoff. Typical UPSNP sub-projects in this area include:

• Cleaning rivers
• Drainage cleaning
• Biophysical soil and water conservation in water body area such as terracing, bund construction and area closures
• Gully control interventions such as check dams, SS dams, and gully re-vegetation
• Water interventions including pond construction, spring development, and a variety of water harvesting structures appropriate for urban centres.

6.2.4 Urban Social Infrastructure and services
Construction and/or rehabilitation of social infrastructure such as class rooms, child care centres, heath posts, public latrines etc. may be among the top priorities in some communities. UPSNP will be able to contribute to such activities as long as the design reflects that the proposed project will be constructed or rehabilitated using labor intensive methods and the overall capital costs will not exceed 30% of the sub-projects costs.

6.2.5 Other Types of PW Sub-Projects
While the activities listed above represent the expected focus of the UPSNP other activities, reflecting specific needs of a given community, may be considered during the community planning process. All proposed activities need to fit in existing urban planning frameworks, avoid duplication with other urban investment programs and need to pass the UPSNP ESMF screening process.

6.3 Labor Intensity Level and Determination
Effective and sustainable PW can generate temporary employment for the urban poor while also creating access to useful productive assets and services for the community at large. Considering that there is no or little seasonality in employment opportunities in an urban setting, the PW program will be implemented throughout the year.
Consistent with budgetary estimates for the labor versus capital components of the PW, the labor intensity is expected to be not less than 70 percent on average so as to maximize the element of transfer to the target households.

6.4 Assessment of Environmental and Social Impacts

Implementing an urban safety net intervention in Ethiopia is daunting and presents difficult social development challenges, requiring the understanding of complex and varied urban social dynamics, mutually reinforced by both social inequality and deprivation. The program design incorporates a robust approach for understanding these urban social development dynamics and has proposed development opportunities or measures that will address the existing weak urban safety net policy and institutions, which negatively affect the socioeconomic well-being of the urban poor, including strengthening the sustainability of urban safety net activities and social capital needed by communities to organize demand response solutions to their problems.

Before involving citizens in PW, each type of the proposed PW activities should be assessed critically for any potential environmental and social negative impacts periodically. The environmental and social impact assessment of each type of PW activities is undertaken in consultation with community leaders and knowledgeable persons such as environmentalists, social worker and public health workers.

Guidance will be provided to communities so that, where possible, they select PWs that improve the productivity of work in the urban environment. Ideally PWs will not only provide desired job opportunities but also generate anticipated community benefits in each target city. Implementation of the PWs will also build basic skills amongst the clients. It is should be adapted to local conditions and protect the environment. The sub projects to be selected are also required to meet the following criteria:

- **Labor intensity**: the sub projects activities must be labor-intensive and use simple tools as much as possible.
- **Communal benefits**: the sub projects must benefit the community as whole or groups of households within a given area.
- **Community acceptance**: the sub projects must be accepted and approved by the community. They should have active community support and commitment.
- **Feasibility and sustainability**: the sub-projects must be feasible technically, socially and economically. They should be simple and manageable in implementation and also in ongoing maintenance in order to be sustainable.
- **Productive**: the sub projects should create durable community assets which should contribute to the ULG development and to the reduction of poverty.
- **Gender sensitivity**: Priority should be given to sub projects that are assigned to enable women to participate and which contribute to reducing women’s regular work burden and increase access to productive assets.
CHAPTER 7: PLANNING FOR LIVELIHOODS SERVICES

7.1 Introduction

The livelihoods services component supports interventions that facilitate graduation from the program and promote moving out of poverty. The target groups for these interventions are individuals in households receiving conditional transfers who desire more and higher-paid work. One individual per household receives this support and this amounts to a total of 98,000 eligible individuals. The household will select a member (male or female) that meets one or more of the following criteria:

- capable of undertaking a livelihood option chosen by the household
- able to participate in trainings appropriate to the chosen livelihood option
- willing to work in groups with similar livelihood options
- literacy is an advantage because of ease of access to business information but it is not absolutely necessary.

Example: In this phase, total UPSNP clients are 604,000 of which 84 percent (or 507,360) benefit from conditional transfers. Assuming 4 members per household, the conditional transfer households amount to about 126,840 households. The program provides access to livelihood options for one member per household that have expressed willingness and ability to take up the options. Accordingly, 98,000 individuals (77 percent) from such households will be supported. The distribution of beneficiaries over the five years shows that the program starts with 6500 beneficiaries (year 1); 25000 (Year 2) and 50000 (Year 3). It reaches its peak by Year 4.

The livelihood support is implemented by the Urban Job Creation and Food Security Agency (UFS&JCA) The Agency has established One Stop Center at Agency and woredas/kebeles levels. Some of the functions are performed in collaboration with MoLSA as detailed in further sections of this chapter.

The livelihoods services is implemented through two main mechanisms namely (i) Counseling and life skills development and (ii) financial support and training for livelihoods development.

Counseling and life skills development: The unique nature of livelihoods services activities and the required support requires intensive learning and adaptation as part of implementation. Supports for self-employment and wage employment are both needed and equally important for the poor in urban areas.
**Financial support and training for livelihoods development:** Evidence suggests that effective self-employment support requires both cash transfers and training/mentoring[^6] but there is less evidence on what support is effective in supporting wage employment. There is a need to learn which approaches work the best and adapt the design and roll out of this component accordingly. Learning and adaptation are the focus for years 1 and 2 and activities will gradually be scaled up to reach all eligible individuals based on emerging lessons.

### 7.2 Income generating activities/Market/Value Chain Analysis

Income generating activities (IGAs) help vulnerable populations cover their basic needs and food supplies in a sustainable manner. If properly implemented and monitored, IGAs can bring about improvements in the household’s economic situation through an increase in the purchasing power. The promotion of IGA must be adapted to the context in which the program is working. IGAs can result from both self-employment and wage employment and it is assumed that conditions should allow individual household’s oscillation between either of the streams based on existing opportunities and the households/individual capacity to engage in those activities including the capacity afforded by the program support.

A key objective of IGA is recuperate and/or rehabilitate the capacity to generate incomes through:

- evaluation and selection of viable solutions to recuperate the capacity to generate incomes;
- Recuperation and improvement of the productive assets; and
- Create, increase and improve technical and management capacities.

Market and value chain analysis approach is relatively new in Ethiopia dating back perhaps a couple of decades. Non-government organizations such as SNV have been working in this area and the Government’s flagship programs such as the Agriculture Growth Program (AGP) are increasingly becoming value chain oriented.

Market/value chain can be done for any product or commodity. However, the most common household level commodities for which market/value chain analysis are carried out include:

- Livestock products (meat, live animals, hides, skins, leather and dairy)
- Forest products (gum and resin)
- Fruits and vegetables
- Honey

[^6]: See Blattman and Dercon 2015 for evidence from Ethiopia; Blattman et al 2015 for Uganda.
Prior to starting a business, UPSNP clients engaging in livelihood services will be **encouraged and supported** to carry out market/value chain analysis. Experience from other sectors suggests that there are good reasons for this as shown in Box 4.

This analysis will combine aspects of the following:

- **A market analysis**: a market survey or assessment to find out the information about potential consumers, their requirements and any opportunities for capturing a share of the market.
- **A value chain analysis**: an analysis of market potential for introducing new products or improvements to an existing product through examining opportunities along its value chain; i.e., production (including sourcing of inputs), storage, packaging and post harvest processing, marketing, transportation, value addition/processing, export or domestic consumption.

The process of creating value occurs within what we refer to as the market. An analysis of the different dimensions of the value chain and the interaction between them can be a very useful approach. A study of the production units (IGA) will complete the analysis. This type of analysis can be carried out at different levels, and it is recommended to start with the activities that are already developed by the vulnerable population or those that have already been identified for initiation.

Market/value chain analyses help identify products and services with market potential and are therefore critical to determining viable livelihood opportunities. Consulting firms may be contracted to assist with these analyses, but city, woreda and regional experts should participate in, and contribute significantly to, each step of the process. These analyses will comprise the following steps:

**Step 1: Identification of potentially marketable products and services.** The starting point is the selection and identification of potential products or services for market and value chain analysis, based on the livelihood zone. This should be done through consultation with community groups – including youth groups and women’s groups – as well as discussions with woreda, city and regional experts. It is important that these analyses focus on value chains that are within the reach of poor clients as well as women. Experts from the Women and Youth Affairs will participate in this process to ensure that the needs and interests of women and youth are taken in to account. An initial list of livelihoods may include the following:

<table>
<thead>
<tr>
<th>Box 4: Rationale for market/value chain analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>• First assure markets, then increase production</td>
</tr>
<tr>
<td>• Focus on private sector as the engine for growth</td>
</tr>
<tr>
<td>• Combination of sector wide and business to business support</td>
</tr>
<tr>
<td>• Involvement of all key stakeholders (via Multi-stakeholder Platforms)</td>
</tr>
<tr>
<td>• Ownership: defining intervention priorities</td>
</tr>
<tr>
<td>• Build on private sector leaders</td>
</tr>
<tr>
<td>• Public sector focused on sector identified priorities</td>
</tr>
</tbody>
</table>

dyn/bds/docs/798/SNV (accessed on 22/06/16)
Step 2: knowledge in relation to markets and value chains. This may include knowledge of region/city/woreda experts, traders, and UPSNP clients themselves.

Step 3: Analysis of market conditions and selected value chains. This will involve field work, visits to markets, and discussions with value chain actors as well as service providers.

Step 4: Understanding of analytical findings by experts. Findings will be validated by regional, city, woreda and kebele experts.

The expected outputs of effective market/value chain analysis are:

- Identification of products with greatest market opportunities through examination of market share, current market trends and existing competition in both local and more distant markets. These will be the priority livelihoods/IGAs for each city, woreda and kebele.

- For each priority IGA:
  - Identification of possible product improvements including quality and standards
  - Mapping of available supporting services
  - An understanding of the existing producers and supplies and the capacity of local markets to absorb additional products.

Market assessments will be conducted by a range of actors, including government bodies such as Ministry of Urban Development and Housing / MoUDH/, Job Creation and Food security Agency/JCFSA/, Ministry of Labor and Social Affairs /MOLSA/, Technical Education/Training centers, Chambers of Commerce, NGOs, commercial entities and development agencies and etc. The program should work with local institutions that have a proven capacity in market research or that already have such information available.

Table 3: Proposed Job Opportunities

<table>
<thead>
<tr>
<th>Urban agriculture</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Trade</th>
<th>Service</th>
<th>Job employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fattening</td>
<td>Wood and metal work</td>
<td>contracting</td>
<td>Petty trade</td>
<td>Beauty salon</td>
<td>Government huge projects</td>
</tr>
<tr>
<td>Fruits and vegetables</td>
<td>Leather production</td>
<td>Sub contracting</td>
<td>Wholesal e trade</td>
<td>Secretarial works</td>
<td>Private companies, etc</td>
</tr>
<tr>
<td>Bee keeping</td>
<td>Traditional cloths</td>
<td>Cobblestone retailing,</td>
<td>Internet cafe</td>
<td>Beauty salon</td>
<td></td>
</tr>
<tr>
<td>Mushroom</td>
<td>Carpentry</td>
<td>Construction input</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
### 7.3 Wage Employment

The Government of Ethiopia considers employment creation opportunities as part of a comprehensive development policy and strategy that aims at poverty reduction in the urban centers. The GTP anticipates that growth will help create employment particularly for young people and raise their incomes, thus eventually eradicating poverty. One of the three identified intervention areas of UPSNP is the livelihood services component.

Wage employment through Skills Training will focus on providing assistance for development / upgrading of the skills of the urban poor so as to enhance their capacity for self-employment and salaried employment. Training to the urban poor will be provided based on skill demand from the market, so that they can secure salaried employment. Employment through Skills Training (ETST) will target the urban poor subjected to occupational competencies. No minimum or maximum educational qualification is prescribed for the selection of beneficiaries. Special attention will be given to the most vulnerable and destitute groups like beggars, street vendors, street dwellers, commercial sex workers, disadvantaged groups and other victims of social problems and evils.

Unlike the self employment pathways, the wage employment pathway does not have a business plan preparation stage or a finance approval and referral stage. Rather, following the completion of trainings, TVET agents will prepare a list of clients who have successfully completed training and provide this list to the implementing agency and employers, with personal references and linkages wherever possible. Trainings will typically include a period of “placement” with potential employers, and agreements will be made ahead of time so that trainings culminate in a tangible employment opportunity.

Under the wage employment track, livelihood grants can cover a stipend to attend training to build skills for a wage job (Birr 40 a day stipend, training fees will not be covered by the livelihood grant but will be paid separately by the program); an allowance to travel to facilitate job search; and/or an allowance to travel to work or cover the ancillary costs of employment such as child-care expenses. The rationale for providing the allowance during early work days is that individuals gain useful experience in the early days of a new job even though the net take-home pay may be late or low so that persistence can be encouraged. Improving the functioning of the TVET system is beyond the scope of this program. However, the program will undertake an assessment of training providers in year 1 to determine what can be provided and will assess that training is indeed met with improved skills for beneficiaries. Private training centers within the
industrial zones are due to be established as part of the CJC project. These centers may offer a better opportunity to program beneficiaries and linkages will be explored in program implementation.

7.4 Labor Market Assessment

To link job seekers with the market demand there must be a continuous market assessment. There are many benefits to addressing markets for livelihood promotion. By understanding market forces and trends, livelihoods programs can more effectively tailor their assistance to the complex needs of different market actors. Additionally interventions at the market level shape the economic environment in which many livelihoods operate. When accurately assessed and carefully designed, market-based interventions can generate greater opportunities for a larger group of people. Furthermore, engaging people throughout the process also builds important business skills and market knowledge thus preparing people to adapt to future market changes.

In each program city/town, BOLSA, with support from JCFSB and/or TVET where needed, will undertake a labor market assessment to determine employment opportunities to which UPSNP clients can be linked. This assessment will include the following:

- **A list of employment opportunities.** Where possible, these opportunities categorized by type, e.g.:
  - Government Megaprojects
  - Construction industries
  - Manufacturing companies
  - Private business organizations and etc
- **Training requirements.** Where additional skills are needed in order for UPSNP clients to take advantage of employment opportunities, the assessment will outline the training needs for each opportunity.
- **Employer commitment.** The assessment will identify employers willing to provide training, internships and/or guaranteed employment to clients. On the basis of these discussions, the program will develop plans for employment linkage facilitation.
- This assessment, which will be conducted and/or updated every year, will feed into the annual planning process for livelihoods.

7.5 Self Employment

Livelihoods services component will provide financial assistance in form of grants to individuals/groups of urban poor for setting up gainful self-employment ventures, suited to their skills, training, aptitude and local conditions. The component will further support compilation and dissemination of information on facilities deemed potentially useful to enable clients better utilize the support received e.g. on technology, marketing, access to loans and other Support services to the individuals and household beneficiaries for their livelihoods. The urban poor will
be encouraged to set up small enterprises relating to urban agriculture, manufacturing, construction servicing and petty businesses for which there is considerable local demand. Local skills and local crafts should be particularly encouraged. Each Urban Local Body (ULB) should develop a plan for such activities/projects keeping in mind skills available, marketability of products, costs, economic viability etc. The percentage of women beneficiaries’ participation in self-employment will be encouraged with a target of 50 percent.

No minimum educational qualification is required for prospective beneficiaries under this component. However, where the identified activity for micro-enterprise development requires some special skills, appropriate training must be provided to the beneficiaries before extending financial support by linking them for training. Financial assistance should be extended only after the prospective beneficiary has acquired required skills for running the proposed micro-enterprise.

In addition to skill training of the beneficiaries, the program will also arrange Entrepreneurship Development Program (EDP) for at least one week for each program beneficiaries. The EDP will cover basics of entrepreneurship development such as management of an enterprise, basic accounting, financial management, marketing, backward and forward linkages, legal procedures, costing and revenue etc.

Any cost incurred on training of beneficiaries under this component is to be met out of the urban productive safety net program budget. The financial assistance available to urban poor in setting up individual and group enterprises will be in the form of grant from the program, own saving and loan from micro finance institutions.

The Government encourages the UPSNP PW clients to save at least 20 percent from their own income for livelihood activities.

The most important economic institution for self employment is the market, including markets for the goods in the formal and informal sectors, as well as the supply and demand of services. Understanding the local markets for specific livelihood activities is crucial for success and sustainability. Market assessments are a key element of a livelihood assessment. Market assessments provide information and data about the demand for and supply of goods and services. Demand for goods and services should be assessed. This information is critical to identify sustainable livelihood activities and design livelihood interventions.

The beneficiaries under this track will receive training on entrepreneurship and business development to develop an accepted business plan for the livelihood grant. The provision of these trainings will be facilitated by the OSCD. It is anticipated that the majority of these training programs will be provided by public TVET but an assessment of training providers will be undertaken to determine whether private TVET and NGOs should also be considered. In addition, the OSCD will facilitate access to the workspace, market linkage services, and other licensing services that may be needed for the business plan to succeed, through its network of one-stop service centers. It is expected that self-employment pathway beneficiaries will largely
start up with household enterprises of a very small scale and will need handholding to ensure they can cope with start-up challenges and continue. The OSCD will thus work with small business regulators to ensure that any advantages accruing to such small businesses will be accessed.

7.6 Review of Existing Counseling and Life Skills Tools and Adaptation

Life Skills includes critical thinking, decision making, inter-personal communication, building self-esteem and confidence, challenging negative attitudes and beliefs, coping and self-management and motivation to be involved in livelihoods groups. Preparation for Livelihood provides the opportunity for the livelihood beneficiary to develop the skills, knowledge and competencies that lead to a job, a career, a small business opportunity or other economic activity that leads to self-sufficiency.

Through life skills beneficiaries will develop attitudes, dispositions and social competences needed to become functional at both social and personal levels. Life skills will develop a wide range of psycho-social and interpersonal skills which will help them make informed decisions, communicate effectively develop coping and self-management skills. These will help them develop into healthy and well-balanced individuals leading a productive life and contribute in the development of a peaceful, healthy and sustainable environment. Life skills will equip the beneficiaries with the knowledge, skills and attitude to face the challenges in their life and the world of work. It will develop an awareness of our history and inform the beneficiaries of their rights and responsibilities as active citizens. They will learn movement and motor skills for an active participation in physical and leisure activities. They will be empowered to recognize the benefits of healthy lifestyles, analyze the risks and consequences of unhealthy lifestyles and to take responsible decisions to manage their own lifestyle and behavior. In short, this domain will help beneficiaries develop into whole individuals with a good sense of significance, responsibility, competence and well being.

Beneficiaries will receive short term trainings on financial literacy and soft skills. The training will encompass how to open a bank account, planning, budgeting and saving, attitude and expectations at work, and business and workplace readiness. Beneficiaries have to have information about work, career, and livelihood options. This information can be accessed through one stop centers or TVET centers.

Livelihood development counseling components incorporate one or more of the following services:

a. Information about livelihood opportunities and assist the program beneficiaries in planning for their development. Effective programs demonstrate that self-sufficiency is a long-term goal.
b. Work-based and school-based learning opportunities that prepare beneficiary to obtain credentials, demonstrate competence, and gain the experience needed to get a job and/or create a small business or build on the individual young person’s assets to become self-supporting.

c. Assist beneficiaries to gain generic skills required to succeed in the workforce: Basic skills (reading, writing, computing, listening and speaking), thinking skills (decision-making, problem solving, knowing how to learn), personal qualities (responsibility, working productively with others, self-management).

d. Provide information to beneficiaries to empower them to develop an individual plan to prepare themselves to make an informed plan for pursuing a means of supporting themselves and their family. This could include vocational training or learning on the job.

e. Assist beneficiary to join with family, neighbors and/or peers to create a small business, cooperative or other form of organization for the purpose of generating increased income and an improved standard of living.

7.7 Technical and Financial Feasibility Analysis

This involves finding out whether the beneficiaries suggesting the activity have the required technical skills and, if not whether they can acquire the required skills rapidly. The necessity of a minimum of technical skill should be emphasized to allow a minimum profitability of the activity (good quality and competitive goods should be produced). Once the skills of each individual or group have been identified, other prerequisites for a technically feasible operation have to be established. In addition to being technically feasible, the IGA should be profitable, that is to say they should produce income or a surplus (profit) and work without subsidies (sustainability). A profit-making activity should be profitable, in other words, returns should be higher than costs so as to produce a profit. Potential market should be identified and involved risks considered.

Once the information on market opportunities is analyzed, the program will assess the technical and financial feasibility of the identified livelihoods/IGAs, and what technologies, inputs, and complementary support are necessary. This analysis will include the following:

- Technical feasibility analysis, including an analysis of biophysical suitability
- Financial viability analysis

The technical analysis will comprise the following major elements:

- Production processes/requirements (or, for service-related livelihoods, service delivery processes/requirements)
- Input requirements,
- Potential local sources for the inputs outlined above
- Business management requirements
- A list of technical training requirements for each potential IGA/livelihood.
Building on the information from the technical analysis, a financial viability analysis guide will be prepared to facilitate the calculation of a simple Gross Margin Analysis for each livelihood. Given the localized differences in input prices and market access in each locality, it will not be possible to create one standard financial viability analysis for each livelihood. However, this guide should enable Woreda Subject Matter Specialists to calculate localized based on a comparison of projected revenue to cost of inputs related to different IGAs/livelihoods. This guide will include, for each livelihood:

- How to calculate revenue based on a projected volume of output and/or services and market prices, reflecting value addition through storage or processing where relevant.
- The cost of inputs, including technology and labor, which will be deducted from the annual revenue.
- How to calculate credit repayment (principal and interest) in the cost.

This guide should be reviewed by MFIs at the regional level to ensure that it is aligned with their own viability analysis methods. Using this guide, City, Woreda and Kebele level JCFSBs will conduct a financial viability analysis/cost-benefit analysis for each livelihood at city, woreda and level, and provide training.

### 7.8 Assessment of Environmental and Social Impacts

Regional cities and city administrations are expected to implement projects that will be performed in specific location chosen by them; and these projects will have been selected because of their expected positive benefits. Although the project activities carefully organized and anticipated positive impact, it is important that unintended negative consequences don’t result from oversight in planning or implementation. Therefore, implementation of livelihood support requires compliance with the Urban Job Creation and Food Security strategies and program, environmental, cultural, social issues, and other matters arising from adherence to these should be resolved before projects activities will be executed.

Following development (or updating) of the Woreda/Kebele Environmental Profile in conjunction with the Woreda/Kebele Public Works Focal Person, each type of proposed IGA/livelihood is assessed annually by Natural Resources and Social Development Experts for any potential negative environmental or social impacts.

The environmental and social impact assessment of each type of IGA is undertaken in consultation with local leaders and knowledgeable persons such as environmentalists and public health workers.

The assessment of potential environmental and social impacts involves three steps:

**Step 1**: The potential impacts of each type of IGA are identified in order to develop a list of eligible and ineligible IGAs in each woreda, as set out in the UPSNP Environmental and Social Management Framework.
Step 2: The one stop center expert checks each proposed business plan against the list to ensure that the IGA is eligible.

Step 3: If the IGA is eligible, the one stop center expert determines whether any mitigating measures are necessary, and whether special conditions apply.

The program encourages and supports balancing human needs for natural resources and the capacity of the environment to provide those resources consistently over time. Sustainable livelihood recovery is not possible without active measures to conserve the natural resources on which livelihoods rely.

7.9 Sustainable livelihoods framework

In urban context, the success of livelihoods activities depend on **financial, human, social capital** and to some extent on **natural resources**. Therefore, the program supports the development of these capitals in a number of ways as explained in various parts of the PIM. To summarize, it contributes to:

- **financial capital** - providing cash payments for days worked; and grants as required.
- **human capital** - promoting functional literacy classes among adults and helping parents send their children to school instead of work
- **social capital** – building clients’ confidence to engage in community affairs and strengthen their social the network
- **natural/physical capital** – the watershed management approach adopted by the program contributes to the development of natural resources

7.10 Other Livelihood Related Preparatory Activities

1. **Prepare cities, woredas/kebeles for implementation** - Once the analyses have been conducted and finalized, a series of activities must take place to ensure that cities woredas/kebeles are ready for the implementation of the livelihoods component.

2. **Development and dissemination of an intensive coaching and mentoring guideline for implementers** - Intensive coaching and mentoring will be a new activity for many experts, and will require different skills from the technical skills on which their training usually focuses. Therefore, the Livelihoods Implementation Unit at the federal level will prepare and disseminate a guideline on intensive coaching and mentoring to give experts the “soft” skills necessary for the implementation of this new activity.

3. **Development and dissemination of technical guidelines and training curriculum for each livelihood pathway** - For every livelihood option to be supported in each city, woreda/kebele, the responsible training institution must have a training curriculum prepared that includes technical trainings as well as business skills and marketing trainings.

4. **Establish mechanisms for engagement with regional offices** - Since there will only be one city in each region, there will not be heavy involvement of regions in the present
phase. However, the program will maintain links and assign limited roles to regional offices by way of enhancing awareness and building capacity for the future scale up of the program.

7.11 Livelihood plan

The livelihood component of the Woreda/kebele Plan incorporates the (implementation capacity, credit availability, and market capacity) together with UPSNP client interest in different types of livelihoods.

The process for the preparation of the Woreda/kebele Livelihoods Plan is as follows:

**Step 1:** The livelihood implementation unit, through the Livelihoods Joint Technical Committee, compiles the following information:

- Human resource capacity at the woreda/kebele level to provide financial literacy training and technical assistance.
- Credit availability (including willingness to lend) at MFIs and other financial institutes
- Market demand for goods, services and labor
- Number of clients prioritized for livelihoods technical support, by pathway.
- Number and list of clients targeted for livelihoods transfers who are prioritized for the year
- Initial livelihoods training plan, including:
  - Financial literacy training
  - Savings promotion
  - Training in each of the livelihood pathways
  - Business plan preparation
  - Follow-up support
- Implementation arrangements for each of the above

**Step 2:** Based on initial ESMF assessments conducted during the livelihood analysis process the Woreda/City Environmental/ NR Expert uses the Livelihoods Environmental and Social management Planning Template and Checklist and ensures that any planned livelihood activities of environmental concern are clearly earmarked. This checklist is used to identify potential negative environmental and social impacts, and to plan for the implementation of mitigating measures as required.

**Step 3:** The Livelihoods Implementation Unit prepares staffing plans, training plans, equipment plans and basic procurement plans. The livelihoods elements of these plans will be kept separate from the other elements, as they will be covered by the Livelihoods Capacity Building budget rather than the Woreda/kebele Administrative Budget.
Step 4: Following review and approval by the Livelihoods Technical Committee, the livelihood implementation unit submits the Woreda/kebele Livelihoods Plan to the Woreda/kebele job creation and Food Security units for incorporation into the overall Woreda/kebele Annual Safety Net Plan, and also sends it to Zone/city.

7.12 Key Roles in Livelihoods Implementation

Chapter 18 of the PIM provides a comprehensive roles and responsibilities and coordination mechanisms for the entire program implementation. This section is limited to roles and responsibilities of institutions dealing with livelihoods sub-program.

City Level MSE/ Job Creation and Food Security Offices

- Oversee the implementation of wage and self employment livelihoods pathway
- Support business plan development and finance referrals
- Provide direction for Woreda/ Kebele implementers
- Provide livelihood technical support
- Arrange capacity building programs

City Level MSE/ Job Creation and Food Security One Stop Centers

- Oversee the implementation of wage and self employment livelihoods pathway
- Support and review clients for business plan preparation
- Provide technical support for Livelihood Technical Committee
- Arrange capacity building programs

City Level Labor and Social Affairs

- Oversee the implementation of the job employment pathway

City Level TVET

- Provide technical training to clients in the self and job employment pathways
- Provide entrepreneurship training to clients in the self employment pathway

City Level Credit & Saving Cooperatives

- Provide training and follow-up support in financial literacy
- Conduct savings promotion and provide follow-up support
- Link clients to inputs and markets as needed

City Level Micro Finance Institutions (MFIs)

- Mobilize savings and disburse loans
- Participate in credit committees to review business plans and ensure their financial viability

City Level Finance and Economic Development Offices
• Disburse livelihoods grants

City Level Women and Children Affairs Office

• Support and ensure implementation of the gender and social development provisions in the implementation of livelihood services,

City Level Youth and Sport Office

• Support and ensure implementation of the youth and social development provisions in the implementation of livelihood services,

NGOs

• Provide technical support to the management of livelihood activities
• Provide capacity support for front line workers
• Avail the required budget according to allowable expenditures

Public organizations

• Mobilize people for program implementation
• Provide technical support
• Monitor the program success

Private Sector

• Play an important role in the skill development and capacity-building activities.
CHAPTER 8: ANNUAL PLANNING

Planning is the critical first step in preparing for UPSNP implementation. Planning for the UPSNP largely takes place annually in February-March of the Ethiopian fiscal year in time to release the budget for the start of the Ethiopian Government Financial Year on 8th July.

8.1 Overview of the Planning Process

The planning is basically **bottom up** as illustrated below.

**Figure 3: A simplified UPSNP planning process**

The community level plan which then feeds into ketena/woreda plans which in turn fits into sub-city (where relevant) and city level plans and so on. This planning is complemented and informed by other key preparatory activities including targeting and recertification of clients, the setting of the wage rate, decisions regarding the mode of transfer and livelihoods-related analyses.

- The key features of the UPSNP annual plan are: provides an overview of ESMF procedures during planning
- integrates livelihoods plans into overall planning
- integrates links to social services for public works and temporary direct support clients into overall planning
- provides detail on the mechanisms for livelihoods planning
- provides detail on the mechanisms for planning of soft conditionalities for temporary direct support clients and community BCC for public works clients and overall program linkage to the national nutrition program
- case management for permanent direct support clients:
- provides guidance on enhancing women’s participation in planning
- when applicable tailors public works planning to pastoral/lowland livelihood types in pastoral lowlands. This is relevant in as far as the two pastoral cities are concerned.
- details how to accommodate the different workloads for women in public works planning
- serves as a coordination mechanism between public works/conditionalities to livelihoods, nutrition and other social services, climate resilience and disaster risk management.
8.2 Steps of Planning Process

The planning process involves the following five steps:

**Step One: Preparation at Community level**

- Prepare list of identified clients categorized by direct support, public works and livelihoods for each participating community
- Participation and consultation The program may need to prepare a specific community planning guideline to ensure that all community facilitators have the same understanding of the planning process
- Prioritization and selection of public works and livelihood activities
- Produce community UPSNP plan with the assistance of community facilitators and city level sectoral experts
- Submission of plans for various components to Kebele/woreda

**Step Two: Review, Approval and Consolidation at Woreda/Ketena Level**

- Initial estimates of person-days for public works and livelihood interest areas
- Plan nutrition related Behavioral Change Communication (BCC) activities. This involves coordinating with various agencies working on health and nutrition and securing BCC materials or giving them the platform to share their materials
- These plans are reviewed, approved and consolidated at woreda/kebele level, and combined with woreda/kebele level client selection to produce the woreda/Kebele Annual Safety Net Plan
- Submission of plans for various components to City

**Step Three: Review and Consolidation of Woreda/Ketena Plans and Preparation of City Level Plans**

- The City Annual Safety Net Plan reviews and consolidates woreda/kebele plans
- Prepare and incorporates specific City-level activities
- Check for compliance with UPSNP ESMF and RPF
- Submission of plans for various components to City administration for action and relevant regional offices for follow up and support (see note below)
Role of regions
As stated in the introductory section of this manual, in this stage of the program, the role of regional offices in all aspects of program planning and implementation is minimal. The level of aggregation is too small (one city/town per region) to warrant a separate regional plan. It would be identical to city level plans. However, it is important the city plans are shared with relevant regional offices for information, follow up and support, if necessary.

Step Four: Review and Consolidation of Federal Level Plans

The Federal Annual Safety Net Plan is the highest level planning document which summarizes plans across the whole program for the coming year as well as describing specific activities to be conducted at the federal level

8.3 Overview of ESMF Procedures during Planning

The Environmental and Social Management Framework (ESMF) which includes related documents such as the Resettlement Policy Framework is designed to address potential environmental and social issues arising from (i) public works and (ii) livelihoods component

In order to effectively address any environmental and social issues, potential risks need to be identified during the planning process and any mitigating actions identified and planned for at this point.

For public works, a screening tool supports the effective identification of ineligible projects, projects of concern or requiring special procedures and which therefore need referral to city and regional authorities, and projects which require mitigating actions. This screening tool is applied by the Support facilitator during the community planning process.

For the livelihoods component, the risk is less from the livelihood choice of an individual household and more the potential cumulative effects if particular livelihood investments become popular and are taken up at scale. Because it is the potential cumulative effects which are of concern, the ESMF is applied at City level for the livelihoods component.

ESMF Check and Screening: The community Facilitators in collaboration with city level Experts undertake an ESMF eligibility check and ESMF screening for each planned sub-project. The Support Facilitator attaches the completed and signed screening form to the sub-project file. For sub-projects of particular environmental concern, the Support Facilitator ensures that the sub-project file is earmarked according to the procedures set out in the ESMF. The ESMF screening is overseen by the City Environmental Expert, who takes responsibility and signs the completed ESMF Screening Form.

The Community Facilitator with support of city sectoral experts then completes for each sub-project form: PW Sub-project & Activity Identification and Description, setting out details
of the sub-project including non-labour inputs, technical assistance likely to be needed for implementation, and operations and maintenance requirements.

Activities to be financed by the UPSNP, which have environmental concerns, include urban greenery development, solid waste or garbage collection services, construction of cobblestone roads, building of drainages and community infrastructure, and construction of shelters and sheds for income-generating SME activities.

The overall environmental impact of the program is positive, especially given that some of the subprojects may play a pivotal role in establishing greenery areas and cleaning the urban environment. However, some limited environmental risks may arise as a result of some of the infrastructure subprojects such as construction of cobblestone roads, drainages, and market sheds.

The ESMF that describes in broad terms how potential program-related environmental risks and impacts associated with all the triggered Bank safeguard policies will be mitigated and addressed before and during implementation of program activities. In addition, it describes the institutional responsibilities, capacities, financial resources, and monitoring needs essential to implement the potential mitigation measures.

**The MoUDH has sufficient capacity and experience to implement the ESMF:** The UJCFSA will recruit environmental and social safeguard specialists to follow up on the proper and day-to-day implementation of the ESMF. Further, as described in the ESMF, the UPSNP PCU will provide training and capacity building to support implementation of all the safeguards instruments. The effective implementation of the ESMF will be regularly reviewed as part of the M&E system for the UPSNP.

**Direct Social Impacts:** Potential direct negative social impacts of PW subprojects and livelihood services are covered by the Environmental and Social Management Framework (ESMF)\(^7\) which identifies such impacts during the screening process and identifies appropriate mitigating measures. Other social issues are addressed by specialized instruments (Resettlement Policy Framework [RPF] and Social Impact Assessment (SIA) as described below.

**Voluntary loss of assets or access to social services:** - There are two scenarios:

- PW subprojects involving physical relocation of households and involuntary loss of assets, roads, water points or other social services are ineligible (not eligible);

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**Example:** If households whose property has been affected by the PW refuse to move or refuse to allow their property used for the PW purposes, the sub-project will not go ahead.

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\(^7\)The ESMF contains two parts: one part for PW and one part for Livelihoods Services activities.
• Subprojects involving voluntary loss of assets or loss of access to assets/roads water points or other social services will be eligible.

**Example:** If a household, whose property has been affected by the PW, is willing to allow the sup-project to go ahead despite losing access to assets or roads or other social services, the sub-project will go ahead.

The program has prepared and consulted upon an RPF and all cases of loss of assets or access to assets will follow the procedures set out in the RPF. The RPF will ensure that before implementation of any PW subproject that is likely to result in such impacts, the affected people are consulted and appropriate preventive and mitigating measures are exhaustively considered and implemented. Potential land acquisition and/or restriction of access to communal land under the project will result in the implementation of a Resettlement Action Plan. Consultations on the RPF took place across 11 cities. There was a high acceptance of the UPSNP and the RPF and an eagerness among communities to engage.

**Compensation and community engagement:** There was also a strong desire among communities to see procedures properly implemented (especially related to compensation). Communities also expressed the need to receive clear information so that they can engage in the procedures regarding entitlements in relation to compensation and consultation. Regarding GRM, there is considerable interest to see this strengthened at the community level. Some participants also expressed the opinion that elders should be more engaged in the process and that the overall mechanism be more tailored to cultural needs. Regarding capacity among implementers, more sensitization and orientation will be required and focal persons should be assigned.

**Social Impact Assessment:** In designing the UPSNP, an independent SIA was undertaken to explore the impact of the different processes involved in delivering the program on social processes (and if there are any negative social consequences). The SIA identified no major likely unintended negative social impacts. However, a number of possible impacts that might have moderate effects which could occur in some cities were identified. These impacts can either occur if the program is implemented perfectly (as designed) or not implemented as designed. For example, social tension and conflict in relation to targeting, rural to urban migration, gender-related impacts, and stigma could occur if the project is implemented perfectly but be exacerbated if activities (that is, targeting) are not implemented properly. More minor potential impacts identified included issues related to interaction with informal Social Protection systems, impacts related to community health and safety, and household use of the transfer. Mitigating
measures, which focus on ensuring good practice and satisfactory standards through capacity building, training, awareness creation, and M&E, were recommended. The program design has already incorporated annual skills training, the introduction of strong systems for communications, grievance redress, and SA in addition to the implementation of a GAP. Because fieldwork served to illustrate that impacts may happen, monitoring will be important to ensure that any impacts are identified early enough to be able to mitigate them. Therefore, to a large extent, the UPSNP will have to ‘learn by doing’ to avoid any negative impacts.

8.4 Preparation of Plans

As a first step in planning at all levels, there is a review of the planning entities and their role, to ensure that:

- The planning bodies all exist, functional and are well staffed
- The correct members of various committee are present
- Members have been adequately informed of their task and have the necessary skills and information to conduct it
- Any new members, for example where there has been staff turnover, have been adequately trained

8.5 Consistency and Alignment of Plans

For each of these plans there is a hybrid review process which involves two parallel processes:

1. **Horizontal review**: Submission of plans for various components by Urban Job Creation and Food Security, with review and consolidation into an overall safety net plan (for example, a City Annual Safety Net Plan which includes inputs on public works as well as livelihoods). This enables Urban Job Creation and Food Security at each level to have an overview of the whole program in relationship to budget allocation and utilization as well as ownership. This process also ensures the integration of safety net plans into overall development plans (e.g. City Development Plans) and oversight of appropriate administrative bodies at each level.

2. **Vertical review**: Submission of plans for various components to appropriate line structures to allow for technical review and technical coherence of each component. This is particularly critical for the livelihoods component, which requires input from the city level in relation to value chains and markets, employment opportunities, and availability of TVET services. It is expected that program cities will have direct contact with TVETs and other service providers.

Therefore, each section of the plan is submitted to Urban Job Creation and Food Security at the appropriate level for consolidation into the overall Safety Net Plan, and is also submitted vertically to appropriate sectors for technical review and oversight.
The plans should be consistent with beneficiary targets set for each year, budget allocated and graduation process of the UPSNP. An alignment with the Ethiopian Fiscal year is to be maintained.

8.6 Planning at Different Levels

The following sections are structured according to the hierarchy of planning and the planning product produced, starting with community and kebele, moving to City, and then to regional and federal level planning.

At each step of the process, additional information is added to the plans. For some aspects of the program, information flows from the top down to inform the planning process. This includes information on budget allocation (to guide the targeting process) as well as livelihoods-related information such as market information, labour market opportunities, and credit availability.

8.7 Annual review/update of Market Potential for Livelihood Opportunities

Market potential/value chains for livelihood opportunities are analyzed at the start of the program as presented in Chapter 7. However, these need to be reviewed/revised annually to ensure that the chosen livelihood activities continue to be relevant.

8.8 Preparation of the Community and Kebele Plans

The Kebele Annual Safety Net Plan is the lowest level planning document in the UPSNP. It is prepared from UPSNP planning processes that begin at the community level and are aggregated at various stages upstream (see Figure 8.1 above).

Several elements described in the preceding chapters also feed into the annual planning process. This includes:

- The client selection process, including the categorization of clients into permanent direct support or public works, and targeting of clients for livelihoods transfers.
- Scheduling of public works and transfers.
- Livelihoods-related analyses, including market/value chain analyses, technical analyses, labour market analyses, and environmental and social impact analyses. The process by which these analyses enable the short listing of livelihoods options for each city.

The following sections describe the planning processes for public works, livelihoods, links to social services, and other aspects of program implementation at the community and woreda/kebele level, along with their approval processes.
8.9 Community Plan

In January and/or February of each year, the community gathers to plan for public works, livelihoods, and links to social services. These various elements of the program are planned in an integrated manner in order to maximize synergies between them (for example, forage development as a public works sub-project to support livestock-related activities in urban agriculture; building of work sheds for small businesses or the preparation of sites for market gardens.). UPSNP CPU will ensure these activities are implemented in environmentally sustainable/ climate smart manner.

One method for climate-smart planning might be the application of the Climate Vulnerability and Capacity Analysis tool piloted by the PSNP Climate-Smart Initiative (CSI) to identify public works and livelihood activities that reduce key vulnerabilities and build resilience.

a. Public Works Planning

Community Facilitators with support of city level sectoral experts assist communities in planning public works based on sub-projects selected through planning process (refer to the specific Public Work Operational Manuals). This process helps to identify community needs, prioritize activities based on those needs, and ensure community ownership of the sub-projects as appropriate.

Prior to the community planning process, work will have taken place at city level to define the major public work interventions to which the UPSNP public works can contribute. Specifically for integrated urban watersheds sub-projects, the community watersheds units form the basis for planning.

Estimating person-days for public works: The number of public works sub-projects a community can complete is related to the number of person-days of public works participation available. Therefore, the number of person-days must be calculated based on the number of adult public works clients, these clients’ labour requirement (different for women and men), and adjustments for temporary direct support clients. In addition, public works planning should include provisions for public works clients to participate in at least 1-hour session per month on one or more of the following:

- health and nutrition BCC sessions,
- life skill training and safety issues, and
- financial/saving issues).

The UPSNP Support Facilitator and the Extension Worker work together to determine a realistic number of community sessions to be organized for public works clients and how to schedule these sessions throughout the period of public works implementation.

Financial Literacy and Basic Literacy Training
Financial literacy training will be provided intensively during the public works period. However, the impact of this training on the number of available person-days for public works is expected to be minimal. Financial literacy training can therefore be taken into account as needed during implementation rather than at the initial planning phase. The city JCFSTF approves the basic literacy training provider in the City, and the Woreda/Kebele JCFSTF decides that the client needs this training. The calculation for the potential number of person-days of employment should follow the process laid out in the below table:

**Table 4: Calculating Available Person-Days for Public Works**

<table>
<thead>
<tr>
<th>Steps</th>
<th>Process</th>
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<tbody>
<tr>
<td>Step 1: Identify the number of public works clients in the community</td>
<td>Figure to be provided by Support Facilitator or Extension worker</td>
</tr>
<tr>
<td>Step 2: Approximate male and female breakdown</td>
<td>Unless other data is available, estimate a 50/50 split</td>
</tr>
<tr>
<td>Step 3: Calculate the total number of person days available prior to adjustments</td>
<td>% of male PW participants x total PW clients x 5 days per month x 6 months per year</td>
</tr>
<tr>
<td></td>
<td>% of female PW participants x total PW clients x (5 days per month x 6 months per year) ÷ 2</td>
</tr>
<tr>
<td>Step 4: Adjust the number of person days to reflect exemption of temporary direct support clients from public works participation</td>
<td>Unless other data is available, reduce the total above by 3%</td>
</tr>
</tbody>
</table>

The total from Step 4 is the total number of person-days available for public works

| Step 5: Allocate person-days to community BCC and other types of public works | Community BCC: Unless other data is available, estimate 2% of the total from Step 4 above |
| | Other public works: Unless other data are available, estimate 98% of the total from Step 4 above |

**Planning of sub-projects:-** At the community level, a planning team will be formed for all PW activities. This will often be based on the Community Urban Job Creation and Food Security Task Force (CFSTF), sub-teams may be formed to better support the planning process. In the formation of this planning team, careful consideration is needed to ensure active participation of women (both household heads from female-headed households and female members of male-headed households). Women should be encouraged to take leadership positions in public works planning wherever possible. Depending on the local context, the community may decide that a mixed team is the most appropriate approach, with a designated proportion of women in the planning team and ground rules to enhance women’s participation. The Social Development Expert monitors the participation of women in planning to ensure that constraints to their participation and leadership are minimized or eliminated.

Community needs will be identified, with careful consideration of the needs of both men and women and different groups within the community. During this process, communities are encouraged to consider projects that contribute to urban green infrastructure development,
watershed, solid waste and urban environment management as well as livelihoods, nutrition, climate resilience and disaster risk management. A list of potential sub-projects is developed, which are then ranked in order of priority, taking into account the needs of women and other groups in the community. This process should consider the time during the year when the public works sub-projects will be carried out, and the number of person days available to complete the public works.

Finally, a list of prioritized public works projects is completed based on the resources (public works person-days) available for the coming year. The Program Facilitator/Expert is then responsible for the designing of the sub-projects with the assistance of City, zone or regional experts, as appropriate.

b. Livelihoods Planning

Livelihood planning entail a combination of bottom-up and top-down approaches, as livelihoods interventions must be based on community/client interest but also on resource availability (particularly human resources to provide financial literacy training, coaching, business plan and technical training), credit availability, and market demand for goods and services.

At the local level, livelihoods planning will entail the following key steps:

**Step 1: Livelihoods client allocation:** This step actually takes place at the City level, but should be completed prior to the preparation of the community livelihoods plan. Cities will receive initial estimates of their budget allocation and will estimate their capacity to provide technical support, based on the project’s implementation capacity (particularly human resource capacity) as well as credit availability and market capacity.

**Allocation of livelihoods clients based on City-level capacity**

Cities will use the following criteria to determine how many livelihoods clients can be supported in each woreda/kebele and community:

- **Implementation capacity** and particularly human resource capacity. The number of households to be supported in completing livelihoods checklists per livelihood pathway in a given year is guided by the following:
  - **Livelihoods:** availability of one-stop service centers and/or capacity of the UJCFS Council to oversee the coordination and implementation of the livelihood pathway.
  - **Employment:** proximity/availability of training services and linkages to employment opportunities -based on information provided from the regional level)

Based on these factors, Cities indicate how many clients can be supported in each woreda/kebele, and communicate these figures to communities to inform their planning and prioritization processes.

**Step 2: Community consultations:** Community consultations are a key initial step in the planning of livelihoods interventions each year. The purpose of these consultations is as follows:
• To inform clients about the livelihoods component of the UPSNP.
• To explain the livelihood pathways relevant to the community as public works sub-projects may expand opportunities in certain pathways.
• To provide clients with the opportunity and suggestions on livelihoods interventions.

Community consultations include women from male and female-headed households, youth and other community members, and are done in conjunction with public works planning where possible. During the consultation, the support facilitator/experts visits the community and explains the purpose of livelihoods interventions, the types of livelihoods that will be supported, the various trainings clients may receive, and, where applicable, the employment linkages that may be facilitated. Participation in urban agriculture and employment pathways should be discussed in potential terms, as the plan for these pathways will ultimately depend on market demand for products and skills, as well as the availability of TVET trainers, which will be determined at a higher level. Support facilitators/ experts coordinate with experts from the Women Affairs, Urban Agriculture Office and other experts in the City to ensure that representatives from women’s and youth groups are present. These representatives subsequently organize women’s group meetings, youth meetings and other community meetings to spread the word about livelihoods interventions and initiate the process of aspiration development. Through this process, poorer households that may initially be reticent to participate in livelihoods interventions are encouraged to register their interest. After women’s, youth and other community groups have had enough time to spread the word about livelihoods interventions (this may take several days or a few weeks), the Community Urban Job Creation and Food Security Task Force /CJCFSTF/ registers the list of clients interested in participating in livelihoods interventions during the year.

Community consultations are repeated each year during the preparation of the City plan and prior to prioritization of clients for livelihoods interventions.

**Step 3: Prioritization of clients and households:** If more clients are interested in participating than there are resources to support them, the CJCFSTF meets to prioritize which interested households will receive livelihoods support during the year:

• Households targeted for a livelihoods transfer receive priority support in order that all households targeted for a livelihoods transfer are able to receive livelihoods support within three years of being targeted, if possible.
• Households that are identified as being “ready for the next step” in terms of livelihoods will be prioritized to make up the remainder of livelihoods clients for the year.

One client per household may participate in livelihoods interventions in a given year and receive a livelihoods transfer/support during the project. In each community, the final list of clients must reach a target of 50% women (including female youth). All households should be given the opportunity to participate in livelihoods interventions before one household participates for a second time.
Step 4: Preparation of a list of livelihoods clients and initial indications of interest regarding livelihood pathways/IGAs: These indications of interest are for planning purposes only, as clients will select their livelihoods once they have begun receiving technical support.

c. Compilation of the Community Plan

All of the processes outlined above feed into the Community Plan, which includes the elements below and is submitted to the Kebele Urban Job Creation and Food Security Task Force/W/KUJCFSTF:

- List of prioritized public works (including participation in community BCC) based on available person days
- List of prioritized livelihoods clients and interest in IGAs

8.10 Woreda/Kebele Plan

The Woreda/Kebele Urban Job Creation and Food Security Task Force is responsible for preparation of the Woreda/Kebele Annual Safety Net Plan (W/KASNP). This plan uses the results of the targeting/retargeting processes as well as plans for public works and livelihoods developed at community level, and incorporate further inputs on links to social services prepared at the woreda/kebele level, as outlined below.

8.11 Links to Social Services Planning

Adjustments to co-responsibilities (as needed) based on local realities. At woreda/kebele level, Health Extension Workers in consultation with the City Health Office review the expected co-responsibilities outlined in the table below against the capacity to provide health and nutrition services. If necessary, proposed modifications are made on the basis of the services available for inclusion in the W/KASNP.

Table 5: Category of Temporary Direct Support Client

<table>
<thead>
<tr>
<th>Client</th>
<th>Co-Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregnant women</td>
<td>Attendance of four ante-natal consultations</td>
</tr>
<tr>
<td></td>
<td>To participate in health and nutrition BCC sessions as informed by the HEW</td>
</tr>
<tr>
<td>Lactating women with a child less than one year old</td>
<td>Attendance at one post-partum health facility visit</td>
</tr>
<tr>
<td></td>
<td>Attendance at growth monitoring and promotion/behavioral change communication sessions as informed by the HEW</td>
</tr>
<tr>
<td></td>
<td>Uptake of routine immunization on behalf the child as informed by the HEW</td>
</tr>
<tr>
<td>Primary care-giver of a malnourished child under five years old during treatment</td>
<td>Monthly check up of the child at the closest health facility</td>
</tr>
<tr>
<td></td>
<td>Attendance at BCC sessions provided by HEWs or the health development army as informed by the HEW</td>
</tr>
<tr>
<td></td>
<td>Participation in treatment (e.g. community management of acute</td>
</tr>
</tbody>
</table>
Planning of health and nutrition BCC for Public Works Clients: Implementing agencies map the potential existing and planned community BCC provisions in the woreda/kebele, taking care to focus on BCC that: 1) takes place during the public works season, and 2) targets both men and women. These might include community BCC planned for life skill, financial literacy, business plan and other planned group-focused BCC sessions.

Following this assessment of existing community BCC services, the implementing agencies assess whether public works clients’ community BCC requirements (twelve sessions during the course of the public works implementation period) can be addressed through existing services or whether it will need to be complemented by additional specific sessions arranged for public work clients. The implementing agencies then agree the schedule of existing and specific sessions so that they can be accommodated in the above public works planning process.

Consolidation of Woreda/ Kebele Annual Safety Net Plan

The W/KJCFSTF consolidates all lists of needs and priorities related to public works and livelihoods prepared by the CJCFSTFs in the community plans, and add the links to social services plan as outlined above, as well as the results of annual targeting/retargeting processes. Based on these inputs, the W/KJCFSTF prepares the Kebele Annual Safety Net Plan.

The W/KASNP has the following content:

- A list of identified UPSNP clients, including categorization
- Public works clients (including temporary direct support)
- Permanent direct support clients
- A brief technical description of proposed public works sub-projects
- A list of activities to implement those public works sub-projects
- An estimate of workdays required for each sub-project, based on standard work norms which are found in operational manuals and planned participation in community BCC.
- Requirements for technical assistance for the design of the project or during implementation
- Requirements for non-labor capital or administrative inputs
- Operations and maintenance and future management plan for all new infrastructure
- The number of total person-days allocated for participation in community BCC.
- Planned community BCC sessions for public works clients
- Any proposed modifications to the co-responsibilities for inclusion in the Links to Social Services sub-component.
- A list of UPSNP livelihoods clients, including categorization for credit referrals or livelihoods transfers
- Initial estimates of level of interest by clients in each of the three livelihood pathways
8.12 Preparation of the City Plan

City Annual Safety Net Plans (CASNP) is prepared from all of the Woreda/Ketena Annual Safety Net Plans (W/KASNPs) in a city. CASNP are prepared by the office of job creation and food security in collaboration with city/town administration and other sector offices. This helps ensure that their roles and responsibilities are acted on and that duplication of plans is avoided. The city plan includes plans for each of the program elements: transfers, public works, links to social services, links to case management of permanent direct support, and livelihoods. However, the plan is more than the sum of its parts: it integrates all safety net activities in the City, including the City-level functions.

The CASNP includes the following content:

1. Client numbers and whether they are clients of the permanent direct support or public works clients (including temporary direct support).
2. Transfer plans for cash including when transfers will be needed, and where and when they will be distributed.
3. Planned public works sub-projects, indicating those requiring specialized technical input, and including the schedule for the year.
4. Links to social services plans.
5. Links to case management of permanent direct support clients plans.
6. Livelihoods plans.
7. Staffing needs in the City.
8. Equipment needs in the City.
9. Training needs and plans for the City.
10. Basic procurement plans.
11. Coordination plans.
12. City budget and schedule.

The City budget and schedule should cover all project activities separated by line item. The administrative budget will cover staffing, equipment (including procurement), and training for the implementation and oversight of transfers, and public works. It will also cover training needs for the implementation and oversight of links to social services. The livelihoods capacity building budget will cover these administrative costs for the implementation of the livelihoods component.

The CASNP is prepared in April when all the W/KASNPs are available, although planning must occur in time to ensure that the CASNP is submitted to the zone (and/or region where appropriate) by the end of April. The process for planning and approval of the key elements of the City Annual Safety Net Plan is described in sections below.
a. Client Numbers by Component

The CASNP summarizes woreda/kebele level data on client numbers, with the following process.

**Step 1:** Ketena client lists, which have taken into account graduation and any other adjustments, and are presented as a part of the W/KASNP, are sent to the office of UJCFS and shared with city/town administration and sector offices for consolidation and analysis.

**Step 2:** The City Cabinet checks and approves the list of participants of the selected Woreda/Kebele where the project will be implemented, ensuring that adequate resources will be available during the year to support this number of clients.

**Step 3:** If any adjustments are needed, the CJCFSTF informs the W/KJCFSTF, which revises its client list and W/KASNP accordingly.

**Step 4:** If adjustments are needed that increase the client number above the UPSNP budget allocation, the City Council may approve use of the City contingency to cover the increase.

b. Transfer Plan

Timely and predictable transfers are key to the success of the UPSNP. The City Annual Safety Net Plan is the source of information that allows regions and the federal level to plan in order for transfers to be disbursed in a timely manner. The City takes into account preferences articulated in the W/KASNP where appropriate and develops an overall resource plan for the City.

The transfer plan includes a section for transfers to permanent direct support clients, who will receive 12 months of transfers per year, and a separate section for transfers to public works (and temporary direct support) clients, who will receive twelve months of transfers per year.

If cash flow plans are amended during the year, the City Urban Job Creation and Food Security Office informs the CJCFSTF and OFED in a timely manner and City plans are amended. The amended payment schedule is communicated to UPSNP clients.
c. Public Works Plan

The City reviews the prioritized public works in the W/KASNPs and consolidates them into an overall City public works plan. This process is completed by the Public Works Technical Committee chaired by the city/town administrator. The committee reviews the resources available to complement the labour input, develops the budget for capital inputs into the public works project, and ensures the mainstreaming of gender and social development issues into the public works plan.

Contributions of public works to livelihoods, nutrition, climate resilience and DRM should be specifically outlined in the Public Works Plan. The City Environmental Expert ensures that any planned public works sub-projects of environmental concern are clearly earmarked.

The City/town administration submits the Public Works Plan to the City Urban Job Creation and Food Security Office for incorporation into the overall City Annual Safety Net Plan, and also sends it to (zone if applicable), regional and federal UJCFS agency.

d. Links to Social Services Plan

The City Health Office and OLSA, where available, review any proposed modifications to the list of co-responsibilities proposed by HEWs in the woreda/kebele plans, with support and participation of the UJCFS Office. They also review potential estimates of number of temporary direct support clients and identify any additional support HEWs and health facilities will need to meet any increased uptake in services. In addition, the City Health Office reviews woreda/kebele plans for the provision of community BCC to public works clients. City health office and OLSA use these plans to inform their own City-level activity planning in order to ensure that adequate human resources and other resources will be available for their implementation.

e. Links to Case Management of Permanent Direct Support Plan

In Cities where OLSA has a presence, city OLSA staff review the list of permanent direct support clients and identify potential services they can be referred to.

f. Livelihood Plan

The livelihood component of the City Plan incorporates the capacity analyses (implementation capacity, credit availability, and market capacity) together with UPSNP client interest in different types of livelihoods.

As noted above, this indication of interest is for planning purposes only, as clients will have the opportunity to select their pathway once they have received initial trainings and participated in client consultations.

The process for the preparation of the City Livelihoods Plan is as follows:

Step 1: The Support facilitator/expert of JCFS office, through the Livelihoods Joint Technical Committee, compile the following information:
Human resource capacity at the City level to provide financial literacy training and technical assistance in each of the three livelihood pathways.

- Credit availability (including willingness to lend) at MFIs and others financial institutions.
- Market demand for goods, services and labour
- Number of clients prioritized for livelihoods technical support, by pathway.
- Number and list of clients targeted for livelihoods transfers who are prioritized for the year

Initial livelihoods training plan, including:
- Financial literacy training
- Savings promotion
- Training in each of the livelihood pathways
- Business plan preparation
- Follow-up support

Implementation arrangements for each of the above

**Step 2:** Based on initial ESMF assessments conducted during the livelihood analysis process, the City Environmental expert uses the Livelihoods Environmental and Social Management Planning Template and Checklist and ensures that any planned livelihood activities of environmental concern are clearly earmarked. This checklist is used to identify potential negative environmental and social impacts, and to plan for the implementation of mitigating measures as required.

**Step 3:** The Livelihoods Implementation Unit prepares staffing plans, training plans, equipment plans and basic procurement plans as outlined in the sections below. The livelihoods elements of these plans will be kept separate from the other elements, as they will be covered by the Livelihoods Capacity Building budget rather than the City Administrative Budget.

**Step 4:** Following review and approval by the Livelihoods Technical Committee submits the City Livelihoods Plan to the City Urban Job Creation and Food Security office for incorporation into the overall City Annual Safety Net Plan, and also sends it to zonal (if applicable), regional and federal UJCFS office for compilation and technical review.

g. **Staffing Plan**

The City needs to plan to ensure it has sufficient staff, both permanent and on contract, to implement the UPSNP effectively. Staff turnover is a critical challenge at woreda/ketena and City levels, and should be assessed at least once a year by each line sector, and compiled by the UJCFS office. The assessment result indicates the staffing capacity and measures to be taken. The following process is followed to ensure such plans are entered in the CASNP: A minimum staffing levels and requirement will be developed for each implementation level of UPSNP depending on the beneficiary number and scale of the project.

**Step 1:** CJCFSTF reviews W/KASNP and identifies support requirements from City-level staff from all departments and other organizations, including itself. This should be comprehensive but may include staff for financial management, public work, livelihood, direct support, project
oversight, provision of required and anticipated technical support, monitoring and evaluation, provision of training, and procurement.

**Step 2:** CJCFSTF circulates woreda/kebele plans and its initial assessment of support required from City staff to Line Departments and other organizations required providing support to woreda/kebele level and playing a role in UPSNP implementation. In order to strengthen synergies between different components, all offices should also receive a copy of the overall staffing plan, but their primary responsibility for review and input will be allocated according to the list below:

- Overall staffing plan: UJCFSO and eventually city OLSA (where available)
- Staffing for transfers: city OFED
- Staffing for public works: city/town administration and other sector office
- Staffing for livelihoods: UJCFSO, OLSA (where available), Trade office, Cooperative
- Others as appropriate

**Step 3:** All offices, departments and other agencies assess needs for the coming year against current staffing availability, taking into account any known changes for the coming year.

**Step 4:** CJCFSTF assesses staffing levels against minimum standards for effective UPSNP implementation if relevant, and any subsequent capacity assessments.

**Step 5:** All departments submit reports on staffing status and its adequacy to serve needs in the current year, with proposals for any changes and proposed budget for permanent or contract staff, to the CJCFSTF.

**Step 6:** CJCFSTF compiles analysis of staffing adequacy and staffing requirements, and discusses them with departments until agreement is made.

**Step 7:** CJCFSTF compiles Annual Staffing Plan, and inserts this as a section in the City Annual Safety Net Plan. Staffing for the livelihoods component is indicated separately with the budget source the livelihoods capacity building budget.

**Step 8:** Following regional and federal approval processes, the City is informed of approved staffing plans, and adjusts the CASNP as necessary.

**h. Training Plan**

The training plan includes: awareness creation on UPSNP, refresher training for newly recruited or appointed staff in UPSNP guidelines, and other training. The training plan is structured by types of training, training clients (W/KFSTF, communities, Support facilitator/expert, City staff), and resource persons/institutions to provide training. The training plan may also consider experience sharing (local or international).

City offices are responsible to:

- Ensure adequate training and human resource development for lower levels.
- Ensure City staff, both new and existing, are adequately trained.
The training plan includes a separate section on training of clients in livelihoods, as well as training of staff for implementation of livelihoods activities.

The following process feeds into the development of the City Annual Safety Net Plan:

**Step 1:** CJCFTF reviews minimum requirements for regular training, and plans for what is needed.

**Step 2:** CJCFTF reviews woreda/kebele plans and identifies any further requirements for a City role in training.

**Step 3:** CJCFTF refers to other training assessments for the UPSNP under capacity building initiatives to identify further training needs.

**Step 4:** CJCFTF requests that other departments and offices submit their own training needs under the UPSNP.

**Step 5:** CJCFTF compiles an annual training needs assessment for needs that cannot be met at City level. It also compiles an annual training plan for training which can be delivered at City level. These are submitted to Regional Urban Job Creation and Food Security for approval and planning as a part of the CASNP.

**Step 6:** Following regional approval and planning, Regional Urban Job Creation and Food Security provides the City with an approved annual training schedule for training organized at regional or federal levels.

**Step 7:** The CJCFTF amends the CASNP as necessary.

### i. Equipment Plan

Each City must make sure that all equipment that will be needed for the coming year will be available when it is needed. The following process feeds into the CASNP. As with staffing and training, livelihoods-related equipment needs are listed separately.

**Step 1:** CJCFTF reviews minimum requirements for equipment.

**Step 2:** CJCFTF reviews W/KASNPs and identifies any further requirements for equipment at City level to support woreda/kebele plans.

**Step 3:** CJCFTF refers to other capacity assessments for equipment for the UPSNP under capacity building or procurement initiatives to identify further equipment needs.

**Step 4:** CJCFTF requests all cooperating Departments and Organizations at City level to submit their own equipment needs under the UPSNP, with justification.

**Step 5:** WJCFTF compares existing equipment holdings with requirements and identifies where additional equipment is needed for effective implementation of the UPSNP.

**Step 6:** CJCFTF plans how each type of equipment need may be met. This may include:

- Pooling arrangements
- Other sharing arrangements
- Repairing existing equipment
- Purchasing new equipment

**Step 7:** CJCFSSTF reconciles priority needs with available budget and prepares an equipment plan for the City Annual Safety Net Plan, including items to be purchased and sourced by other means.

**Step 8:** Any equipment requiring purchase is included in the procurement planning process.
j. **Procurement Plan**

The UPSNP has a detailed procurement manual which guides purchasers and program managers. Chapter 14 of this PIM provides a shorter version of the procurement manual. The following is specific provisions for City level planners who are also required to refer to the above materials.

Accordingly, City responsibility for procurement comprises:

- Preparation of procurement plan
- Procuring items allowed at the City level
- Passing on procurement needs where regional or federal action is required

The following steps are followed:

**Step 1:** The CJCFSTF identifies procurement needs from the process of identifying equipment, the capital inputs for public works based on the Public Works Plans. Input requirements from the Livelihoods Plans are listed separately.

**Step 2:** Other non-equipment procurement needs are identified from the training needs assessment and other sources.

**Step 3:** The Procurement Officer in UJCFSO consolidates procurement requirements from different implementing agencies and prepares a procurement plan based on the needs of each department.

**Step 4:** The list of procurement items is included in City Annual Safety Net Plan, which is submitted as a proposal to zonal (where available), Regional Urban Job Creation and Food Security Agency/Bureau.

**Step 5:** The region may seek further justification for procurement proposals, particularly those for equipment.

**Step 6:** Following regional and federal approval processes, the City will receive feedback from Zonal (if available), Regional Urban Job Creation and Food Security on procurement proposals, and will modify the City procurement plan if necessary.

**Step 7:** A detailed Procurement Plan is prepared according to the procurement guidance and following the format in the Procurement Manual. This Procurement Plan is prepared by the Procurement Officer in CAO and is submitted to the CJCFSTF for approval. Following CJCFSTF approval, it is submitted to city OFED.

Timely preparation and submission of the Procurement Plan is the basis for timely procurement and delivery of capital goods required for public work implementation. The basic procurement plan must be included in the safety net plan at each level, and a detailed procurement plan following formats in the Procurement Manual must be submitted by July of each year.

k. **Coordination Plan**
Coordination is essential if the UPSNP is to achieve its objectives. As such it needs to be planned like any other activity. The steps for planning coordination at City level are as follows:

**Step 1:** CJCFSTF defines all the needs for coordination at City level, and all the mechanisms that are available for facilitating that coordination. Specific events and dates should be identified to the extent possible. Particular attention should be given to coordination with:

- Social services, e.g. activities by social workers, activities by health workers and other social protection initiatives
- Livelihoods and economic development programming, e.g. NGO programming
- Urban environment protection programming, such as SWM, urban greenery development and management and Integrated Urban Watershed Management.
- Climate change resilience activities, such as CRGE

**Step 2:** CJCFSTF circulates the coordination list to all concerned stakeholders and asks them to confirm that they have entered their obligations in their own annual plans.

**Step 3:** The CJCFSTF translates the coordination list into an action plan that it will implement over the coming year for proactive coordination.

**Step 4:** The CJCFSTF ensures that it has sufficient resources to fulfill its obligations regarding coordination, and enters any additional resources into the relevant section of the annual plan.

**Step 5:** The CJCFSTF includes the coordination plan in the City Annual Safety Net Plan, for submission to regional level.

1. **City Budget and Schedule**

UPSNP budgeting takes place at the City level, together with preparation of the City Annual Safety Net Plan. The UPSNP City budget consists of seven components:

- The transfer budget for permanent direct support clients.
- The transfer budget for public works clients (including temporary direct support clients).
- The public works capital budget which covers capital inputs and material for public works activities. The total capital budget must stay under the threshold which is 20% the base program costs. Within the overall budget, there is no cap to the capital budget allocated to an individual sub-project. The CJCFSTF has the responsibility to allocate and approve the City capital budget as per the approved public works sub-projects.
- The livelihoods implementation (capacity building) budget: This budget is based on the number of targeted clients for livelihoods interventions as well as the need for capacity building of grassroots institutions. This budget covers training costs (including TVET trainer fees), training equipment, inputs, and other activity costs, as well as all associated costs.

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8 Base program costs = transfer budget + public work costs + 3% Administration Costs (UPSNP PAD, November 25, 2015)
staffing and administrative costs (e.g. small office equipment and materials travel and transport, and monitoring and evaluation activities).

- **The livelihoods transfer budget:** This represents approximately 500 USD per public work household per year, a budget allocation is made for 84% PW households.

- **The administrative budget (3% of the base program costs) which** covers human resources, small office equipment and materials, travel and transport, training, monitoring and evaluation activities, and other costs with the exception of livelihoods-related costs. The CJCFSTF has the responsibility to allocate and approve the City admin budget for the implementing sector offices.

### 8.13 Federal Level Planning and Approval

The product of federal planning is the Federal Annual Safety Net Plan, which summarizes all key dimensions of the program and compiles an overall budget for the year. The federal planning process takes place at the same time as planning processes for lower levels, in time for the new Financial Year.

The format for the Federal Annual Safety Net Plan has the same sections as the city plan, for each of which guidance is provided in the sections below. When the final Federal Annual Safety Net Plan is approved, it is circulated down to regions, to other federal agencies, and to Development Partners so all are fully informed on the decisions that have been made. Any amendments to the Annual Plan are communicated formally to regions and Development Partners.

#### a. Public Works Plan

The Public Works Coordination Unit:

- Verifies consistency of regional/city public works plans and their correspondence with the resources available.
- Verifies that the regional/city public works plans follow the principles of the UPSNP.
- Verifies that the ESMF procedures are followed and that the plans are in line with federal priorities.
- Submits the regional/city public works plans to the federal Public Works Joint Technical Committee for information, discussion and review.
- Communicates concerns, if any, about regional/city public works plans to the regional Public Works Focal Units for their appropriate action.
- Forwards all the regional/city public works plans to the PCU once they are finalized appropriately.

The Public Works Coordination Unit also prepares an annual plan that details how it will support the implementation of the R/CASNPs together with their overall mandate.
b. Links to Social Services Plan

The Federal Ministry of Health:

- Verifies consistency of regional plans for links to social services and their correspondence with the resources available.
- Forwards any concerns about the regional links to social services plans to BOH for their appropriate action.
- Prepares an annual plan that details how they will support the implementation of the R/CASNPs together with its overall mandate.
- Forwards final Links to Social Services plan to the PCU and takes it into account for its own annual planning.

c. Links to Case Management of Permanent Direct Support Plan

Ministry of Labour and Social Affairs:

- Verifies consistency of regional plans for links to case management of permanent direct support and their correspondence with the resources available.
- Forwards any concerns about the links to case management of permanent direct support plans to BoLSA for their appropriate action.
- Prepares an annual plan that details how they will support the implementation of the R/CASNPs together with their overall mandate.
- Forwards a final Links to Case Management of Permanent Direct Support Plan to the PCU and takes it into account for its own annual planning.

d. Livelihoods Plan

At the federal level, the Livelihoods Implementation Unit under PCU:

- Verifies the consistency of regional/city livelihoods plans and their correspondence with the resources available.
- Verifies that the regional/city livelihoods plans follow the principles of the UPSNP’s livelihoods component.
- Verifies that the ESMF procedures are followed and that the plans are in line with federal priorities.
- Forwards any concerns about the regional/city livelihoods plans to the regional Livelihoods Technical Committee for their appropriate action.
- Together with other Livelihoods Technical Committee members, prepares an annual plan that details how each institution will support the implementation of the R/CASNPs together with their overall mandate.
- Prepares a summary presentation of the proposed annual budget by livelihood pathway and activity, and consolidated Livelihoods Plan and Budget.
- Forwards the final regional and federal Livelihoods Plans and Budgets to the PCU.

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e. Transfer Plan

PCU and MoFEC are responsible for ensuring that cash is available for disbursements to make cash transfers timely and predictable. The process for planning cash at federal level is as follows:

Step 1: PCU proposes a predicted market wage rate for the project for the coming year in June which is approved by the federal UJCFS Council.

Step 2: PCU analyses Regional/ city Annual Safety Net Plan submissions, calculates the cash required each month of the year, for each region, based on their regionally approved transfer schedules.

Step 3: PCU produces expenditure and cash requirement forecasts.

Step 4: The expenditure and cash requirement forecast is passed to MoFEC.

Step 5: The expenditure and cash requirement forecast is part of the quarterly IFR and be submitted to Development Partners by MoFEC for clearance.

Step 6: PCU prepares a disbursement plan and instruction to MoFEC, Government Line Departments, and RUJCFSA/Bin the regions as part of the reporting downwards process. MoFEC effect the cash transfers to the regions and Government Line Departments as per the instructions from PCU and communicates the same to BoFEDs and PCU.

f. Staffing Plan

The federal level is responsible for ensuring adequate staffing in federal level organizations with UPSNP responsibilities, and also approving staff requests from regions. The process is as follows:

Step 1: PCU reviews city plans and identifies support requirements from federal-level staff from all departments and other organizations, including itself. This should be comprehensive but may include staff for financial management, food management, project oversight, social development, provision of required and anticipated technical support (including for livelihoods interventions in each of the two pathways), monitoring and evaluation, training provision, and procurement.

Step 2: PCU circulates regional plans and its initial assessment of support required from federal staff to Line Departments and other organizations required to provide support to regional level and play a role in UPSNP implementation. Review of the staffing plan should be comprehensive based on local arrangements but may include:

- Overall staffing plan: PCU, FUJCFSA and MoLSA
- Staffing for transfers: MoFEC
- Staffing for public works: MoUDH, FUJCFSA and MoFEC
- Staffing for livelihoods: FUJCFSA, MOLSA, Federal TVET and MFI
- Others as appropriate
Step 3: All federal implementing agencies and other organizations assess needs for the coming year against current staffing availability, taking into account any known changes for the coming year. They also assess staffing levels against minimum standards for effective UPSNP implementation if relevant, and any subsequent capacity assessments.

Step 4: All implementing agencies submit reports on staffing status and its adequacy to serve needs in the current year, with proposals for any changes, to PCU.

Step 5: PCU compiles analysis of staffing adequacy and staffing requirements, and approves the plans. If plans are not approved, they are returned to the relevant organization with explanation, for further discussion.

Step 6: PCU compiles an Annual Staffing Plan and inserts this as a section in the Federal Annual Safety Net Plan.

Step 7: PCU allocates available staffing budget on priority basis in the plan, and reports back to relevant organizations on budget allocations through circulation of the Federal Annual Safety Net Plan.

Step 8: PCU reviews proposed staffing plans in the Regional/City Annual Safety Net Plans and approve them as part of the wider process of approval of these Regional/City plans. If PCU does not approve the staffing proposals then an explanation is provided to the Region/City and the issue is resolved through discussion. Regions/Cities then update their plans and resubmit to PCU for final approval. PCU sends final approved plans back to Regions as described.

Step 9: Departments and organizations plan approved recruitment.

g. Training Plan

PCU, in coordination with FUJCFSA, MoUDH, MoFEC, MoLSA and TVET, is responsible for

- Providing whatever role is required of them to ensure adequate training and Human Resource Development for lower levels
- Ensuring federal staff, both new and existing, are adequately trained

The following process feeds into the development of the Federal Annual Safety Net Plan:

Step 1: The UPSNP PCU or designated officer reviews minimum requirements for regular training at federal level.

Step 2: PCU and the Capacity Development Support Facility review regional training plans and identify additional requirements for a federal role in training.

Step 3: PCU refers to other training assessments for the UPSNP under capacity building initiatives to identify further training needs requiring federal input.

Step 4: PCU requests other Federal Departments and Organizations to submit their own training needs under the UPSNP.
Step 5: PCU and the Capacity Development Support Facility compile an annual training plan that describes when, how, where, by whom training will be conducted. A budget is prepared for each item.

Step 6: The training plan is included in the Federal Annual Safety Net Plan.
h. Equipment Plan

The federal level must make sure that all equipment that will be needed at federal level for the coming year will be available when it is needed. This might include:

- Vehicles
- Motorcycles
- Computers and other computer-related equipment
- Furniture
- Accessories for computers, photocopy machines, fax machines, etc.

The following process feeds into the annual plan:

**Step 1:** PCU reviews minimum requirements for equipment at federal level.

**Step 2:** PCU reviews the Regional/City Annual Safety Net Plans and identifies any implications for further equipment required at regional/city level, such as vehicles, motorbikes, computers, etc.

**Step 3:** PCU refers to other capacity assessments for equipment for the UPSNP under capacity building or procurement initiatives to identify further equipment needs.

**Step 4:** PCU requests other Departments and Organizations to submit their own equipment needs under the UPSNP, with justification.

**Step 5:** If requests are not approved then they are returned to their source with explanation and further discussion takes place.

**Step 6:** PCU compares existing equipment holdings with requirements and identifies where additional equipment is needed for effective implementation of the UPSNP.

**Step 7:** PCU plans how each type of equipment need may be met. This may include:

- Pooling arrangements
- Other sharing arrangements
- Renting vehicles or other equipment
- Repairing existing equipment
- Purchasing new equipment

**Step 8:** PCU reconciles priority needs with available budget and prepares an equipment plan for the Annual Federal Plan.

i. Procurement Plan

Federal responsibility for procurement comprises:

- Procuring items required at the federal level, and
- Consolidating regional/city procurement plans
The following steps are to be followed for the Federal Safety Net Plan:

**Step 1:** PCU identifies procurement needs from the process of identifying equipment.

**Step 2:** Other non-equipment procurement needs are identified from the training needs assessment and other sources.

**Step 3:** PCU reviews procurement proposals in draft Annual Plans from regions and approves them. If regional/city plans are not approved, PCU provides an explanation why and addresses the situation through discussion.

**Step 4:** PCU identifies items from regional/city procurement plans requiring federal procurement.

**Step 5:** The Procurement Coordinator in PCU prepares a separate annual procurement plan, consolidating regional and federal procurement plans, according to the procurement guidance. This is accompanied by a maintenance plan for all equipment to be purchased. These plans are submitted to the World Bank for approval.

**Step 6:** The World Bank reviews the procurement plan and, if approved, gives a ‘no-objection’ to PCU.

**j. Federal Budget**

The Annual Federal Budget pulls together all budget items from the UPSNP, with the following steps:

**Step 1:** The full costs of all approved Regional/City Annual Safety Net Plans are compiled in the prescribed format by the PCU.

**Step 2:** The full costs of all approved federal-level planned expenditures as identified in this section are added to the same format.

**Step 3:** The PCU checks this budget and ensures that all cost categories have been included for all levels, including transfers, capital and administration, livelihoods implementation (capacity building) and livelihoods transfers, contingency budget (xx % of total budget from the Government), capacity building and management budgets.

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**Note: Contingency budget:** The UPSP does not have contingency budget like the rural PSNP. However, in conventional budget preparation, a percentage of total budget is often allocated to cover short falls for any reason (e.g. price of inputs go up). Therefore, the City Government/Administration will provide a xx % for contingency to be used in the sense stated here. The PCU should ensure that this has actually happened.
**Step 4:** The final budget is included in the Federal Annual Safety Net Plan, and submitted by the end of June to MoFEC for approval with the regular Government Budget and Development Partners at federal level, and in the final Federal Annual Safety Net Plans back down to regions, which in turn provide relevant information to zones and Cities.

**8.14 Dissemination of Approved Plans**

Each of the plans is distributed back down to the lower levels immediately following federal approval so that all participants are aware of final planning decisions that have been taken and final resource allocations that have been made. Annual conference will be held to discuss on the status of the previous year implementation and plan of the next year. This also allows both greater upward and downward accountability. Once the UPSNP annual plan and budget have been approved at the federal level, MoFEC posts the annual local Government -by-local government budget on its website. Each urban local government also posts the annual UPSNP plan, budget and list of clients, along with the Client Bill of Rights and Responsibilities, in a public location in the sub city and in each woreda/kebele center to ensure financial transparency and accountability (FTA).
PART 3: PROGRAM IMPLEMENTATION

CHAPTER 9: UNCONDITIONAL CASH TRANSFER CLIENTS

9.1 Introduction

Direct Support Component is a floor where chronically food insecure, labor constrained, vulnerable and who do not have reliable support access direct support and basic social services. These include elderly, persons with disabilities, people with chronic illness, beggars and children.

This component aims to ensure the food security of the neediest and vulnerable urban dwellers that cannot work and fulfill their basic needs. In this component, direct support clients have access to a comprehensive support that include (i) unconditional cash transfers (ii) psychosocial support service, guidance and counseling to reunify and reintegrate the beggars and street children, (iii) basic social services and (iv) institutional care as a last option.

The direct support component has two categories of clients. The first is Permanent Direct Support (PDS) because most of them are unlikely to exit from the program except death and children who are educated with the support of the program may complete their education and become self-reliant. Second, temporally direct support for people participating on public work but are exempt because they become pregnant, breast feeding and face serious accident.

9.2 Amount of Cash payments

The DS clients receive Birr 170 per person per month and a maximum of four family members are eligible. That means, a family of 4 persons receives Birr 680 (170*4 = 680 Birr) per month. DS clients who are “urban destitute”, as defined for the purpose of the program, receive transfer which is significantly higher than for the other categories of urban poor (Birr 600 per person per month for 12 months). The additional support is used to meet the specific need street children, the homeless and beggars. These beneficiaries will be supported through providing health care, housing, rehabilitation, reunification and reintegration. The transfer will be based on a fixed monthly payment schedule at the end of each month.

9.3 Links Clients to Basic Services

It is aimed to link basic services to poor household such as those headed by disabled or elderly people, street dwellers, and person with chronic mental problems. The service includes Education and Health care services with supplementary food and Shelter. These will be soft conditionality. Direct Support (DS) beneficiaries benefited the basic social service through referral of the clients to appropriate basic social services, and the monitoring and follow-up of the use of these services. As highlighted above, where a permanent direct support client household includes a member who is pregnant or has a child under the age of one, they should be expected to take advantage of key health and nutrition services.
9.3 **Counseling and Life Skill**
Beneficiaries will receive life-skills and counseling that are expected to help them rehabilitate. The life-skills and counseling will encompass communication skill, social skill and how to develop self-confidence. There are also skills that are important across a range of livelihood activities. The material developed by the existing structure that is used in current outreach activities will be adapted to meet the needs of the beneficiary group. After accomplishment of Counseling and life skill program, the beneficiary shall be linked to the services which lead to permanency (reunification, reintegration or other alternatives).

9.4 **Key Roles and Responsibilities for the support to PDS Clients**

Chapter 18 of the PIM provides a comprehensive roles and responsibilities and coordination mechanisms for the entire program implementation. This section is limited to roles and responsibilities of institutions dealing with the implementation of unconditional transfers.

**Ministry of Labour and Social Affairs**
- Has a role for the establishment of an integrating social protection system and ensures linkage with social protection policy and strategy.
- Has leading role to over sight targeting process and strengthens coordination between different actors.
- Establish and hosts the Direct Support Technical Committee (DSTC) and works to integrate direct support with the basic social services.
- Provides technical support and capacity building for regions and cities and assists in
- Co-chair national steering committee
- Periodically evaluate performance of the DS component.
- Produce guideline and manuals which enhance the progress of the program
- conduct assessment and study
- Collect and organize beneficiaries’ information
- Managing data bank and a Management Information System (MIS)

**City/Town Level Labor and Social Affairs Office/ OLSAs**
- Follows up the implementation progress of the urban job creation and food security program in general and specifically leads the direct support project at City level Labor and Social Affairs Office/ OLSAs level.
- Has a role for the establishment of an integrating social protection system and ensures linkage with social protection policy and strategy.
- Has conducting targeting process and strengthens coordination between different actors.
- Establish and hosts the Direct Support Technical Committee (DSTCC) and works to integrate direct support with the basic social services.
- Provides technical support and capacity building for Ketena/Kebele targeting committee.
- Co-chair City/woreda level steering committee
• Periodically evaluate performance of the project
• Establish and hosts the City/woreda DSTCC.
• Work for strong coordination to create link with the basic social services and help the beneficiaries to access.
• Communicates with the stockholders and provide technical assistance for proper coordination and implementation
• The City/woreda DSTCC reports to the City/woreda administrative council and City/woreda Direct Support Technical Committee.
• Establish a system of soft conditional ties that link Direct Support Clients to service providers.
• Assists targeting, planning and reporting procedure.
• Collect and organize beneficiaries’ information
• Managing data bank and a Management Information System (MIS)

Direct Support Technical Coordination Committee
The committee comprises of representatives from MoLSA, MoUDH, MoFEC, MoH, MoE, MoWCA, MoYS and UFSJCA. It closely follows up the implementation progress of the social direct support project and strengthens coordination between different actors. This technical committee should be established in each layers of government structure, i.e. from federal up to the lowest level government administrative office where labor and social affairs offices available. The DSTCC reports woreda/city council and regional direct support technical committee through zone/sub-city direct support technical committee

City Level Health Office/Health Centers:-
• Provide essential health and nutrition services,
• Provide data on DS beneficiaries
• Assist in linking social workers to DS households.
• Serve as a member of DSTCC

Ketena Targeting Committee/ Community Care Coalition:
• Identify and verify eligible beneficiaries for the project.
• The ketene targeting committee members are chosen through community discussions in which the community propose individuals who are likely to take responsibility as expected.
• Provides assistance for Social Workers, and HEWs to link beneficiary to basic services
• Mobilize resource to assist the most vulnerable group
• Prepare plan and report
• Create awareness about the project to the community

Social Worker
- Coordinate, facilitating and follow up daily activity of the program
- Has case management and linking role.
- Collect and organize permanent and temporary direct support beneficiaries data
- Build the capacity of CCC, Ketena and DSTCC
- Provides psychosocial support to DS special target groups such as beggars, street children
- Serve as a member of targeting committee
- Facilitate linkage and referral services
- Prepare periodic plan and report

9.5 **Case Management of UCT Clients**

**Step 1:** Collecting data on permanent DS households and temporary DS beneficiaries

After the beneficiaries are identified by the KTC and approved by the DSTCC, the WoLSA social workers collect and take over all information on permanent DS households through the help of KTC/CCC/CBSPC. If it is available additional information on all DS households from the family folders available at the health centers. In case no household folder is available, the social worker is responsible for creating a family folder for the respective permanent DS household or temporary DS client.

WoLSAs transfer the data collected from the households and health centers to their own data bank. The city level OLSA data bank has a template for the information of each permanent DS household named Household Profile.

**Step 2:** Informing the KTC/CCC/CBSPCs, the permanent DS households and the temporary DS clients and collecting and recording missing household information

KTC/CCC/CBSPCs have already been formed and trained before the direct support component has started. Now the city level OLSA social workers have to meet the committees to update them on the direct support component and to request their assistance in implementing it effectively.

The city level OLSA social workers assisted by the KTCs and by members of the Community Committee (CCC/CBSPC) invite all DS households and clients to a Ketena level meeting to explain the commencement of the direct support component and the responsibilities of the beneficiaries and the link to basic social services.

The social workers also tell the CCC/CBSPC that all DS clients have to be interviewed to collect and complete information on the household structure and on the specific situation of the household. Social workers ask the committee members to assist them to do those interviews. The interviews will be conducted at the end of the meeting with the clients. Clients who did not attend the meeting will be visited after the meeting. When visiting the clients the social workers will have to be accompanied by a committee member.
CHAPTER 10: PUBLIC WORKS IMPLEMENTATION

10.1 Introduction

In the UPSNP, one of the core conditions applied to households with some adult-able bodied labor is participation in public works program. Public works are labor intensive community-based sub-projects designed to address underlying causes of chronic food insecurity through the provision of temporary employment for chronically food insecure people who have able bodied labor. Eligible households with able-bodied members will participate in labor intensive PWs to be identified through an annual community planning process. The program will support the financing and development of sustainable community assets and public services implemented using labor intensive methods. The range of works being considered include: urban greenery development, solid waste management, integrated watershed management, construction/rehabilitation of social infrastructure and other similar activities.

A menu of labor intensive PWs appropriate for the urban areas and customized to the special environments in each of the participating cities will be provided as guidance to the communities in participating areas. It will start implementation on a pilot basis in the early stages of the program to determine which of these activities can be effectively provided and scaled up in the Ethiopian context. The program will also investigate the possibility to link the provision of services to more permanent forms of income generation and job creation for the clients.

For public works clients, failure to fulfill public works requirements or to participate in public works substitutes will result in client households being penalized through deductions to their transfer. Penalties will not be applied to temporary direct support clients except close follow-up to encourage their uptake of key services.

The above does not reverse the key principle of ‘primacy of transfers’, which states that transfers should not be delayed for any reasons, including those related to public works implementation”. If the municipalities’ implementers are unable to organize public works projects during the expected period or verify their completion on time, transfers should be made prior to public works implementation or verification. But if public works are conducted and households are provided the opportunity to participate, but they fail to participate or they miss days without a valid reason such as illness, then their transfer should be reduced proportional to the number of days missed.

10.2 Key contributions of UPSNP Public Works

i) In the urban context, PWs have considerable role to play in addressing age-old problems of urban centers particularly the larger cities such as Addis Ababa. Some of the contributions are given below. Contribution to the development objectives of the
**Government - clean, green and safer cities**: these objectives are stated in environment and climate change related policies and strategies described in Section xxx of the PIM. A few examples are given in Box xx.
Box 5: Examples of polices and strategies with focus on clean, green and safe cities

<table>
<thead>
<tr>
<th>Urban Solid Waste Handling and Disposal Strategy (2014):</th>
<th>serves as a framework for city/town administration to develop effective and sustainable integrated solid waste management for their citizens in order to protect public health and environmental quality.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Climate Change Resilient Urban Green Infrastructure Strategy (2014)</td>
<td>serves as a framework for municipalities to develop effective and sustainable urban green infrastructure (UGI) for their citizens in order to protect public health and environmental quality.</td>
</tr>
<tr>
<td>The Climate Resilient Green Economy Strategy (2012):</td>
<td>the focus of the strategy is the fulfilment of the sustainable development goals by improving handling of solid and liquid waste. The total abatement potential of improved handling of solid and liquid waste amounts to be around 2Mt CO₂e in the year 2030.</td>
</tr>
<tr>
<td>The Environmental Policy of Ethiopia (1997):</td>
<td>The policy demands that cities/towns to give priority for waste disposal system and for this purpose undertake studies on land fill sites and to construct treatment facilities. This framework includes issues to maintain safe waste management at localities; provision of environmental sanitation awareness to the community to bring attitudinal change, the possibility to recycle liquid and solid wastes from homesteads and establishments for the production of energy, fertilizer and for other uses and integration of actions among all stakeholders in sanitation interventions.</td>
</tr>
</tbody>
</table>

ii) **Contribution to livelihoods, nutrition and other social services:** Public works and links to social services, strengthened livelihoods, through the environmental protection/solid waste management, urban greenery development and management and watershed development. Using financial literacy training as public works requirements ensures that clients use the money in a way it can improve their livelihoods.

iii) **Labor-based:** Public works contribute to government objective of reducing unemployment and under employment because they are labor-intensive and may use simple tools only if it is absolutely necessary. Public works can rarely be supported by machinery if it is essential for the work but the ratio of labor to capital should not be lower than 70 per cent.

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*Example:* If the total cost of the sub-project is Birr 100, for example, at least Birr 70 will be cash payments to the workers.

iv) **Participatory:** the community participates in the selection, planning, monitoring and evaluation of projects. The participation principle requires that an enabling environment be established so that women – including women in male-headed households – are able to participate in public works planning.

v) **Predictability:** Public works are provided through a multi-annual resource framework. The participants should be aware of both the timing of public works, which should be scheduled to avoid peak labor periods, and what their entitlements and responsibilities are (with regards to both public works and soft conditionalities).
vi) **Integration:** Public works will be integrated into Cities Development Plans. The works will be planned on inter-sectoral basis and will require coordination between city-level offices of urban development, urban sanitation and beautification, environment protection, water, health, roads, and education.

vii) **Gender sensitivity:** Public works are designed to enable women to participate, and priority is given to works which reduce women’s regular work burden. Public works must be flexible to adapt to women’s activities (e.g. late arrival and early leaving for home).

viii) **Timely and appropriate transfers.**

ix) **Targeted:** Beneficiaries are selected through community-based targeting, and have the ability to self-select into the program. There is an effective appeal mechanism to address inclusion or exclusion errors.

x) **Proximity:** Public works are provided as much as possible in the immediate localities of the people in need. Similarly the co-responsibilities (soft conditionalities) to which temporary direct support beneficiaries agree should be based on what service provision is adequately available in the local area.

xi) ** Appropriateness of Conditionality:** Households with able-bodied adult labor are expected to participate in public works. Pregnant and lactating women are expected to transition to temporary direct support both to safeguard the health and welfare of themselves and child, but also to allow them to participate in soft conditions which further enhance health and welfare for themselves, the new child and the wider household.

xii) **Based on appropriate documentation.** All activities in UPSNP should be supported by appropriate documentation.

xiii) **Recognizing uniqueness.** Acknowledging the vastly different levels of awareness and the barriers to implement UPSNP.

### 10.3 Public Works Implementation Procedures

Public works remain a core element of the UPSNP. The actual public works selected depends entirely on the community planning process and any public work can be considered as long as it complies with the Environmental and Social Management Framework and is labor intensive.

### 10.4 Organization of Public Works

Public works are implemented in accordance with the approved annual plan and *throughout the year* as long as labour is available.
10.4.1 Organization of labor

The program will provide temporary employment and help people to link to job-opportunities or income generating activities. The target households acquire skills and confidence that make them employable and also create jobs. They also acquire labour organization/teamwork skills that are useful in future works after PW sub-projects phase out.

Labor organization is necessary for a variety of works or various stages of a given work. For example, procuring goods and other inputs or supplying goods and carrying out works. The labor can be referred to a broad range of people or groups including:

- Individual or groups of beneficiaries who are living in the areas where program activities are implemented;
- Individual or groups of beneficiaries with skilled and unskilled labor;
- Organized MSEs and entrepreneurs;
- Small-scale artisans and other local or small commercial organizations.

The aforementioned projects are prioritized to satisfy the social, economic and environmental objectives of the community in terms of income and employment generation, as well as improvements in infrastructure and services. Thus, as the projects are labor intensive and use local know-how and material, defining the labor organization and associated rules is an essential requirement.

Criteria for Team Formation

- Prior training on program activity
- Orientation on the fundamental principles of the program, cooperation, participation, and program precautions should be given to all program laborers before starting work.
- Teams can be formed by grouping selected beneficiaries who reside in the same neighborhoods, are from nearly villages or are close relatives, or on the basis of traditional groupings.
- Each work team should have a fairly balanced composition taking into account gender, age, skill ability and strength. Women can be part of mixed teams or form their own teams. They can also be team leaders.
- Supervision and Technical Support in the team formation

Eligibility for Public Works:

Only able-bodied adult household members within the category of chronic food insecure of target households are eligible to work at public works sites. The Public work clients are targeted using a community and proxy means of targeting mechanism process. Ketena Targeting Committees will rank and select proposed beneficiaries. The following household members are not considered able-bodied household members and are therefore NOT eligible to participate in public works:

- Children (under the age of 18)
- Older persons (over 60 years old)
- Physically challenged
- Mentally challenged
- People who are eligible for temporary direct support
- Primary caregivers of children under five who are moderate or severely malnourished, as identified by health extension workers.
- Other people who are temporarily unable to work because they are sick (including severely malnourished)

**Key Points Concerning Labor Organization:**

The following key point to be taken into account while organizing labor for the program activities:

- Laborers are organized in work teams (by whom), and work is assigned to teams as well as to individuals.
- A work team is usually comprised of men and women members **no less than 10 and no more than 30** Work is generally assigned to work teams but there are also cases when individuals are responsible for a piece of work. There may be only one work team at a public works site, or – for larger projects – several teams may be involved, but each team will be allocated the work it is expected to complete.
- Teams can be formed by grouping selected clients who reside in the same neighborhood, are from nearby villages or are close relatives. This helps to ensure cooperation within teams, such as covering each other’s tasks willingly when some are unable to attend, monitoring each other’s attendance, and ensuring that each other arrive at work on time.
- Team formation is done by the site supervisor, foremen/women or relevant city office in close consultation with the cabinet. Each work team should have a fairly balanced composition taking into account gender, age, skill ability and strength.
- Team leaders communicate to their members the time and location of the public works activities, and are responsible for sharing of the work within the team. Team composition and the assigning of teams to different public works project should take into consideration the need to allocate light works to women. When allocating tasks between team members, the team leader is expected again to ensure that lighter works are allocated to women.
- Teams elect their own team leaders; the implementing agency facilitate for the appointment of site men and supervisors and, where necessary for a large project, foremen/women.
- Labor rules applied; the implementing agency fixes the number of hours to be worked; laborers and the agency agree on hours of starting and finishing.
Orientation on the fundamental principles of public works, cooperation, participation, and safety precautions should be given to all public work laborers before starting work and a first aid kit made available to each public works site.

Disciplinary problems are dealt with within teams, wherever possible.

The Community Job Creation and Food Security Task Force (CJCFSSTF) should periodically monitor the program activities to ensure that they are undertaken as prioritized by the community.

Any concerns or problems noted should be raised in the first instance with the Woreda/Kebele Job Creation and Food Security Task Force (W/KJCFSSTF) or the city line offices.

Each personnel at the PW site has duties and responsibilities. For example,

**A Site Manager is** a technical person from the relevant city sector office. He/she has the following duties:

- Supervise and provide technical and managerial guidance to the team leaders and the foreman/woman involved in the project.
- Ensure the satisfactory completion of works according to the work plan and approve the outputs of each team and the payment of laborers.
- Issue warnings to laborers reported for discipline problems,
- Informing the relevant woreda sector office, and refer serious cases to the Kebele Council/Cabinet or KFSTF.
- Perform other tasks given to him by the supervisor

**A Supervisor** is assigned by the relevant woreda sector office and has the following duties:

- Make periodic (at least weekly) visits to all work sites, and can be assigned to more than one project.
- Be responsible for the overall technical, administrative and managerial performance of the project(s) and provide guidance to the site manager and other on-site staff.
- Identify issues related to implementation of the gender and social development provisions and suggest corrective actions where needed.

**Labor Rules**

The program defines the rules with respect to labor organization in general, and disciplinary measures in particular. In consultation with the Federal and Regional program implementation entities, cities/municipalities may amend these rules from time to time, as necessary depending on the existing circumstances.

The Regional Bureaus will guide and monitor the system of labor organization in program activities, and ensure a consistent overall approach while allowing for local flexibility across cities and woredas/kebele. The FUJCFS Agency will establish:

- The number of hours to be worked per day and per week; and
The overall organization structure (organ gram) and number of foreman/women and other supervisor personal required.

Work can be for a full day or a half day, depending on local conditions.

Work can be undertaken on a shift basis within a day (one set of workers in the morning, another in the afternoon) depending on the need of beneficiaries.

Before work commences, the implementing agency and the laborers, or representatives of the work teams in the presence of the representatives of the woreda/kebele task force will agree on:

- The actual hours of work (hours of starting and ending work each day);
- The number of days needed to complete a project, and the public and local holidays to be observed (except for special functions, such as guarding);
- Frequency of payment; and
- Other practical aspects related to labor organization such as how to address absences due to illness or other family emergencies).

10.4.2 Implementation of Public Works

i) Sub-project Implementation, including Implementation of Mitigating Measures Identified during ESMF Screening

Sub-project construction should follow the agreed design prepared during the planning. If during Environmental and Social Management Framework (ESMF) screening, the need for mitigating measures were identified these should be implemented during sub-project implementation. The responsible will designate a person who is responsible for ensuring the mitigation measures are effectively implemented as specified before, during and after construction. The cities/ municipalities will designate a staff member to inspect and oversee the implementation of mitigating measures. They will make site visits to relevant public works sub-projects during and on completion of sub-projects as required.

ii) Attendance and discipline

Attendance of beneficiaries will be taken twice before starting and after completion of the day’s work. Copies of the attendance records will be forwarded to the supervisor. The attendance of the participants should be strictly checked by the assigned officers and supervisors. If participants arrive for work but are prevented from working by factors outside their control (e.g. delays in the delivery of required public work materials) participants should receive 100% of the transfer for that day and do not have to work for it.

Disciplinary problems will be solved within the work team or unit as much as possible. The existing disciplinary body of the responsible office, in consultation with the concerned institutions, will approve disciplinary measures including dismissals.
In the case when exceptional circumstances (ill health of the public works participant or other emergency) happen, the payment for beneficiaries should handle according to the setting of labor rules.

10.5 Case Management PW Clients

In order to link the clients to social service and to take special consideration for identification of special need eligible clients is important. The special need PWs clients will be:-

- Pregnant women
- Lactating mothers with a child under one
- PW clients suffering from severe malnutrition

Team composition and the assigning of teams to different public works project should take into consideration the need to allocate light works to women. When allocating tasks between team members, the team leader is expected again to ensure that lighter works are allocated to women. The definition of light works can vary according to context – for example the watering of seedlings may be a ‘light work’ in some areas, but in others may involve the walking of unacceptably long distances to reach a water source.

Special focus should be given to facilitate continuous breastfeeding by women who have children below one years old and who perform public works and to assign them light tasks because of the high-energy demands of breast feeding. There should be a similar consideration pregnant and malnourished PW clients to ensure that they are not allocated tasks beyond their capacity.

10.5.1 Transition to Temporary Direct Support

i) Transition of Pregnant and Lactating Women to Direct Support until One Year Postpartum:

Women will be transitioned to direct support on confirmation by a health worker that she has undergone a first ante-natal checkup. In the absence of this referral, the pregnant woman will be automatically transitioned at four months of pregnancy. The woman should report her pregnancy to the relevant the site supervisor supporting public works, along with the evidence of her pregnancy. Evidence accepted will include

- An appointment card stating the date of her first or second ante-natal counseling session (most common)
- A letter from a health worker stating her name and confirming her pregnancy and participation in an ante-natal counseling session (if an appointment card is not available)

The woman will then remain on direct support until 12 months after the birth of her child.

ii) Transition of primary care-giver of a child under five years old

If a child is identified as moderately or severely malnourished by a health worker (maybe in the course of routine growth monitoring or as a result of targeted supplementary feeding screening)
and requiring treatment, the primary caregiver of the child (usually the mother) will be transitioned to temporary direct support during the period of treatment. This will most commonly be done through a reference card from the Health Extension Worker or other health professional.

The site supervisor will report the transitioning of any household members to temporary direct support when he or she submits the attendance sheets for public works attendance to the office of UJCFS and OLSA.

When a household member moves to temporary direct support, no other household member is expected to work to earn that transfer or to work any days beyond the existing labor cap. Transfer for at least one household member will be provided without participation in public works.

The use of ‘family folders’ plays key role in the monitoring of co-responsibilities for the UPSNP. Services that a household is using and the regime of services they are expected to use are all laid out in the folder (which contains a separate, relevant card for each household member). Folders are complemented by health cards for individuals requiring a regime of services (family planning, antenatal care or vaccinations). These cards are filed using a ‘tickler system’ (cards are filed according to the date the next action is required), making it easy to schedule follow-up.

When UPSNP client is referred to temporary direct support (either because the client has attended her first ante-natal counseling session or because she has informed the site supervisor that she has reached her fourth month of pregnancy), the family folder should mark with a sticker or stamp indicating they are a temporary direct support client; and their names and serial numbers are added to the list of temporary direct support clients maintained in the health post. The same sticker or stamp should also be put on any associated health cards. The office of UJCFS enters the uptake information into the relevant register and uses the information to complete the quarterly report on safety net activities.

iii) Annual Update of Payroll and Attendance Software System (PASS)

At the start of each financial year, the final list of enrolled public works clients is entered into the PASS software. Use of payment software – PASS – is mandatory in all UPSNP cities. Once the city has the software installed and has received the required training they will be expected to make use of the software to generate payrolls. In case when the PASS malfunction, city office of finance in coordination with the office of UJCFS will contact the IT Helpdesks at the regional level for assistance. However, payments to clients should not be delayed if these problems persist. In this case, attendance sheets and payrolls can be prepared in Excel for the affected month. The problem with the PASS should be then be rectified prior to the following month’s payment and any data entered into the excel sheet should be uploaded into PASS.

iv) UPSNP Attendance Sheet Preparation
The attendance sheet for each public works project is collected by the responsible site managers and submitted to the CJCFSTF. These are approved by the CJCFSTF and submitted to the municipalities. This attendance sheet is submitted alongside any notifications of household members transitioning to temporary direct support. At the same time, the CJCFSTF informs communities that the attendance sheets have been submitted for processing and that payments should be expected within 10 days.

v) Confirmation that Cash has been received

Cities office of finance will monitors the receipt of funds and confirms that adequate funds have been received prior to payments being made. Further information on cash flow planning and funds flow can be found Financial Management section of this manual.

**Table 10.2: Payroll Preparation and Verification**

| Attendance and direct support entitlement recorded in PASS | The municipalities enter the data on attendance into the attendance sheet of PASS. If problems with the attendance sheet are noted, requests clarification from the CJCFSTF. The municipalities also records/verifies the entitlement for any temporary direct support transfers on the basis of information received from the site managers on household members who are eligible for temporary direct support. |
| Payroll Preparation | Towards the end of each month, cities office of finance, in discussion with the municipalities generates the monthly payroll using the PASS software. This payroll takes into account any lapses in attendance at public works and deducts payments accordingly (no payment is deducted for lapses in attendance of health sessions by temporary direct support clients). |
| Scheduling of Transfers | City office of finance then communicates with the bank to effect the payment into clients bank accounts. |

Once payments have been completed, the bank and City Finance officer reconcile documents.

**Annex 10.1 Public Works Quarterly Reporting Format**

Quarter: ________ Year: __________
Region: ______________ Zone: ______________ City: ______________
Woreda/ Kebele: ______________ Site Manager Name: ______________

<table>
<thead>
<tr>
<th>Household UPSNP Number</th>
<th>Clients Name</th>
<th>Client</th>
<th>Public Activity</th>
<th>Works</th>
<th>Payment</th>
<th>Quarterly Saving in Birr</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>MF</td>
<td>Adult/ Youth</td>
<td>PW Days</td>
<td>Type</td>
<td>Transf Amoun t</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficiary summary during the quarter</td>
<td>Male</td>
<td>Female</td>
<td>Youth M</td>
<td>Youth F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
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</tr>
</tbody>
</table>
CHAPTER 11: LIVELIHOODS SERVICES IMPLEMENTATION

11.1 Introduction

The livelihoods component aims to strengthen the livelihoods of UPSNP clients through building household assets, increasing incomes, and strengthening resilience to shocks. It is expected that improved livelihoods and increased incomes and assets will lead some households to graduate from the UPSNP. The target groups for these services are individuals in households receiving conditional transfers who desire more and higher-paid work. One individual per household can receive this support. The individual will be selected by the household. The support will be implemented by the One Stop Center Directorate (OSCD) in the Federal Urban Food Security and Job Creation Agency (UJCFSA) which established One Stop Centers in woredas/kebeles. Some of the functions will be performed in collaboration with MoLSA.

11.2 Guiding Principles of Livelihoods Services

The following principles will guide the implementation of the livelihoods component:

- **Appropriate Institutional Ownership:** Tailored technical assistance provision for each livelihood pathway entails working through institutions that have existing skill set and mandate for the technical area. The Federal Job Creation and Food Security Agency is responsible for the self-employment and employment pathways, which is supported by Labor and Social Affairs.

- **Capacity Based Support:** The technical and financial support provided to each client along each livelihood pathway must be tailored according to each client’s capacity and needs, while taking into account the capacity of government institutions and frontline workers to provide the necessary support. This entails the formation of groups and targeting of poorer individuals to receive livelihoods transfers as well as intensive coaching and mentoring.

- **Market-oriented and Demand-driven Approach:** The implementation of the livelihoods component combines a demand-driven approach based on client interest in livelihoods with realities of product and service markets as well as financial markets and resource availability.

- **Coordination and Synergy:** Livelihoods activities are planned alongside public works activities and other complementary initiatives in order to ensure maximum synergy between the two. Discussion platforms with key stakeholders (including NGOs) help identify local economic opportunities.

- **Careful Sequencing and Tracking:** Clients receive a carefully sequenced combination of technical and financial support, beginning with receipt of safety net transfers and followed by savings participation, financial literacy, livelihoods training, and access to finance. A
livelihoods checklist included in the Client Card supports tracking of client participation in each activity in order to ensure that s/he is ready for the next step and that significant capacity has been built before a business plan is developed.

- **Dynamism and Technological Innovations:** Program technical assistance is continually upgraded with new information on recent market trends, local and more distant market opportunities, competition, and evolving supporting market services.

- **Simplicity of Business plans:** Business plans should be easily understandable, based on households’ technical capacity and opportunities.

- **Harmonization:** The livelihoods component takes into account lessons learned from NGO activities and uses training materials developed by government as well as NGOs.

- **Learning and knowledge management:** The livelihoods component promotes learning through exchange visits, and sharing of lessons learned with key stakeholders (NGOs, private sector actors and government institutions). In addition, the program promotes peer-to-peer learning and dialogue between clients through participation in livelihoods groups both local and international.

11.3 **Overview of Livelihoods Services**

Supports for self-employment and wage employment are needed as both are equally important for the poor in urban areas. Early insights from other projects and evaluations suggest that the constraints to wage employment are varied: lack of finance to cover costly job search and travel to new jobs, lack of child care, and limited skills (particularly soft skills). There is a need to learn which approaches work the best, and adapt the design and roll out this component accordingly. Learning and adaptation will be emphasized in years 1 and 2. Successful activities will gradually be scaled up to all eligible individuals.

Participation in the livelihoods component is voluntary. If interest is higher than implementation capacity to support them, Community Job Creation and Food Security Task Forces (CJCFSTFs) prioritize households for that year based on eligibility for the livelihoods transfer and readiness for participation in livelihoods activities. The livelihood component’s focus on individual clients rather households as a whole is designed to increase participation of women and youth. All livelihoods data will be disaggregated by gender and by youth/adult status. Women are expected to comprise at least 50% of livelihoods clients. The Women and child Affairs as well as youth and sport affairs of the Bureau/Office work alongside other implementing agencies in each pathway to strengthen women’s and youth confidence in engaging in activities that may not be typically expected of them, and to ensure that women’s confidence levels and negotiation skills are strengthened in order to develop sustainable livelihoods. Women and Youth Affairs representatives will work with other implementers to ensure that livelihoods training locations and timings enable women to attend. Youth also receive special attention under the livelihoods component, as many youth in UPSNP are unemployed.
The livelihoods component is implemented through two primary modalities:

1. Direct training and technical assistance to clients. This entails the provision of technical trainings, business/marketing skills trainings, and employment skills-related trainings by appropriate institutions. Trainings may be provided at TVETs, private Training Centers, institutes, or other locations.

2. Conditional capacity building of grassroots institutions, which are expected to provide services to UPSNP livelihoods clients. Like TVETs, micro finance institutes, BoLSA, UJCFS office, and like.

11.4 Counseling and Life-Skills Development

Beneficiaries will receive short trainings on financial literacy and life skills that are expected to help them manage the money they receive from PW and approach PW in a professional manner. The training will encompass training on saving, how to open a bank account, planning and budgeting, attitude and expectations of work (self-employment and wage employment), and business and workplace readiness (basic workplace values and organizational ethics). These are skills that are important across a range of livelihood activities. The material developed by the UJCFS that is used in current outreach activities will be adapted to meet the needs of the beneficiary group. The inputs from the NGOs that are already engaged in business and work readiness training for unskilled workers in urban areas will be sought in adapting the material and perhaps also in delivering the training. Lessons will also be taken from the Better Work Program in the development of training material on how to communicate and negotiate with employers in large factories. Some of the training on life skills may be better delivered once the beneficiaries are employed and as the program is implemented, the appropriate timings of these trainings will be assessed. Given that the time commitment to PW in the first year is substantial, and that many urban poor have limited time availability, there is also a need to limit the amount of time that needs to be spent in training that does not qualify as co-responsibility.

As part of their co-responsibility for safety net transfers, training on budgeting and saving will be provided to beneficiaries early on. This is to ensure that they are able to take full advantage of the income they receive from PW during the first year to the fullest extent. Beneficiaries will be encouraged to save in the first year so that they can use savings for livelihood activities, to complement a livelihood grant that will be provided in the second phase of support. The OSCD will also be responsible for the implementation of this training, but the nature of the training and providers used will be informed by a financial inclusion assessment undertaken before project effectiveness.

In addition to enhancing general skills, this subcomponent will support guidance and counseling to help beneficiaries identify the type of more specific support they would like to receive in the second phase of support. The range of education levels of beneficiaries are expected to be quite varied. The beneficiaries are also likely to vary in age and, therefore, work experience. The level of skills and the interest of individuals in entrepreneurship versus wage employment will
be assessed for each individual in the first phase through individual interviews with the MoLSA employment officers. In addition to assessing skills and interest, individuals will be provided with information on entrepreneurship opportunities by the OSCD staff and information on the availability of jobs in different sectors from the MoLSA employment officers. Each individual will receive guidance on what opportunities are available to him/her based on his/her skill level and the type of training support that would be required. On the basis of this guidance, individuals will choose the type of support they would like to receive in the second phase: support in entrepreneurship development or support in accessing wage employment opportunities.

11.4.1 Financial Literacy Training

All households that are interested in participating in livelihoods activities should participate in financial literacy training. Training for UPSNP clients will be provided by a variety of service providers depending on the city, woreda/kebele: MFI agents, cooperative promoters and accountants, and other specialized service providers such as NGOs.

Financial literacy trainings should cover the following topics:

- Cash and financial management
- Financial planning and budgeting
- Savings – the importance of savings, and how to save
- Understanding credit
- Calculating profits
- Risk management and insurance (tailored to locally available insurance types, e.g. credit life insurance)

Financial literacy trainings will be provided at accessible locations within the residence of the client. Trainings must go through the whole toolkit, but can be done either intensively (e.g. for 2 hours per day, over the course of three weeks, for a total of 15 days), or in a more spaced out manner (e.g. for 2 hours every week, over the course of 15 weeks). Livelihoods clients will be consulted in the development of the schedule.

Trainings will be participatory and include role-playing, participation and discussion. Trainers should focus on ensuring that participants understand the material by using basic language and encouraging participants to ask questions and suggest answers. Clients who successfully complete the initial financial literacy training course will receive a certificate of completion.

Follow-up financial literacy training will be given as clients begin investing in livelihoods. These trainings will be timed with clients’ needs during their livelihood cycle for example, refresher training on credit management as a client receives credit for his or her business plan.
11.4.2 Savings Mobilization and Support

Participation in savings will be a strongly encouraged first step for participation in livelihoods interventions, as clients will be required to have savings in order to obtain financing from MFI or other financial Institutions, and the program will require savings for livelihoods grant clients. Clients may save through MFIs.

The Government encourages clients to save up to 20 percent of their personal income. Savings will be strongly encouraged for all livelihoods clients, and mandatory for clients preparing to receive a livelihoods grant. The program will provide capacity development support to financial institutions (MFIs) to provide services, including training and credit from their own funds, to an agreed number of safety net clients.

11.4.3 Targeting

Livelihoods support is targeted to households engaged in PW. The households will select one member to receive livelihoods support. They will choose a member that they think will benefit most from support to improve the livelihoods of the household.
**Example:**

**Selection 1:** A household with a member engaged in marginal self-employment may select him/her to receive livelihood support.

**Possible outcome:** increased productivity of their self-employment.

**Selection 2:** A household with a member in low-wage employment may choose him/her to receive support.

**Possible outcome:** transitioning to a new wage opportunity.

---

**11.4.4 Technical Support and Monitoring**

Given the complexity of this component and the fact that it is the first large-scale program to increase the employability of poor households in urban areas, the project will support monitoring, evaluation, and technical support. The success of this component will depend on strong technical support packages and building capacity to ensure staffs with the necessary skills are available to implement it. Evaluation of the pilots in the early years of implementation is necessary to ensure that the package of support offered incorporates lessons from implementation in the early years before scaling up to a larger number of beneficiaries in later years of the project.

**11.5 Training and Financial Support for Livelihood Development**

**11.5.1 Technical Training**

TVETs and other private training centers will provide a series of technical trainings to clients on their selected livelihood. The program will systematize some of the technical training protocols developed by the implementing agencies and stakeholders. Lists of required trainings will be tailored to the product and the livelihood investment planned by the household.

Technical trainings will be substantial and will be provided at TVETs. Linkages with research institutes will be promoted where feasible, it is expected that technical trainings be provided for a total of at least 10-20 hours over the course of 4-12 weeks, depending on the livelihood. Following the completion of each training session, the clients should be awarded certificate.

The program will build the capacity of TVETs through the use of program resources.

**11.5.2 Business Skills and Marketing Training**

In addition to technical trainings, clients will receive a series of business skills and marketing trainings tailored to their selected livelihood. Topics may cover:
• Calculating input costs (building on initial training provided during the financial literacy sessions)
• Marketing and market facilitation topics, e.g.:
  • Where to find markets
  • Optimal marketing timing
  • The advantages and disadvantages of collective marketing (based on product)

The beneficiaries under this track will receive training on entrepreneurship and business development to develop an accepted business plan for the livelihood grant. The provision of these trainings will be facilitated by the OSCD. It is anticipated that the majority of these training programs will be provided by public TVET but an assessment of training providers will be undertaken to determine whether private TVET and NGOs should also be considered. In addition, the OSCD will facilitate access to the workspace, market linkage services, and other licensing services that may be needed for the business plan to succeed, through its network of one-stop service centers. It is expected that self-employment pathway beneficiaries will largely start up with household enterprises of a very small scale and will need handholding to ensure they can cope with start-up challenges and continue. The OSCD will thus work with small business regulators to ensure that any advantages accruing to such small businesses will be accessed.

Under the wage employment track, livelihood grants can cover a stipend to attend training to build skills for a wage job (ETB 40 a day stipend, training fees will not be covered by the livelihood grant but will be paid separately by the project); an allowance to travel to job interviews until a job is secured; and/or an allowance to travel to work or cover the ancillary costs of employment such as child-care expenses. The rationale for providing the allowance during early work days is that individuals gain useful experience in the early days of a new job even though the net take-home pay may be late or low and persistence can be encouraged.

Improving the functioning of the TVET system is beyond the scope of this program. However, the program will undertake an assessment of training providers in year 1 to determine what can be provided and will assess that training is indeed met with improved skills for beneficiaries. Private training centers within the industrial zones are due to be established as part of the CJC project. These centers will offer a better opportunity to program beneficiaries and linkages will be explored in program implementation.

11.5.3 Business Plan Preparation

Following the successful completion of financial literacy training and all technical and business/marketing trainings on the livelihoods checklist, the one stop center program Coordinator will certify that a client has successfully completed the livelihoods checklist. The one stop center specialists will then assist clients in developing business plans. This business plan will follow the format provided in the Livelihoods Manual and will include the following sections:
  • Names of participating clients within the household and profile
Selected livelihood
Certification of completed livelihoods checklist
Labor utilization plan
Input and technology requirement
Credit or livelihoods transfer requirement
Production plan
Marketing plan
Planned financial flow
Expected revenue by month and quarter
Expected expenditures by month and quarter
Financial feasibility statement
Loan repayment plan (for credit referral clients only)
Declaration, signed by each client

**Note:** The business plans is in the name of the selected household member who may or may not be household head. A separate guideline may be developed for business plan preparation in an urban context incorporating market/value chain analysis.

### 11.5.4 Finance Approval and Referral

Following the completion of the livelihoods checklist and business plans, grant and credit committees – which include MFI representatives, TVETs, implementing bodies and WoFED representatives where possible will appraise business plans for their viability. Clients will then amend business plans if needed and, once these are found viable, the credit committee will refer them either to a financial institution for credit and grant provision.

Clients will take their completed checklist and business plan to financial institutions, including MFIs (both regional and private) in order to access grants and loans. Where necessary, credit committees will provide financial institutions with lists of clients whose business plans are approved. One stop center officers will also provide additional support to clients in approaching financial institutions with their business plans, as needed – particularly for clients who have little experience with credit but did not qualify for a livelihoods transfer. If one client finishes his or her checklist before another household member, that client can be referred for financing.

### 11.5.5 Financial Support

In the second phase of livelihoods support, individuals who received guidance in the first phase will choose whether they would like to receive support to increase their income from self-employment (either by starting a business or increasing the profitability of an existing business) or wage employment (either by gaining access to wage employment or moving from low- to
higher-wage employment). They will receive financial support to pursue this livelihood pathway upon completion of a plan accepted by the relevant OSCD and MoLSA staff. The plan will be accepted if it is realistic in terms of viability of activities envisaged and reflects the skills the individual has. In addition to financial support, individuals will receive the information, mentoring, and training necessary to develop and implement a plan.

The livelihood program finance will take a holistic approach of grant, saving, borrowing and repayment strategies. This could be achieved through a one-time grant per a household, a compulsory saving of 20% from each beneficiary from public work and loan from the microfinance institutions. This can be facilitated by each livelihood one stop centers at each kebele and wereda. Each beneficiary should have a bank account in which deposits and withdrawals can be made as required and into which loan funds can be put and repayments withdrawn. Livelihood improvement beneficiaries are likely to continue having to identify the saving and loan products that best suit their livelihood requirements from a range of different service providers. In order to bridge the financial gap, one stop centers should:

- Link the provision of microcredit with training programs wherever possible,
- Establish partnerships with financial institutions,
- Develop financial products tailored to the needs of the program,
- Establish a special program for the beneficiary to generate savings and use them for investment opportunities and income generation,
- Provide courses on financial literacy,

Individuals will receive up to ETB 10,000 of support (approximately US$500). The exact value of the support that they will receive will depend on the amount needed to fund the plan developed. In addition to the grant provided, it is expected that households will be able to support livelihood activities from savings from the first year of transfers. Existing data suggests that on average, beneficiaries will be able to save ETB 2,000 from the first year of transfers.

11.6 Complementary Support Provided by the Program

11.6.1 Production and Sales Centers Support

Some other government support are needed for livelihood beneficiaries engaged in manufacturing, urban agriculture, construction, service and trading sectors. Urban agriculture can be facilitated through identifying free spaces and gardens suitable for this activity. Free gardens will be used individually or as a group for the production of crop and livestock species to meet household needs. For individuals engaged in manufacturing, trade and service there will be a generous rent arrangement by providing common facilities such as workplaces in the form of shades. Moreover the beneficiaries can use private rental areas for the purpose of expanding their business.
11.6.2 Market Linkage

Urban poor who run small businesses may be given support to gain a better understanding of what the market needs, demand of the products produced by them, prices, where to sell, etc. At each level livelihood one stop centers should provide market information. And the center:-

- Promote business linkages between large and medium enterprises with the livelihood beneficiaries,
- Strengthen marketing agencies and institutions that support livelihood beneficiaries,
- Facilitate the livelihood beneficiaries’ participation in local markets through trade fairs and bazaars,
- Make exhibition centers accessible for the beneficiaries,
- Facilitate training on trade issues,
- Facilitate the program beneficiaries benefit from government procurement needs and activities,
- Create direct market linkage with government development program, like housing, railway developments and other government mega projects,
- Improve access to markets through a value chain approach and the provision of physical infrastructure for market access, Promote individuals to participate in sub-contracting and out sourcing marketing practices.

11.6.3 Technology Support

Access to technology facilitate the livelihood beneficiaries to become competitive by strengthened in their technological capability which will result into increased productivity, quality goods and services, productive capacity, job opportunities, incomes, growth, wealth and eventually enterprise sustainability. There is a need to establish and strengthen capacities of the program beneficiary to produce and create income in innovative and sustainable ways. Identification, acquisition and dissemination of technologies have to be part and parcel of the initiatives to facilitate access to technology. Value addition and support to innovative products have been extended through programs such as incubation and clusters development. Technology dissemination, provision of technical advisory services such as choice of technology, plant layout, repair and maintenance etc. are crucial for the program full implementation.

To support the growth of the livelihood beneficiary, the program will be linked with the existing technology incubation centers under engineering and technology institutions. And the service is expanded by providing hand-holding and advisory support to enterprises. Moreover, one stop centers will facilitate acquisition and adaptation of technologies as well as enhance networking between R&D Institutions and the program beneficiaries in a bid to upgrade technologies so as to raise their productivity and competitiveness. The following actions will be designed to handle technological aspect of the livelihood support beneficiaries:-
• Establish mechanism for enhancing networking between livelihood support beneficiaries and technology providers.
• Facilitate joint ventures aimed at enhancing technology upgrading and transfer.
• Facilitate capacity building of Industrial Support Organizations (ISOs) and other service providers.
• Strengthen livelihood support one stop centers so as to ensure that the program operators at all levels have access to information at affordable costs and
• Support training on information technology.

11.7 Sequencing and Timing of Livelihoods Interventions

Livelihoods interventions for self-selected/prioritized clients will follow the sequencing described below:-

**Phase 1: Group Formation:** This is a key first step to enable consistent support to households and individual clients.

**Phase 2: Initiation of Financial Literacy and Savings Promotion:** Financial literacy training and savings participation will be a key initial element of livelihoods interventions, but will also continue as a cross-cutting activity throughout livelihoods implementation.

**Phase 3: Client Consultation for Livelihood Selection:** Following a period of financial literacy training and participation in savings, livelihood officer will present detailed information on livelihood options to clients and ask them to select a livelihood pathway and, within that pathway, a specific livelihood. Once a livelihood has been selected, a livelihood checklist will be developed.

**Phase 4: Training:** Training will be tailored to the pathway and livelihood, and, in the case of self-employment, it is expected to include both technical and business/marketing skills. Employment-related training will be linked to employers wherever possible, and will be tied to specific job opportunities (although some employment linkages may not require training).

**Phase 5: Business Plan Preparation and Finance Approval and Referral:** Following the completion of the livelihoods checklist, clients will be assisted in business plan preparation. Business plans will then be reviewed and forwarded to financial institutions for the provision of credit, or, in the case of clients targeted for livelihoods transfers, forwarded to the city OFED for the provision of a livelihoods grant. This step will be skipped for clients in the employment pathway.

**Phase 6: Follow-up Support:** Follow-up support includes facilitation of access to inputs and linkages to markets as needed, and coaching and mentoring of clients. This support should continue on an intensive basis through the end of one year after the client has started participating in livelihoods interventions, or through the end of the second
year for livelihoods transfer clients. For the employment pathway, this will be the employment linkages phase.

11.8 Start-Up and Scale-Up

Supports for self-employment and wage employment are both needed as both are equally important for the poor in urban areas. Evidence suggests that effective self-employment support requires both cash transfers and training/mentoring but there is less evidence on what support is effective in supporting wage employment. There is a need to learn which approaches work the best and adapt the design and roll out of this component accordingly. Learning and adaptation will be emphasized in years 1 and 2 and activities will gradually be scaled up to reach all eligible individuals.

The program will prioritize new implementation areas with institutional capacity building funds, e.g. for the development of TVET, Micro Finance institutions (MFI), UJCFS office and other grassroots institutions that will support the implementation of the livelihoods component. In order to generate lessons to guide program implementation, the livelihoods transfer component will be implemented in a subset of woredas/kebeles in Year 2 prior to roll-out in Year 3. Woredas/kebele will be selected at the start of the program based on the presence of lead institutions for livelihoods (UJCFSO, OSSC, OLSAand TVETs).

Annex 11.1: Livelihoods Checklist

Household and Client Information

<table>
<thead>
<tr>
<th>Household UPSNP ID Number</th>
<th>Livelihood Pathway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Name</td>
<td>□ Self employment</td>
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<tr>
<td>Gender</td>
<td>□ Wage employment</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
</tbody>
</table>

Livelihood Investment

Describe planned livelihood and investment in box below

Source of Finance:

- □ Credit (Source: ______________________)
- □ Livelihoods Transfer/grant ______________________
- □ Other (Source: ______________________)

Checklist
<table>
<thead>
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<th>Step 1: Financial literacy training</th>
<th>Completion date</th>
<th>Signature of training provider</th>
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</thead>
<tbody>
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<td>Step 2: Participation in savings</td>
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<td>Monthly savings amount</td>
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<tr>
<td></td>
<td>MFI ________________</td>
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</tr>
<tr>
<td></td>
<td>Saving cooperatives __________</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other ________________</td>
<td></td>
</tr>
<tr>
<td>Step 3: Technical training</td>
<td>Completion date</td>
<td>Name/title of training provider</td>
</tr>
<tr>
<td>[using codes]</td>
<td>Completion date</td>
<td>Name/title of training provider</td>
</tr>
<tr>
<td>Step 4: Business/marketing skills</td>
<td>Completion date</td>
<td>Name/title of training provider</td>
</tr>
<tr>
<td>[using codes]</td>
<td>Completion date</td>
<td>Name/title of training provider</td>
</tr>
<tr>
<td>Step 5: Certification</td>
<td>We certify that ______________________ (name) has received</td>
<td></td>
</tr>
<tr>
<td>Signature (or fingerprint) of</td>
<td>and successfully completed all of the above trainings.</td>
<td></td>
</tr>
<tr>
<td>client</td>
<td>Signature (or fingerprint) of client</td>
<td>Signature of livelihood expert</td>
</tr>
<tr>
<td>Step 6: Business plan development</td>
<td>Completion date</td>
<td>Signature of one stop center expert</td>
</tr>
<tr>
<td>Step 7: Referral for financing</td>
<td>Date of referral</td>
<td>Institution</td>
</tr>
<tr>
<td>Step 8: Follow-up support</td>
<td>Visit dates</td>
<td>Notes (progress, challenges, support provided)</td>
</tr>
</tbody>
</table>
Annex 11.2: Livelihoods Quarterly Reporting Format

Quarter: _______ Year: __________
Region: __________ Zone: ___________ city: ___________ woreda /Kebele: _______________ Expert Name: _______________________
Livelihood Pathway: _______________________________________
Livelihoods checklist tracker

<table>
<thead>
<tr>
<th>Household UPSNP Number</th>
<th>Client Number</th>
<th>Client Names</th>
<th>M/F</th>
<th>Adult/Youth</th>
<th>Client Livelihood</th>
<th>Financial Literacy Completed (Yes/No)</th>
<th>Location*</th>
<th>Monthly Savings in Birr</th>
<th>All Technical Trainings Completed (Yes/No)</th>
<th>All Business/Marketing Trainings Completed (Yes/No)</th>
<th>Business Plan Completed (Yes/No)</th>
<th>Business Plan Funded? (Yes/No)</th>
<th>Livelihoods Transfer Recipient (Yes/No)</th>
</tr>
</thead>
</table>

Total reaching this step during the quarter:

- Male
- Female
- Youth M
- Youth F
Chapter 12: Citizens Engagement

12.1 Introduction

One of the fundamental lessons from the rural PSNP is that citizen’s participation at all level of program implementation is key to success. UPSNP builds on this lesson and has designed mechanisms for promoting citizens’ engagement in a more systematic and measurable way.

The objective of this chapter to outline how to achieve citizen engagement. It describes the means by which program clients and other community members can participate in planning, implementation and monitoring of program activities, and be able to express their views on how program design or implementation can be improved including raising grievances on different aspects of program implementation and get these grievances resolved. In addition, the chapter deals with financial transparency and accountability communication mechanisms to improve clients’ and other community members’ awareness about the program.

Note: Program implementers/facilitators can use relevant chapters of the PIM to sensitize clients and community members on program goals. Various communication tools may be developed for different levels. At community level posters are effective in reaching a wider audience. Given that in urban areas the literacy level is likely to high, brochures and flyers can also be used. See xxx of this chapter or details)

12.2 Awareness creation

The UPSNP is designed to address the chronic social needs and problems of the urban poor individuals and households. Cognizant with its objective, the program aims to address such issues with effectiveness as a major principle. By doing so, it is expected the program will contribute to change the multifaceted behaviors of its target beneficiaries- that is ranging from absolute poverty to self-sufficiency, from poor working culture to better understanding of the value of work through Behavioral Change Communication using Education Entertainment (BCCEE) during payday sessions, awareness creation programs, workshop, training, program review and evaluation, field visits, and other public gatherings. Moreover the planned relative behavioral changes of beneficiaries can be also achieved by designing mechanisms such as unveiling the fruits of the programs, experience sharing among the beneficiaries, incentives schemes, establishing efficient communication means are among the few.

Communication plays paramount role to exchange key program information to all party involved in UPSNP through formal and informal channels. A well-planned and well-executed communication approach can help identify obstacles and opportunities for UPSNP success, promote an enabling environment to broaden UPSNP understanding, and reveal new ideas. For better understanding and commitment of sub-programs and projects, carefully planned communication ways are essential.
All stages of programme implementation will function better if communities and clients have a good understanding of the programme’s objectives and activities. The following is an orientation outline which program implementers at community level can adapt/use.

**Orientation outline**

- Level of urban poverty
- Objectives of the programme
- Targeting and appeal mechanisms
  - criteria and methods,
  - grievance mechanisms for both program entry and exit
- Program components:
  - Public works
    - The nature of the work and organization of labor (individual, teams, units)
    - The purpose of public works and how they are planned
  - Direct support
  - Livelihoods
    - The purpose of livelihoods interventions and how a client can participate
    - The importance of working towards graduation and the criteria for graduation
- Payment
  - The wage rate and rationale for it,
  - Form/mode of payment,
  - payment dates
  - amount of payment for PW and DS clients
  - rationale for differences (if any) between PW and DS clients.
  - The purpose of the transfer and the importance of using it to meet the basic needs of the household
- Gender provisions, such as light work
- Roles and responsibilities
  - Who is responsible for doing what in the programme, including the responsibilities of programme clients

**Venues and platforms:** Woreda/Kebele staff and Woreda/Kebele and Community Job Creation and Food Security Task Forces should make use of all opportunities to share the above information, including

- Community meetings during programme targeting
- Public works planning meetings
- Behavioral Change Communication sessions
- Community Livelihood Consultations
- Meetings to inform clients and communities of changes in programme design
Meetings of community based associations such as idir and iqub.

Additional resources for awareness raising:

- **Client Cards:** All clients will be issued with a client card with their name, photograph, details regarding their entitlements, and space to record receipt of transfers.

- **Posting of Client Lists:** Once the list of clients has been approved at woreda/kebele level, the list of clients is posted in public locations on the woreda and kebele centers. This will help ensure that clients and non-clients in UPSNP areas are well informed of which households will participate in the UPSNP for the coming year.

- **Charter of Rights and Responsibilities:** This will be posted next to the client list but will remain posted throughout the year. It is also included on Client Cards.

- **UPSNP Programme Posters:** Posters describing specific aspects of programme implementation will also be available and put up in offices at city and community level.

In addition, the UJC & FS Agency has a communication strategy that program implementers can draw on.

### 12.3 Citizens Engagement - Approach, Mechanisms and Tools

The UPSNP design has made efforts to maximize opportunities for adopting Citizens’ engagement (CE) during the design and this will be pursued further during the implementation stage. The objective is to ensure that the program clients are receiving their entitlement promptly, in full, and with dignity and that citizens’ participation in planning and providing feedback on project activities shall be facilitated to allow informed feedback and development of appropriate solutions. Consistent with the current government and Bank vision for strengthening CE as a platform for localized service-delivery-based governance, implementation of this initiative under the project will be closely coordinated with other Bank financed operations with CE interventions. The CE initiative will include three interrelated interventions, namely (a) Social Accountability (SA), (b) Financial Transparency and Accountability (FTA), and (c) Grievance Redress Mechanism (GRM).

Implementation of the CE within the UPSNP will be aimed at creating an environment that will facilitate effective delivery of program benefits through promotion of transparency and accountability, citizens’ participation, and a system for registration and resolution of complaints and appeals (grievances). The implementation of CE will ensure taking forward lessons learned from existing interventions, in particular, the FTA, GRM and Ethiopia Social Accountability Program (ESAP) under the Promoting Basic Service (PBS). The program will facilitate functionality of project monitoring committees to respond to the CE requirements under the UPSNP. This will include strengthening of existing committees or creation of new ones where such committees do not exist. Where community level committees exist with a
broader mandate, but are deemed appropriate for serving the desired mandates, the program will support efforts to mainstream CE roles within those committees.

12.3.1 Social Accountability

Social accountability for the UPSNP will be linked to the broader Government of Ethiopia Social Accountability Programme (ESAP). This will help to avoid duplication but also ensure that social accountability is streamlined as part of an integrated city-level process.

To facilitate a structured mechanism for citizens’ participation in planning, evaluation, and feedback provision, citizens’ report cards or community score cards will be implemented in participating cities at the start of the program on a randomly sampled group of beneficiaries, at midterm, and at the end of the program. The applications of these report/score cards will help create awareness among the citizenry on their rights, roles, and responsibilities. It will also promote monitoring of beneficiary and broader citizenry perceptions about the program and management of emerging issues as part of implementation improvements. Implementation of the report/score cards will go hand in hand with empowering citizens to monitor program implementation. The creation of awareness about the program will ensure appropriate and informed citizen participation.

The most commonly used Social Accountability Tools (and most relevant for the UPSNP) are the following:

- **Community Score Cards** allow both UPSNP clients and providers to rate the quality of the services they receive or provide. Once the rating has been done, a meeting is set up which compares the views of those receiving the service and those providing them and allows them to discuss and agree a plan on how things can be improved in the future.

- **Citizen’s Report Cards** survey the opinion of those using a particular service on how well that service is being provided in a particular city. As with the Community Score Card, the point is not just to highlight what is wrong but to agree how to fix any problems. This emphasis on solving problems, rather than just complaining, makes the discussions about what is wrong something everyone wants to hear.

The Social Accountability process follows 5 steps described below and illustrated in Figure xx.

**Step 1: Access to information.** The Social Accountability process starts with access to information about service standards, plan targets and budgets. CSOs make sure that citizens have the confidence and build the relationships that help them to ask for such information.

**Step 2: Assessment with SA tools.** CSOs enable the use Social Accountability tools, so that service users can assess the service situation from various perspectives.
Step 3: Interface meeting. When the assessment is complete, interface meetings are organized by CSOs to facilitate dialogue with providers about the service issues, and to identify and agree among all stakeholders on local solutions.

Step 4: Joint Action Plan Implementation. A Joint Action Plan is implemented as agreed between citizens, service providers and city officials during the woreda/ kebele or city level interface meetings.

Step 5: Monitoring service improvements. Improvements are monitored and when required, the Social Accountability process starts again.

Figure 12.1: Social Accountability Process

12.3.2 Grievance Redress Mechanism

The program has a Grievance Redress Mechanism /GRM/ for people to report concerns or complaints if they feel unfairly treated or are affected by any of the sub-projects. Citizens can register complaints about the management of PW, timeliness and completeness of transfers, resettlement, and any other perceived abuses of the UPSNP. The grievance committee at the various levels will address such complaints, including logging, tracking, and resolving grievances promptly.

As part of awareness creation, the existence of GRM procedures for citizens will be communicated. Where there are no existing appeal committees, complaints and appeals committees will be established at the ketena, wored/ kebele and city levels as appropriate, with a mandate to receive and register complaints, convene meetings to resolve the complaints, and respond to the appeals resulting from committees’ decisions.
The effectiveness of resolution of complaints and appeals will be monitored during implementation. Information on the complaints and appeals will be collected at the ketena\textsuperscript{9}, woreda/kebele and city levels, and if there are referrals to the Project Coordination Unit level, woreda is the lowest administrative unit within Addis Ababa and kebele is the lowest administrative unit in other cities.

Implementation Units will be required to report information on the cases’ management as well. Information requirements will include registered cases, cases resolved in a timely manner, and cases referred to the next level of the complaints and appeals structure.

\textbf{i) Formation of Appeals Committee}

The appeals committees will be established at Woreda/Kebele level in all urban areas where projects are implemented. If a new woreda/kebele enters the project, a new Woreda/Kebele Appeals Committee should be formed as soon as possible. The city/town Council is responsible for establishing the committee. The Woreda/Kebele appeals committee comprises of the following members:

\begin{itemize}
  \item Woreda/Kebele Council member
  \item Community Development Committee
  \item A worker from specific program components
  \item Social worker
  \item Elder representatives
  \item Women representative
\end{itemize}

The costs associated with establishing and running the W/KAC is financed from the city administration budget in all UPSNP cities.

\textbf{ii) Lodging a Complaint}

Beneficiaries and communities may make a complaint about any aspect of program implementation. They should submit their complaint to the Woreda/Kebele Appeals Committee.

The Woreda/Kebele Council, community development committee and Woreda/Kebele Appeals Committee members will use every opportunity to inform program beneficiaries and non-beneficiaries of the availability of the appeals mechanism, how it functions, and the timing of Woreda/Kebele Appeals Committee meetings.

At each level there should be grievance handling committee and follow hierarches from the community to federal level. If the complainant does not satisfied with the response given at a given level then the complaint can be lodged to the next level.

\textsuperscript{9} Within woredas and kebeles, smaller communities called ketenas exist even though they do not have a formal administrative structure.
iii) Managing and Resolving Complaints

The Woreda/Kebele appeals committee meets monthly. All individual complaints and appeals regarding program matters will be heard, considered, and as much as possible resolved. The Woreda/Kebele appeals committee is expected to resolve grievances within one month of the complaint being heard. Therefore, within two months of the new annual listing of program participants being produced, the Woreda/Kebele appeals committee will have provided a listing of the grievances and the associated resolutions to the city/town Council.

Following each meeting, the Woreda/Kebele appeals committee will submit a complete listing of grievance cases, grievance resolutions and unresolved grievances to the City/town Council and city/town relevant job creation and food security office once a quarter. The list of grievances heard and their outcome is posted regularly in public locations in both the city/town and Woreda/Kebele centers.

There is a need for more effective reporting system for appeals at the woreda/kebele, city and regional levels. This reporting system need not be burdensome, but a light touch record keeping system should be in place through which local officials can track the number and character of appeals, and the outcome and the reason for the decision taken.

The details of labor Organization, labor rules, attendance, discipline, verification process and appeal procedures will be described in each distinct operations manuals taking into account typical features of each project.

iv) Financial Transparency and Accountability

These activities will focus on promoting transparency and accountability on budgetary planning and implementation. The main activities will include budget literacy training among implementers at all levels and citizens’ representatives. Basic tools for communicating budgets will be developed and disseminated at all levels. Feedback mechanisms will involve communication of the budget execution performance and variances as well as explanations as part of reporting by the implementers at local government levels. Feedback will be targeted to the citizenry in general and beneficiaries in particular as well as the implementers and service providers.

The purpose of the FTA will be to assure citizen’s, program clients in particular, access to program financial information. The FTA will, in particular, help deepen provision of information on budgets, expenditures, and service delivery information. The implementation of the FTA will be linked to the SA and GRM aspects and an integrated planning for the CE work will be ensured. Its implementation will thus be done at the city, woreda/kebele, and ketena levels.

The FTA will also support generation of quality information that will be easy for public and local citizens to consume. Given that the FTA under the PBS is currently being implemented in all the cities and woredas in Ethiopia, linkages with current implementers, namely the BoFEDs will be ensured so there is no duplication of efforts at the implementation level.
An important aspect of the FTA will be implementation of the Budget Literacy Training among all the implementers and the beneficiary representatives. Customized Budget Literacy Training programs for the UPSNP will be planned and relevant manuals and guidelines produced. Innovative tools like billboards, calendars, and T-shirts that have been found to be effective under the PBS-CE will be used to disseminate information about the program budgets, expenditures, and service delivery at all levels.
PART 4: RESOURCE MANAGEMENT

CHAPTER 13: FINANCIAL MANAGEMENT

13.1 Introduction

A strong financial management system is critical for effective program implementation and for ensuring program accountability to clients, the Government and the donor. Generally, program implementation is dependent on the need for the timely provision of funds. This is particularly critical for a social safety net, livelihood and public works programs where delays in cash transfers to beneficiaries can undermine the predictability and therefore effectiveness of the intervention. Strong and transparent record keeping, the implementation of effective internal controls and a timely and accurate reporting system all contribute to an accountable and transparent system in which there is little or no elite capture, key stakeholders, including development partners, the Government, and citizens can trust.

The main objective of this chapter is to explain the key elements of the program’s financial management and accounting systems at relevant levels of program implementation.

In view of the critical importance of financial management stated in the introduction, the Government and the Bank have developed a separate and detailed financial manual. All finance managers/officers working on the program directly or indirectly should refer to the manual on a regular basis. This chapter is an overview for the general user.

The key elements of this Financial Management and Accounting Systems include:

- Planning and budgeting
- Flow of Funds
- Proper Accounting
- Internal Controls, and
- Reporting
## Key Roles and Responsibilities in Financial Management

### Ministry of Finance and Economic Cooperation (MoFEC)

**At Federal Level:**
- MoFEC is responsible for the overall financial management of the UPSNP. Activities include, but are not limited to:
  - Manage the designated and pooled birr and dollar accounts
  - Transfer funds to BoFEDs, the UJCFSAs and MoLSA
  - Manage financial reporting (quarterly and annual)
  - Facilitate the interim and annual financial audit of the project account
  - Ensure that all financial audit findings are acted upon in a timely manner
  - Ensure that acceptable financial management systems are in place and well documented in financial management manuals

**At Regional Level:**
- Ensure that a suitable accounting system covering both regional and city/woreda levels is established
- Transfer funds to city OFED, UJCFSAs/B, BoLSA and Cooperative Promotion Bureau as needed
- Collect and aggregate all financial data and information from the BoLSA, UJCFSAs and cities.
- Review the effective use of accounting procedures by city and provide technical support and assistance to them
- Prepare quarterly and annual financial reports
- Be accountable for and managing the funds transferred to them for implementation
- Follow-up on audit findings as required.

**At City Level:**
- Ensure that budgets for UPSNP are received in a timely manner
- Avail funds as required according to the annual plan
- Undertake timely cash transfers to client households
- Exercise the necessary fiduciary controls and prepare monthly and quarterly Interim Financial Reports on fund utilization to regional BoFEDs
- Follow-up on audit findings as required.

### Urban Job Creation and Food Security Agency (UJCFSAs)

**At Federal Level:**
- Support the oversight and coordination of the programme
- Submit the overall plan and budget for the programme
- Management of the funds transferred to it by MoFEC
- Transfer funds to PCU
- Prepare quarterly expenditure and cash requirement forecasts
- Provide resource transfer instructions to MoFEC to the regions

**At Regional Level:**
- Provide necessary technical assistance and coordination support to the city level implementers.
- Monitor effective implementation of the project at the city level

**At City Level:**
- Consolidate annual implementation plans and budgets for the city
• Convene an administration and capital budget allocation meeting with all city level implementers and decide on the allocation
• Facilitate the timely preparation of attendance and payroll and timely transfer of resources to beneficiaries

<table>
<thead>
<tr>
<th>Ministry of Labour and Social Affairs (MoLSA)</th>
<th>At Federal Level:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Provide input into the overall plan and budget for the programme</td>
</tr>
<tr>
<td></td>
<td>• Manage the funds transferred to it by MoFEC and report on these funds</td>
</tr>
<tr>
<td></td>
<td>• Follow-up on audit findings as required</td>
</tr>
<tr>
<td>At Regional Level:</td>
<td>• Provide necessary technical assistance and coordination support to the city level implementers.</td>
</tr>
<tr>
<td></td>
<td>• Monitor effective implementation of the project at the city level</td>
</tr>
<tr>
<td>At City Level:</td>
<td>• Account for funds received</td>
</tr>
<tr>
<td></td>
<td>• Prepare an annual budget</td>
</tr>
<tr>
<td></td>
<td>• Facilitate the timely preparation of the payroll and timely transfer of resources to unconditional transfer beneficiaries.</td>
</tr>
<tr>
<td></td>
<td>• Follow-up on audit findings as required</td>
</tr>
</tbody>
</table>

| Financial Institutions | • Report on the status of savings and credit of program clients. |

### 13.2 Budget Lines and Allowable Expenditures

The main budget lines for the overall programme are as follows:

• Permanent direct support transfers
• Public works and temporary direct support transfers
• City administrative budget
• Capital budget for public works and temporary direct support
• City contingency budget
• Federal contingency budget
• Livelihoods transfer
• Livelihoods capacity building
• Regional level management budget
• Federal level management budget
• Key instruments development
• Capacity building
• Evaluation and audit
These budget lines are consolidated into reports according the following reporting lines:

**Table 13.1: UPSNP Reporting Lines**

<table>
<thead>
<tr>
<th>Components</th>
<th>Budget Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 1: Safety Net Support</strong></td>
<td>Permanent direct support Transfers</td>
</tr>
<tr>
<td></td>
<td>Public Works and Temporary Direct Support Transfers</td>
</tr>
<tr>
<td></td>
<td>Capital Expenditure</td>
</tr>
<tr>
<td></td>
<td>City contingency</td>
</tr>
<tr>
<td></td>
<td>Federal contingency</td>
</tr>
<tr>
<td><strong>Component 2: Livelihood Services</strong></td>
<td>Livelihood Training and Capacity Building</td>
</tr>
<tr>
<td></td>
<td>Livelihood Grant</td>
</tr>
<tr>
<td></td>
<td>Capital Expenditure</td>
</tr>
<tr>
<td></td>
<td>City contingency</td>
</tr>
<tr>
<td></td>
<td>Federal contingency</td>
</tr>
<tr>
<td><strong>Component 3: Institutional Strengthening and Program Management</strong></td>
<td>Administrative Budget</td>
</tr>
<tr>
<td></td>
<td>Program Management</td>
</tr>
<tr>
<td></td>
<td>Capacity Building</td>
</tr>
<tr>
<td></td>
<td>Evaluation and Audits</td>
</tr>
<tr>
<td></td>
<td>Citizen Engagement</td>
</tr>
<tr>
<td></td>
<td>System development</td>
</tr>
</tbody>
</table>

The full chart of accounts can be found in the UPSNP Financial Management Manual that will be prepared by MoFEC. The sections below indicate the key budget lines available for implementers at different levels and how the budget ceilings for these headings are calculated.

**13.2.1 City/Town level financial management**

**i) Budget Lines and Ceilings**

There are eight key budget lines available at City level. These are as follows:

- Permanent direct support transfers
- Public works and temporary direct support transfers
- City administrative budget
- Capacity building budget
- Capital budget for public works and temporary direct support
- City contingency budget
- Livelihoods transfer
- Livelihoods capacity building
Budgeting for the Livelihoods Component

- At city level, livelihoods activities (e.g. client trainings and conditional capacity building of grassroots institutions) and all associated costs (including staffing, transport, equipment, etc.) are covered by the Livelihoods Capacity Building line item.
- At regional and federal levels, support to livelihoods implementation will be covered by the Regional Management Budget and the Federal Management Budget.
- Hence the Livelihoods Capacity Building line item will be spent at the city level, with the exception of funds transferred to TVETs from the regional levels.

ii) Eligible Expenditure Items

The permanent direct support transfer budget, public works and temporary direct support transfer budget and city/woreda contingency budget may only be used to finance direct payments to programme clients.

City Administrative Budget: The table below presents the eligible expenditures for the City/woreda administrative budget. This table applies to all UPSNP costs with the exception of livelihoods-related costs (as these will come from a separate budget line item):

**Table 13.2: City Administrative Budget Eligible Expenditures**

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Allowable expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>• Contractual or temporary staff such as cashiers or city level technical assistance</td>
</tr>
<tr>
<td>Hand tools, equipment and materials</td>
<td>• Hand tools, office equipment and supplies required for running UPSNP activities</td>
</tr>
<tr>
<td></td>
<td>• Replacement of components and parts</td>
</tr>
<tr>
<td></td>
<td>• Maintenance of vehicles and other equipment</td>
</tr>
<tr>
<td></td>
<td>• Short-term or longer-term rental of vehicles, motorbikes, and other equipment</td>
</tr>
<tr>
<td></td>
<td>(Large-scale infrastructure development such as IT network installation is not allowable)</td>
</tr>
<tr>
<td>Travel and Transport</td>
<td>• Fuel, maintenance, spare parts, per diem expenses, public transport and vehicle hire for any supervision or support visit including for targeting, transfers, public works, grievance redress mechanisms or awareness raising.</td>
</tr>
<tr>
<td>Training</td>
<td>• UPSNP trainings organized by the cities to train staffs and (e.g. ketena/kebele technical assistance, UJCFST)</td>
</tr>
<tr>
<td></td>
<td>• On-the-job training for clients</td>
</tr>
<tr>
<td></td>
<td>• Orientation and critical on-the-job training for foremen/women and team leaders</td>
</tr>
</tbody>
</table>
### Materials and equipment Management
- Loading and off-loading from trucks
- Proper handling, transportation and storage of materials and equipment

### Payments/wages
- Accounting, internal control, recording, reporting and distribution of public work wages and direct support transfers to UPSNP beneficiaries.

### Monitoring and Evaluation
- City level monitoring and evaluation, including sharing lessons and cross visits, per diems and transport for monitoring visits and social accountability activities

### Communication
- Telephone and fax bills, email internet service provider (ISP) costs, etc.

### Outsourcing services
- Any needed outsourced services, such as computer support services

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**Public works and temporary direct support capital budget:** The table below presents the eligible expenditures for the public works and temporary direct support capital budget.

**Table 13.3: Capital budget eligible expenditures**

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Allowable expenditure</th>
</tr>
</thead>
</table>
| **Skilled and Semi-Skilled Workers** | • Temporary contract personnel with knowledge and experience needed for planning, implementation and supervision of public works  
  • Individuals within the communities who can provide semi-skilled labour; these are masons, carpenters, foremen/forewomen, etc.  
  They are NOT paid through the UPSNP transfer budget. |
| **Hand Tools**             | • Spades, shovels, hoes, crow bars, sledge hammer, rakes, pick axes, and mattocks. In addition other hand tools described in the specific operational manuals.                                                               |
| **Equipment and Materials** | • Altimeters, compasses, clinometers, pedometers, theodolites and other equipment can usually serve more than one site, poles, cement, stones or sheeting which may be required at individual work sites and should be provided by the city.  
  • Duplication of Behavioral Change Communication (BCC) materials to support BCC at public works sites  
  • Rental of excavators and other machinery. Rental of machinery and the contracting out of other services by the city. |
| **Amenities at Work Sites** | • First aid services  
  • Tool repair and maintenance facilities  
  • Childcare amenities (e.g. tents or other shelters). Laborers will undertake the management of these amenities with the assistance and close supervision of the implementing agency  
  • Facilities for the regular sharpening and minor repairs of hand tools |
| **Transport Facilities**   | • Transportation of tools and materials                                                                                                                                                                           |

**Livelihoods Transfer:** The livelihoods transfer budget line is limited to transfers to approved livelihood transfer clients in accordance with their business plan, with a ceiling of ETB 10,000 per client.
Livelihoods Capacity Building: Livelihoods capacity building refers to the training and support of programme clients, and conditional capacity building to key institutions involved in capacity building. These include:

- All costs associated with the provision of training and support to clients of the livelihoods component, such as financial literacy training, technical training, business/marketing skills training, and business plan development. Costs can include curriculum development or adaptation (including by TVETs), preparation of training materials, renting of facilities, trainer fees, per diems, and transport costs, incurred by the UJCFC Agency, Labour and Social Affairs, or TVETs. For trainings provided at TVET institutes, participant room and board will also be covered.

- Transport costs associated with intensive coaching and mentoring for livelihoods transfer clients.

- Conditional capacity building of institutions such as TVETs, MIS, MFIs and Saving as outlined in the table below.

13.2.2 Federal

i) Budget Lines

There are five key budget headings available at federal level. These are as follows:

- The federal level management budget
- The federal contingency budget
- Key instruments component
- Capacity development support
- Evaluation and audits

The federal contingency budget is a lump sum amount calculated at the start of the programme. The remaining budget headings have a fixed lump sum budget.

ii) Eligible Expenditure Items

- **Federal Level Management Budget**: The following eligible expenditure items should support all components of the UPSNP. Eligible expenditures also include:

- **Human Resources**: The federal-level management budget is used to hire contract staff, Technical Assistances (TAs) or consultants, as needed, to meet any short-term gaps in human resources or to respond to specific needs of the UPSNP. This includes the Information Centre staff, among others.
• **Bank Service Charge**: This covers costs charged by banks for transactions including exchange and transfer of programme funds.

• **Coordination**: Costs for extraordinary UPSNP meetings with regional implementing agencies will be part of this budget.

• **Equipment and Materials**: Small office equipment and supplies should be covered under this budget line. The maintenance of existing vehicles and other equipment can be financed through this budget line and is actively encouraged. Equipment such as vehicles and motorbikes can also be rented on a short-term basis (up to 3 months per financial year) or longer-term basis. This is an efficient use of UPSNP resources when it allows the timely, predictable delivery of transfers to UPSNP clients and creation of quality public works. While large-scale infrastructure development such as IT network installation would not be covered, replacement of component parts and minor computer purchases could be covered.

• **Travel and Transport**: Frequent staff travel to regions and Cities is expected and the management budget will cover a pro-rata based proportion of the total transport needs of federal level implementing agencies. Expenses should include fuel, maintenance, spare parts etc. on a pro-rata basis. In addition this budget is available for subsistence and per diem expenses, public transport and vehicle hire. Staff travel to the city will include travel for awareness raising, training, supervision (including of public works) and lesson learning.

• **Livelihoods related analyses**: Any livelihoods related analyses conducted or commissioned. Livelihoods Related Analyses will be financed through this budget line. This may include the recruitment of local consultants.

• **Training**: Any training including psychosocial and vocational training will be undertaken at federal level along with some overall development of overall training programs and training materials will be financed through this budget line.

• **Monitoring and Evaluation**: Unless included under specified line items, monitoring and evaluation by the federal implementing agencies will be covered by this line item. This may include the recruitment of local consultants. Lesson learning events fall under this item (covering costs such as venue hire, documentation reproduction, etc.).

• **Rapid Response Mechanism**: Costs related to the operation of the federal RRM will be covered under this line item.

• **Communication**: A pro-rata based proportion of communication expenses (telephone and fax bills, email, ISP costs etc.) will be covered.

**Key Instruments Component** budget can be used to finance consulting services and technical assistance to support the development of key instruments such as the programme MIS, the poverty map/ indices, the mapped public works database and single registry. It can also be used
to finance the systems’ operating costs, the key equipment to operationalize them (computer, server, network infrastructure etc.), and other costs associated with their establishment.

**Capacity Building** budget can be used to finance any activities identified in the capacity development strategy, including national training and workshops, international training and workshops, equipment, furniture, the procurement and installation of rub-halls, vehicles and maintenance. Capacity development support is expected to be provided for all implementing agencies of the UPSNP.

**Evaluation and Audits** budget should be used to finance costs associated with the household survey and impact assessment, public works reviews and impact assessment, the Gender and Social Development (GSD) implementation review, the annual audits and other key studies and reviews agreed between the Government and the Bank.

13.3 **Budget Planning**

**Budget Preparation:** The program will follow the government’s budget system, recorded in the government’s budget manual. The budget for the UPSNP will be determined each year based on a formula mainly derived from the number of clients in each program city. The planning process also includes the budget (specific purpose grant) estimation for implementing the planned physical activities. At city level, the program budget for the city will form part of the City Investment Plan (CIP) which will be approved by the city council. For these purposes, the city, regional and federal level the Urban Job Creation and Food Security Agencies (UJCFSAs) will consolidate the annual work plan and budget at their respective levels. The federal level UJCFSAs will consolidate the federal level as well as the regional level work plans and budgets and submits it to the MoUDH for approval. It will also seek the no objections of the World Bank. The MoUDH having it endorsed by the National UJCFS Council will submit to the MoFEC for final endorsement and proclamation. The budget preparation should be prudent, realistic and made with professional estimates to avoid unrealistic budgets which could lead to wrong conclusions about the program performance. Therefore, all levels of approval must take into account the situation on the ground and their professional abilities before approving budgets for the project.

**Budget Proclamation:** The budget for the UPSNP will be proclaimed at the federal level under the MoUDH but with detailed regional breakdown for UPSNP activities. The MoFEC will sign a Memorandum of Understanding (MoU) with all regional governments implementing UPSNP highlighting the fiduciary and other responsibilities that should be complied. The MoU will be signed with the office of the regional presidents hence automatically creating the accountability structure within the region. The compliance to the MoU will be monitored regularly by MoFEC and IDAs. It will be open for further refinement and adjustment as needed. Accordingly, future discussions will be held with the MoFEC to include such programmes as the UPSNP in the MoU. Although the budget is proclaimed at federal level, regional as well as city cabinets and councils will oversee the planning as well as the execution of the program throughout the year.
**Budget Control:** Budgets will be regularly monitored at all levels and for this the coordination of the MoFEC with the MoUDH and MoLSA as well as with regional and city level implementers is critical. The budget will be monitored against actual expenditure at least quarterly. The budget variances will be adequately explained and justified through the quarterly IFRs.

Budgeting is structured around a two ways process:

1. A downstream process from the federal level down to the regions and then to the City which provides guidance to city/woreda on how to budget and any budget ceilings, and

2. An upstream process starting at the ketena/kebele and moving upwards to the cities then to the regions and the federal level.

Annual planning and budgeting starts at city level, beginning with participatory community planning exercises. An overall city UPSNP plan and budget is prepared and submitted to the Regional Urban Job Creation and Food Security Agency.

### Provision of budget ceilings
Prior to the launch of the planning process, which takes place in March of each year, it is critical that city/woreda/kebele be informed of key budget ceilings to enable them to plan accurately and within the resource envelope available.

Each region should then prepare a consolidated UPSNP work plan and budget for all components for each budget year based on inputs from lower levels, and submit these to the Federal UJCFSAs for further review, updating and consolidation.

Finally, a consolidated budget will be submitted to MoFEC. Budgets should not be prepared and reported on a lump sum basis. There must be a breakdown, with proper identification of each key budget lines. The completed annual budget should include a quarterly breakdown of the budget to assist with cash flow forecasting.

The final approved annual budget will be proclaimed at federal level under the Ministry of Urban Development and Housing, but with detailed regional and sub-component breakdown of activities. The overall budgeting and budget approval process will follow the overall programme planning process and calendar.

### 13.4 Cash Flow Forecasting

Accurate cash flow forecasting is critical to achieving timely transfers and to ensuring quality project implementation, by ensuring that resources are in place when they are needed. As indicated above, the annual programme budget should be broken into quarters to indicate the requirements for the programme in each quarter.
Key considerations in cash flow forecasting include:

- The need to frontload capital, city administrative and contingency budgets
- The most appropriate timing of public work and livelihood activities
- The transfers for unconditional cash transfer clients will take place monthly.
- The transfer for special need beneficiaries will based on the plan.
- The transfers for public works beneficiaries may vary from city to city depending on the approved transfer cycle.
- The timing of any major procurement items.

The table below provides some guidance on how to implement this forecasting:

**Table 13:4: Cash Flow Forecasting Guidance**

<table>
<thead>
<tr>
<th>Budget Heading</th>
<th>July – Sept</th>
<th>Oct-Dec</th>
<th>Jan – March</th>
<th>April – June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional Cash Transfer Clients</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Public works</td>
<td>Based on the varying transfer schedules</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City/Woreda/kebele administrative budget</td>
<td>50%</td>
<td></td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Capital budget for public works and unconditional cash transfer clients</td>
<td>50%</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal contingency budget</td>
<td>Disbursed as required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Livelihoods transfer</td>
<td>50%</td>
<td></td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Livelihoods capacity building</td>
<td>50%</td>
<td></td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Regional level management budget</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Federal level management budget</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Key instruments</td>
<td>As needed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity building</td>
<td>As needed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation and Audit</td>
<td>As needed</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When preparing the above cash flow, implementers should take into consideration the dates that resources will be disbursed by MoFEC and its relevant offices at cities/town. These dates are as follows:

- Quarter 1: July 15
- Quarter 2: October 25
- Quarter 3: January 25
- Quarter 4: April 1
As soon as BoFED receives resources from MoFEC, they should transfer the appropriate funds to city and regional implementing agencies within 3 working days. However, cash transfers in subsequent periods may vary from the above transfer table depending on the utilization performance of city and regions whereby instructions to use carryover balances for forthcoming resource requirements.

In preparing cash requirement forecasts, UJCFSAs should take into account the carryover cash balances of each specific city and major budget categories in order to ensure that the programme will not be exposed to different risks caused such as excess or shortage of cash holdings.

13.5 Financial Flow

The key steps in the funds flow are as follows:

**Step 1:** The Bank deposits contributions to the program into segregated designated foreign currency bank accounts at the National Bank of Ethiopia. The Bank can only deposit contributions to the program into the MoFEC account it has received UPSNP IFRs from MoFEC, as per the agreed format.

**Step 2:** MoFEC transfers money from the segregated designated bank accounts and deposits the equivalent amount in Birr into the pooled Birr bank account for the UPSNP in the Commercial Bank of Ethiopia (CBE) as required. This ensures a continuous cash flow to the Programme.

**Step 3:** Once the UPSNP Annual Federal Safety Net Plan has been approved in June, UJCFSAs submits to MoFEC an annual cash resource distribution plan by region and woreda, within 3 days of the approval of the Annual Plan. At the same time, federal UJCFSAs send this information to Regional UJCFSAs. Within two days of receiving the Resource Distribution Plan, MoFEC communicates the annual cash resource distribution plan to BoFEDs and MoLSA. This is completed by July 15 of each year.

If MoFEC, MoLSA, Regional Food Security Agencies or BoFEDs note any discrepancies between the annual cash resource plan and the approved Annual Plan, these should be corrected immediately by federal UJCFSAs and MoFEC. Any corrections should be completed within 5 days.

The annual cash resource plan for each city/region prepared by federal UJCFSAs will be communicated to regions/cities for further preparation of their annual cash resource plan. On a quarterly basis, federal UJCFSAs prepare and submit an expenditure and cash requirement forecast to MoFEC in line with the annual plan. This forecast will be part of the quarterly IFR, which will be submitted to the IDAs within 60 days from end of each quarter for clearance and request for cash advances.

**Step 4:** Federal UJCFSAs requests MoFEC to transfer the front loading to the CBE, as per the annual cash distribution plan, by July 15. Federal UJCFSAs also informs MoFEC if there are any
changes in the annual cash resource allocation plan. This information is sent to Regional Food Security Agencies at the same time via fax.

Within 2 days of receiving this request, MoFEC instructs the National Bank to transfer the cash resources to BoFED, to be deposited into UPSNP specific bank accounts at regional level. This instruction is copied to BoFED via fax. The National Bank complies with this request within 2 days.

**Step 5:** Upon receipt of the copy from federal UJCFAS to MoFEC requesting the transfer of cash resources to BoFED, Regional Food Security Agencies writes a letter to BoFED requesting the onward disbursement of resources to City/woreda bank accounts, and regional department accounts, as per the region’s annual cash resource plan. A copy of this letter is sent by fax to city/woreda. This letter is prepared within 2 days of receipt of the communication from federal UJCFASs.

Upon receipt of the notification that MoFEC has instructed the National Bank to transfer resources and the instruction from Regional Food Security Agencies, BoFED prepares a letter to the Commercial Bank instructing the onward disbursement of resources to City accounts, and to regional department accounts. This letter is sent by fax to City finance and economic development.

BoFED follows up with the Commercial Bank by telephone and in person to make sure that the money was received and sent to the city in a timely fashion. If there are delays, BoFED should communicate these to MoFEC, which will follow up with the National Bank.

**Step 6:** City finance and economic development office follows up with the Commercial Bank to confirm receipt of the funds in their UPSNP account. City/woreda finance and economic cooperation office checks that the amount received in the UPSNP account matches the amount expected as per the annual cash resource allocation plan. If there are any discrepancies, the City finance and economic development office communicates this discrepancy immediately to BoFED by telephone.

**Step 7:** The City finance and economic development office verifies payment request of all components of UPSNP and transfers to CBE, based on requests from the city Urban Job Creation and Food Security office and as per the PASS payroll and attendance sheet. CBE effect payments to the client CBE bank accounts. Payrolls should be submitted to CBE in line with the MoU between MoFEC, CBE, MoUDH and MoLSA.

**Step 8:** City finance and economic development office maintains a record of the use of UPSNP resources based on the agreed accounting procedures. BoFEDs (and zones) provide assistance to the City finance and economic development office on a regular basis to ensure that these procedures are carried out correctly.

**Step 9:** Any UPSNP cash resources that are not used during the fiscal year are NOT returned to the federal account, and are instead rolled over for use during the next fiscal year.
The above steps are summarized in the diagram below:

**Figure 13.1:** Flow of Funds

13.6 Budget Utilization

All expenditures must comply with the budget headings and eligible expenditures. Any expenditure contrary to these budget headings is considered ineligible and cannot be charged to the project. If any such expenditure is identified, they will be reimbursed to the project.

13.7 Financial Reporting

**Reporting Requirements:** The PCU will prepare quarterly consolidated Interim Financial Reports (IFR) and submit to the World Bank within 60 days of the end of the quarter. The format and the content, consistent with the World Bank’s standards, are agreed with MoFEC.
and MoUDH. A common single IFR is used for all the finances by the Bank and the Government. MoFEC, in the quarterly IFR, ensures that advances received as well as documentation of expenditure for each financier are separately identified and reflected. At a minimum, the report will include: A statement of sources and uses of funds and opening and closing balances for the quarter and cumulative, a statement of uses of fund that shows actual expenditures, appropriately classified by main program activities (categories, components, and sub-components), actual versus budget comparisons for the quarter and cumulative will also be included, a statement on movements (inflows and outflows) of the Program Designated Account, including opening and closing balances, expenditure forecast for the next two quarters together with the cash requirement and Notes and explanations, other supporting schedules and documents.

**Reporting Time tables and Quality:** The MoFEC submits timely and good quality IFRs on a quarterly basis. In compliance with the government’s financial rules and regulations as well as IDAs requirements, MoFEC will produce annual financial statements similar to the contents of the quarterly IFRs. The annual financial statement will be similar to the IFRs with some modifications as to be indicated in the audit TOR. These financial statements will be submitted for audit at the end of each year.

The timely submission of quality financial reports is critical to ensuring that cash resources flow to the UPSNP as required by the Annual Plan. Financial reports trigger the replenishment of the UPSNP pooled account at federal level by IDAs and also determine whether or not deductions will be made to transfers from federal to regional level to account for carry-over balances. Because of this, it is vital that City finance and economic development office, IDA, BoFED, and MoFEC work diligently to submit quality reports on time. If IFRs are not received on the due date and are of insufficient quality, disbursements from the IDAs may be delayed until reports of adequate quality are received. This in turn could result in late transfers, undermining programme impact. Moreover, timely and quality performance and submission of the financial report will be subjected to positive reward as stated in the incentive guidelines.

The process for financial reporting is described below:

**Step 1:** Each City finance and economic office prepares a monthly financial statement and submits a quarterly procurement report, as specified in the Financial Management Manual, to the BoFED within 20 days after the quarter has ended. The financial reporting format will be as agreed between the Government and IDAs and detailed in the Financial Management Manual.

City finance and economic development office submits a copy of the final report to the City Urban Job Creation and Food Security office, which reconciles the financial report with the physical progress reports. In regions where the zonal system is active, City finance and economic development office could send their quarterly financial reports to the Zonal Finance and Economic development office (the UPSNP accountants) who will in turn submit them to BoFED.
City review of financial reports

Financial reports are a key input to city reviews of progress to date. In order to fully assess performance and understand whether implementing agencies need further support, all agencies represented at city level involved in UPSNP implementation need to receive a copy of the report to review their own narrative reporting.

Step 3: MoFEC reviews the reports it receives from the BoFEDs, UJCFSAs and MoLSA to verify the quality and completeness of the information. MoFEC then analyses the information it receives from regions and the accounts held at federal level.

MoFEC will discuss the report with federal UJCFSAs. The final consolidated Interim Financial Report (IFRs) is then submitted to IDA within 60 days after the end of the quarter. A copy of the report is also submitted to federal UJCFSAs. Delays in submission or issues related to quality may mean that future disbursements are compromised for the entire programme.

Step 4: As part of the quarterly IFRs, City finance and economic development office analyses its cash resources to determine if there are any delays in the system and, if so, how these can be fixed. This information is submitted to MoFEC, which analyses the reports from all cities and takes steps to address any delays.

Step 5: On an annual basis, MoFEC prepares annual financial statements, which will be submitted to external auditors.

The programme envisages using the Government of Ethiopia's financial recording and reporting system, IBEX, for accounting and reporting on UPSNP expenditure on a standalone basis. However, at city and federal level, all city BoFEDs and MoFEC will use IBEX to consolidate and produce the financial reports and all UPSNP expenditures should be entered into the system and reports are automatically generated. The existing chart of accounts of the IBEX for the UPSNP has been customized to fit into specific features of the program.

13.8 Audit

This section provides a summary of the different types of audit to be conducted on the UPSNP. These are internal audit, external audit (including interim and final audit), and an annual independent procurement audit.

Internal Audit: The Internal Audit is designed to help the public body accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Implementing cities, UJCFSAs and MUDHO should make sure that the internal auditors at all levels cover the accounts of the UPSNP in their annual plan and periodical audit exercise. The internal auditors should submit their findings to the head of the City finance and economic development office, City Urban job creation and food security office, BoFED and the City administration.
Annual Financial Audit: The annual financial statements are audited by the Office of the Federal Auditor General (OFAG) or an auditor assigned by OFAG. The objectives of the audit of the programme financial statements is to enable the auditor to express a professional opinion on the financial position of the program at the end of the fiscal year, and on funds received and expenditures incurred for the relevant accounting period. MoFEC submits the annual audited programme accounts to the IDA six months after the end of each fiscal year, which ends on July 7.

The Annual Financial Audits makes sure that all UPSNP cities and implementing agencies are covered over the life of the program and subsequent period audits include selected 11 Cities which have been audited previously for follow-up.
CHAPTER 14: PROCUREMENT

14.1 Introduction

The implementation of the UPSNP entails procurement of a variety of goods, works and services. The UPSNP Procurement Manual provides guidance on procurement planning, implementation and reporting, and is the source of detailed guidance for UPSNP procurement management. The guidelines are summarized in this chapter but should be consulted directly by implementers on a regular basis.

14.2 Scope of Procurement

The implementation of the UPSNP entails procurement of a variety of goods, works and services. These include:

- **Goods**: vehicles, office furniture, tools and equipment, generators, IT equipment, construction materials for public works, goods for urban green infrastructures, open gym, urban agricultural inputs, push cart, tricycle, first aid kit, safety tools and kits.

- **Small Works**: semi-skilled labour for the urban watershed facilities, production and sales premises, urban greenery development and management etc.

- **Non-consulting Services**: transport, janitory, security, printing, etc.

- **Consulting Services**: technical assistance, studies, reviews, project audits, impact evaluations, project component work reviews, etc.

- **Training and Workshops including Counseling Service**: various trainings and workshops at different levels, Carrier counseling, psychosocial counseling for special target groups such as street children, beggars and the homeless. The Government sees this service as crucial to transition the “special target” group from destitution to employability.

14.3 Procurement Guidelines

14.4 Principles of Good Procurement

Procurement under the UPSNP must be carried out with due regard to economy, efficiency, effectiveness, transparency and the need to ensure fair competition.

IDA’s Articles of Agreement set out the principles on which IDA’s procurement requirements are based:

- That arrangements shall ensure that the proceeds of any financing under this project are used only for the purposes for which the financing was provided, with due attention to considerations of economy, efficiency and competitive international trade and without regard to political or other non-economic influences or considerations; and

- Funds provided under this project will be made available to the recipient only to meet expenses in connection with the UPSNP as they are actually incurred.

Implementing agencies at all levels, as well as contractors, suppliers, and consultants, must observe the highest standards of ethics during procurement and execution of contracts financed under the UPSNP.

14.5 The Procurement Plan

The first and most important step in the procurement cycle is the identification of the required items and services to be procured and determine when those goods/services are required for the sub-project/activity in question. This requirement shall be reflected in the procurement plan and the program implementing institutions shall perform proper planning for all procurement activities in order to ensure that they meet their needs in the most effective, economical and timely manner.

A procurement plan is a legal document required in the procurement process. Annual PPs shall coincide with budgets and targets to be achieved. Plans shall address the technical, operational, management, financial and other significant considerations. This should be carried out by the user section/entity and should result in clear identification of the items and corresponding specific functional and service requirements. Officers at all levels that are engaged in planning and managing procurement must be aware of all governing legislation and the agreed procurement rules and procedures in order to inform decision-making processes.

Once procurement needs have been identified and specified, the concerned program implementing institutions will ensure that procurement is carried out in time. For this a procurement plan will be prepared giving sufficient lead time for the process. Program implementing institutions will ensure that appropriate approvals at each level are in place. Separate Procurement Plan will be prepared for consulting service, goods, works and non-consulting services.

Procurement plan should be prepared and approved by the authorized institutions or body. The federal and cities level procurement plans and any revisions shall be compiled and approved by
the federal UJCFSA. All procurement plans and their respective updates shall be reviewed and cleared by the World Bank prior to commencement of the procurement process.

Procurement should be carried out in accordance with the provisions in the approved procurement plan. Procurement activities carried out without an approved procurement plan are considered as ineligible expenditures and are not financed through program fund.

The duration of time required to properly carry out each stage of procurement activities should be estimated carefully to develop a realistic plan. The procurement plans will be regularly updated during the course of the project, to reflect changes in project implementation. Procurement planning formats are provided in the Procurement Manual.

14.6 Procurement Processes and Procedures

UPSNP procurement procedures are designed to ensure transparency of the procurement process through a variety of methods depending on the size of the procurement and on what is being procured (works, goods, non-consulting services or consulting services). The table below provides ceiling amounts and procedures for shopping, National Competitive Bidding and International Competitive Bidding, and presents World Bank review requirements for bidding as well as direct contracting.

14.6.1 Procurement of goods, works and non-consulting services

UPSNP procurement methods will vary depending on the nature and size of the procurement. The agreed methods of procurement for goods, works and non-consulting services are: International Competitive Bidding, National Competitive Bidding, shopping, limited international bidding, direct contracting, procurement from UN agencies, and community participation. The procurement of works and goods through ICB contracts, which is done only at the federal level, will use the World Bank’s Standard Bidding Documents, while procurement for NCB contracts will follow standard Government procedures and use Federal Standard Bidding Documents agreed with or satisfactory to the World Bank, with the few exceptions provided under Section 0.

Table 0.1: Procurement thresholds for works, goods and non-consulting services

<table>
<thead>
<tr>
<th>Procurement method</th>
<th>Estimated value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Works</td>
</tr>
<tr>
<td>ICB</td>
<td>$10,000,000 and above</td>
</tr>
<tr>
<td>Prior review threshold</td>
<td>$7,000,000 and above</td>
</tr>
<tr>
<td>NCB</td>
<td>Between $200,000 and $10,000,000 (with prior review above)</td>
</tr>
<tr>
<td>Shopping</td>
<td>$7,000,000)</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Limited International Bidding</td>
<td>Can only be used on an exceptional basis, when there are only a limited number of known suppliers worldwide</td>
</tr>
<tr>
<td>Direct Contracting</td>
<td>Under $2,000: Internal Government Review (Heads of Agencies)</td>
</tr>
<tr>
<td>Community Participation in Procurement</td>
<td>Procurement to be effected through participation of communities.</td>
</tr>
</tbody>
</table>

- **International Competitive Bidding**: Contract packages for works estimated to cost US$10 million equivalent per contract and above, and contract packages for goods estimated to cost US$1 million equivalent per contract and above will be procured through ICB procedures.

- **National Competitive Bidding**: Works contracts estimated to cost less than US$10 million equivalent per contract and goods contracts estimated to cost less than US$1 million equivalent per contract would be procured through NCB procedures. Works contracts between US$7 and 10 million will be subject to World Bank prior review.

- **Shopping**: Small works contracts estimated to cost less than US$200,000 per contract and goods contracts estimated to cost less than US$100,000 per contract may be procured through shopping procedures by comparing prices for quotations received from at least three (3) reliable contractors or suppliers. In such cases, request for quotations shall be made in writing and shall indicate the description, scope of the works, the time required for completion of the works and the payment terms. All quotations received shall be opened at the same time. As a general rule, a qualified supplier who offers goods or materials that meet the specifications at the lowest price shall be recommended for award of the contract.

- **Limited International Bidding (LIB)** for goods may exceptionally be used when there are only a limited number of known suppliers worldwide.

- **Direct contracting** can be used when it is considered beneficial to the programme. In UPSNP there may be circumstances which justify direct contracting by implementing agencies, where there is only a single supplier, labour contractor or service provider for the provision of small value goods, works and services. For such contracts which fall below an estimated cost of US$5,000, the implementing agencies can undertake direct contracting but have to provide detailed justifications underlying the selection of such a procurement method and have to obtain approval from the head of the implementing agencies at all levels as per the procedures provided in the Procurement Directives of the Federal Government and the
respective Regions. Documentations of the justifications provided and the approval by the head of agencies shall be maintained for review by Bank staff or consultants during post procurement reviews and independent procurement audits. Direct contracting below US$5,000 will require internal government review and approval while US$5,000 and above will require World Bank review and approval.

- **Procurement of mass media broadcasting services.** Implementing agencies may require radio broadcasts and television programs to disseminate information on the objectives and achievements of the project, use of new technologies, and so on. In Ethiopia, radio and television programs with a wider coverage are limited to the Ethiopian Broadcasting Corporation and some regional radio and television stations which are state-owned enterprises. A study of the media outlet in the country clearly indicates that there are no private sector alternatives in the provision of airtime services with wider coverage to reach the clientele of the project. In view of this, project implementing agencies may procure airtime for broadcasting services from the Ethiopian Broadcasting Corporation and Oromia Television on a direct contracting basis according to the procedures outlined in paragraph 3.7 of the Procurement Guidelines.

- **Procurement of non-consulting services.** Depending on the nature of the services, procurement of non-consulting services, such as transport services, will follow procurement procedures similar to those stipulated for the procurement of goods. NCB procedures acceptable to the Bank would be used for contracts above an estimated monetary amount of US$100,000. Contracts valued at less than US$100,000 equivalent shall use Shopping procedures in accordance with the provisions of paragraph 3.5 of the Bank’s Procurement Guidelines. The procurement of non-consulting services shall follow the Bank’s existing SBD for ICB or national SBDs for NCB, with appropriate modifications.

14.6.2 Selection of consultants

The project will make use of consultant services for technical assistance, capacity building activities, studies, and annual financial, procurement, commodity and roving audits of project activities. World Bank prior review thresholds for consultants are indicated in Table 0.2 below.

<table>
<thead>
<tr>
<th>Table 0.2: Prior Review Thresholds for Consultants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of consultant</strong></td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>Consultants (firms)</td>
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<tr>
<td>Consultants (engineering &amp; works supervision)</td>
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<tr>
<td>Consultants (individuals)</td>
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All consultancy services for the selection and employment of procurement and legal consultants, regardless of the contract amount, shall be subject to World Bank’s prior review.

TORs for all contracts shall be cleared by the World Bank.

14.6.3 Selection of consultants (firms)
The agreed methods of procurement for consultants are:

- Contracts above US$200,000 will be awarded through the use of the Quality and Cost-Based Selection (QCBS) method described under Section 2 of the World Bank Consultant Guidelines. Most consultancy contracts with firms will use this approach.
- Consulting Services for audit and other contracts of a standard or routine nature may be procured under the Least Cost Selection method (LCS) described under Section 3.6 of World Bank Consultant Guidelines.
- Single Source Selection (SSS) of consulting firms or individuals would be applied only in exceptional cases if it presents a clear advantage over competition when selection through a competitive process is not practicable or appropriate. SSS would be made on the basis of strong justifications and upon World Bank’s concurrence to the grounds supporting such justification.
- Consulting services of small assignments may be procured through the Selection Based on the Consultants’ Qualifications (CQS) method.
- For engineering & works supervision, shortlists of consultants for services estimated to cost less than US$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

14.6.4 Selection of individual consultants
Individual consultants will be selected on the basis of their qualifications by comparison of CVs of at least three candidates from those expressing interest in the assignment or those approached directly by the Implementing Agency in accordance with the provision of Section V of the Consultant Guidelines. The selection of individual consultants will normally be subject to post review. Prior review will be done in exceptional cases only, e.g., when hiring consultants for long-term technical assistance or advisory services for the duration of the project, and prior review of these contracts will be identified in the procurement plan.

14.6.5 Operating costs
Incremental operating costs include expenditures for maintaining equipment and vehicles; fuel; office supplies; utilities; consumables; workshop venues and materials; and per diems, travel costs, and accommodation for staff when travelling on duty during implementation of the UPSNP, but excluding salaries of civil/public servants. These will be procured using the Government’s administrative procedures, acceptable to the World Bank. Operating expenditures are neither subject to the Procurement and Consultant Guidelines nor to prior or post reviews.
Operating expenditures are verified by Task Team Leaders and Financial Management Specialists.

14.6.6 **Training and workshops**
The UPSNP will fund training activities, including capacity building. The UPSNP training plan shall be organized at federal and regional levels and shall be approved by the World Bank. The training plans would include details on the following:

- Type of training to be provided
- Number of participants to be trained
- Duration of training, and estimated cost
- Institutions selected based on their expertise
- Expected learning outcomes

Training and workshops shall be prior reviewed as a part of the annual work plans of the program.

14.6.7 **Standard bidding documents**
The World Bank’s [Standard Bidding Documents (SBDs)](https://www.wb.org) will be used for all tenders for procurement of goods and works under ICB. The World Bank’s [Standard Request for Proposals (SRFP)](https://www.wb.org) will be used for selection and employment of consultants under the project. In addition, the implementing agencies will use [Standard Bid Evaluation Form](https://www.wb.org) for the procurement of goods and works for ICB contracts, and [Sample Form of Evaluation Report](https://www.wb.org) for selection and employment of Consultants.

**National/Standard Bidding Documents** acceptable to the World Bank may be used for procurement of goods, works and non-consulting services under NCB procedures, subject to the exceptions indicated below. Alternatively, the World Bank’s SBDs could be used with appropriate modifications. The implementing agency may use the World Banks’ Sample Form of Evaluation Report for procurement of goods and works for NCB contracts.

Exceptions from the use of National Standard Bidding Documents for procurement of goods, works and non-consulting services are as follows:

- 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 Association.
- If pre-qualification is used, the World Bank’s standard prequalification document shall be used.
- 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.
• 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 Government of Ethiopia, 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.

• Bidders shall be given a minimum of thirty (30) days to submit bids from the date of availability of the bidding documents.

• All bidding for goods shall be carried out through a one-envelope procedure.

• 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.

• 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, or new bids shall not be solicited, without the Bank’s prior written concurrence. No bids shall be rejected on the basis of comparison with the cost estimates without the Bank's prior written concurrence.

• 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 World Bank, at its request, to inspect all accounts, records and documents 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 World Bank’s audit and inspection rights constitutes an obstructive practice as defined in paragraph 1.16 a (v) of the Procurement Guidelines.

14.6 Margin of preference for goods and works

In accordance with paragraphs 2.55 and 2.56 of the World Bank Procurement Guidelines, the Government of Ethiopia may grant a margin of preference of 15% in the evaluation of bids under ICB procedures to bids offering certain goods produced in Ethiopia when compared to bids offering such goods produced elsewhere. Similarly, the Government of Ethiopia may grant a margin of preference of 7.5% in the evaluation of bids under ICB procedure to domestic contractors.

14.7 Management of Procurement

The federal PCU at the UFS&JCA of the MoUDH, which is the focal organization for the implementation of the UPSNP, shall coordinate all procurement activities of the project at the central level and shall be responsible for communicating with the Bank on requests for prior
reviews. Responsibilities of the federal PCU will also include procurement of strategic goods and equipment, consolidation of procurement plans for all contracts, placement of adverts for ICB contracts on United Nations Development Business (UNDB) online, supervision of other implementing agencies at sub national level, coordination of procurement audits, and follow-up on findings. City administrations will be responsible for the procurement of goods and works which are procured through NCB and Shopping procedures. City administrations shall also carry out ICB contracts as well as selection of consultants, as deemed necessary.

Procurement will be required at all levels. Procurement will be carried out by implementing agencies of UPSNP. Planning and timely disbursement of funds are critical to successful procurement processes. Procurement plans should be submitted annually and updated as need arises. Funds for procurement activities should be released once at the beginning of the fiscal year. The detailed responsibility matrix for each level will be described in the Procurement Manual.

**14.8 Procurement at Federal Level**

Procurement at the federal level is based on the Federal UPSNP Annual Plan. The UPSNP Coordination Unit (PCU) is responsible for the preparation and consolidation of this plan, and the procurement itself is carried out by each UPSNP implementing agency (unless PCU is requested to carry out the procurement on their behalf). Strategic good shall be consolidated and procured centrally.

PCU develops a consolidated procurement plan based on an assessment of capacity building requirements at the federal level carried out by each implementing agency. The procurement plan also includes items that the regions have requested that the federal level procure on their behalf. The PCU then forwards this plan to the World Bank for approval in July.

Each implementing agency then procures the goods and services listed in the procurement plan in line with the procurement procedures detailed below. The steps of these processes are as follows:

**Table 14.4: Federal Procurement Processes and Responsibilities**

<table>
<thead>
<tr>
<th>Step</th>
<th>Activity</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Preparation of Procurement Plan</td>
<td>UPSNP Procurement Specialist(PCU)</td>
</tr>
<tr>
<td>2</td>
<td>Approval of Procurement Plan</td>
<td>Director General, UJCFSA</td>
</tr>
<tr>
<td>3</td>
<td>Preparation of bidding documents/RFPs</td>
<td>UPSNP Procurement Specialist(PCU)</td>
</tr>
<tr>
<td>4</td>
<td>Approval of bidding documents/RFPs</td>
<td>Director General, UJCFSA</td>
</tr>
<tr>
<td>5</td>
<td>Bid/proposal opening</td>
<td>Bid Opening Committee (UJCFSA)</td>
</tr>
<tr>
<td>6</td>
<td>Bid/proposal evaluation</td>
<td>Bid Evaluation Committee (UJCFSA)</td>
</tr>
<tr>
<td>7</td>
<td>Approval of evaluation reports</td>
<td>UJCFSA Director General/Heads of other implementing agencies</td>
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</table>
Procurement of strategic goods will be carried out centrally by the UPSNP’s federal PCU in the UFS&JCA or MoUDH. Procurement will also be carried out by federal implementing agencies including MoLSA as provided in the Procurement Manual.

### 14.9 Procurement at city Level

City OFED and city administration are responsible for procurement at the city level through a pool system. Each city shall have a dedicated procurement staff member, for UPSNP within City UJCFS office, who is responsible for UPSNP procurement, including planning, initiation and preparation of procurement documents, follow-up of procurement requests, and keeping records.

Preparation of the Procurement Plan at city level, which is primarily the responsibility of City/ UJCFS office, is the crucial first step of the procurement process. All goods and services required for implementation of public works and livelihoods are identified by the support facilitators and technical specialists as part of the technical appraisal of public works sub-projects and livelihoods activities during the formulation of the city Safety Net Plan in April of each year. These procurement requirements are consolidated, along with any city level procurement requirements for the overall implementation of the UPSNP, based on an analysis of capacity gaps, into the city Safety Net procurement plan. These procurement plans shall be submitted annually and updated as need arises.

Cities and Municipalities shall use the shopping method of procurement. This procurement is for 1) readily available off-the-shelf goods, 2) standard specification items of small value, or 3) simple civil works of small value, when more competitive methods are not justified on the basis of cost and efficiency in accordance with the Procurement Manual and Guidelines.

Some products will be available at the city level, for instance small office equipment and supplies, and sundry items for public works and livelihoods. In many cases the quantities of goods and services required to implement public works across the city will not be available locally at a competitive price or in an adequate quality or quantity to meet city procurement requirements. In these cases, procurement requests will be passed to the Regional RUJCFS for procurement on behalf of the city.

The table below outlines procurement processes and responsibilities for each step at the city/woreda level.

<table>
<thead>
<tr>
<th>Step</th>
<th>Activity</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Identification of items to be procured</td>
<td>Livelihood, Public and social work facilitators/other staffs</td>
</tr>
<tr>
<td>2</td>
<td>Preparation of Procurement Plan</td>
<td>UPSNP Procurement Expert (city UJCFS office)</td>
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<tr>
<td>3</td>
<td>Approval of Procurement Plan</td>
<td>City UJCFS office and OFED</td>
</tr>
<tr>
<td>4</td>
<td>Preparation of bidding documents/RFQ</td>
<td>UPSNP Procurement Expert (city UJCFS office, city/town administration and OFED)</td>
</tr>
<tr>
<td>5</td>
<td>Approval of bidding documents/RFQ</td>
<td>city UJCFS office, city/town administration and OFED Tender Committee</td>
</tr>
<tr>
<td>6</td>
<td>Bid/proposal opening &amp; Evaluation</td>
<td>city UJCFS office, city/town administration and OFED Tender Committee</td>
</tr>
<tr>
<td>7</td>
<td>Approval of evaluation reports/price comparison report</td>
<td>Head of city OFED office, city/town administration and UJCFS office</td>
</tr>
<tr>
<td>8</td>
<td>Preparation of contract document</td>
<td>UPSNP Procurement Expert (city OFED, UJCFS office and city/town administration)</td>
</tr>
<tr>
<td>9</td>
<td>Contract award/signature</td>
<td>Head of city OFED office, city/town administration and UJCFS office</td>
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### 14.10 Record Keeping

Procurement filing has specific characteristics. Files must be based on the procurement categories (works, goods, consultant services/training) and span the entire procurement process per contract in each category in an efficient and easily accessible manner (from advertising to contract signature and management). This system should best be maintained professionally in order to remain useful for at least 10 years period beyond the closing date of the program.

The PCUs at all levels are responsible for proper record keeping and filing of procurement records for ease of retrieval of procurement information. All implementing agencies at federal level and at city levels are responsible for keeping procurement records in an organized manner and in a secure place. The procurement focal units at all levels should be provided with required number of facilities for proper record-keeping.

Each contract shall have its own file and should contain all documents on the procurement process in accordance with the requirements and as described in the procurement manual. The mandatory lists of records to be kept are also provided in the Procurement manual.

### 14.11 Monitoring and Evaluation of Procurement Performance

Federal and city procurement specialists are responsible for monitoring and supervising UPSNP procurement. The city PCU consolidates and prepares the procurement performance report for city level activities and submits on quarterly basis to the federal PCU. The feral PCU will avail these reports during the regular joint review and supervision missions.

World Bank staff or consultants selected by the Bank carry out semi-annual supervision missions to conduct field visits, of which at least one mission will involve post review of procurement actions. During such missions, UPSNP Procurement Coordinators/Experts are responsible for availing the procurement plan, contract register, all procurement documents, and the procurement implementation status report to the mission.

**Annual Independent Procurement Audit:** An independent procurement review of program procurements is conducted annually, covering 4 cities and at least 30% of the contracts subject to
post review. The Federal UJCFSAUs shall select and appoint a procurement auditor, acceptable to IDA, to carry out annual independent procurement audits and shall submit the report annually to IDA for its consideration, six months after the end of each fiscal year. The City will be selected to ensure the coverage of UPSNP cities over the life of this phase of the UPSNP as possible.
CHAPTER 15: PHYSICAL RESOURCE MANAGEMENT

15.1 Introduction

This chapter introduces the two major types of physical resource management under the UPSNP. These are: (i) overall management of assets (procedures and rules); and (ii) management of vehicles and motorcycles, including pooling strategies and maintenance plans.

15.2 Oversight of Physical Resource Management

15.2.1 Responsible Institutions

At the city level, the institutions responsible for physical resource management coordination and system development are the City administration, the Urban Job Creation and Food Security office, and OFED. Each UPSNP implementing agency is responsible for managing its own physical resources.

15.2.2 Policies and Guidelines

The GoE policies, directives and guidelines that govern physical resource management are the Government-Owned Fixed Asset Management Manual (GOFAMM), the MoFED Vehicle Utilization and Management Directive and this UPSNP PIM.

15.3 Components of Physical Resource Management

15.3.1 Overall Management of Assets

Proper asset management is critical in order to avoid damage to property. The main tasks related to asset management are as follows:

- Planning for vehicle/equipment/tool needs
- Procurement and acquisition of vehicles and equipment
- Effective operations and maintenance
- Assessment and revaluing of assets
- Disposal of vehicles and equipment
- Lifecycle management—follow up of assets from the date of procurement up to the final date of discarding and final auditing

The implementing agencies responsibility is to:

- Make sure that ownership certificates are up to date
- Update the UPSNP fixed assets register and subsidiary records
- Undertake UPSNP annual physical count of fixed assets and reconcile
- Calculate depreciation on all fixed assets
- Prepare the Annual Summary Schedule of fixed assets and report
- Communicate with the government property administration

15.3.2 Management and Maintenance of Office and IT Equipment

IT management is a critically important part of asset management. Installing and updating Anti-Virus software frequently is important.

15.3.3 Vehicle and Driver Management

Implementing agencies at all level are responsible for the following aspects of vehicle management: assigning, registering and renewing; maintenance/servicing; fuel supply; spare parts and tire supply; pooling; insurance coverage; and discarding and replacement.

In particular, supervisors are responsible for:

- Managing vehicles, including assigning vehicles, ensuring regular vehicle preventive maintenance, and making recommendations for disposal of vehicles.
- Ensuring that drivers know all rules and regulations
- Maintaining files, data and information about all vehicles and drivers
- Ensuring implementation of MoFED and Federal PPPAA guideline.

Driver Management

Drivers must follow traffic safety procedures. Driver supervisors should enforce good driving through:

- Carrying out unexpected and random checking
- Enforcing seat belt policy
- Enforcing mobile phone policy
- Enforcing drug policy

Vehicle Record-Keeping

Vehicle utilization information should include distances travelled, destinations reached, distance travelled by vehicle showing official mileage, fuel consumption per vehicle, repair and maintenance per vehicle, rate of consumption of spare parts, and servicing planned and completed. The vehicle logbook and mileage should be recorded every day.

An independent file should be kept for each vehicle that includes:

1. Vehicle/equipment description
2. Owner
3. Address Number
4. Unit Number
5. Serial Number: Serial Number is a required field depending on processing options.
6. Item Number: Inventory Item Number is a required field depending on processing options.
7. Product Model
8. Bin cards
9. User cards
10. Product Family
11. Parts List Number
12. Date Acquired
13. Contract Date: The system date is the default value for the date fields.
14. Vehicle/Equipment Status
15. Costs

**Vehicle Pooling System**

The vehicle pooling system serves a variety of purposes:

- Helps to manage vehicles and equipment centrally, through one management system
- Minimizes resource mis-utilization
- Enables a central schedule, plan and control
- Creates vehicle access for all departments
- Enables a single driver and vehicle to serve multiple users
- Creates the possibility of keeping records centrally (information database of all vehicles).

Pooling of vehicles is required for all UPSNP staff members, with the exception of senior management. However, UPSNP vehicles and motorcycles should not be used by personnel who are not working on the UPSNP.

**Vehicle Maintenance**

Vehicle maintenance is critical to keeping UPSNP vehicles and motorbikes road worthy and technically reliable, and to reduce running costs, so that they can serve the UPSNP for a long time. Managers should maximize preventive/scheduled maintenance and minimize unscheduled maintenance to the extent possible. A wall chart shows annual/monthly or quarter schedule, along with schedule stickers posted on the side door of vehicle, should be used, and someone should be assigned responsibility for follow up.
CHAPTER 16: CAPACITY AND SYSTEMS BUILDING

16.1 Introduction

UPSNP has become a central part of broader system that delivers social protection, disaster risk management, and nutrition and Climate-Resilient Green Economy policy objectives under the overall framework of the GTP II.

At the heart of the UPSNP is the shift to a systems approach. A systems approach involves the use of common administrative mechanisms and tools to reduce policy, institutional and budgetary fragmentation. Under the social protection and DRM system, a minimum suite of services for vulnerable households will be developed with clear linkages and roles for multiple implementers under unified planning and coordination structures with clear roles and responsibilities. Ultimately, those agencies serving the same clients should use a common set of tools, instruments and approaches to ensure maximum impact and cost effectiveness. The tools and instruments will be designed, tested and scaled up under six priority areas: Targeting; MIS; Disaster Risk Management; Planning, Coordination and Governance; Social Accountability; and Capacity Development.

In support of the overall systems building approach, a capacity development strategy has recently been commissioned, which will identify the key areas where capacity needs to be built and an elaboration of this capacity will be developed. Once the capacity development strategy has been developed, this chapter will detail some of the key minimum standards that are expected to support implementation of the UPSNP and other relevant sections of the PIM will be updated. These include standards for staffing and equipment. It is anticipated that this strategy will build on the current MoLSA capacity needs assessment.

A clear and prioritized Capacity Action Plan is an early priority for the next phase. This action plan will form one key component in the overall systems development approach to be monitored at the highest levels of the institutional framework.

At present, this chapter includes placeholders for the systems and capacity development information along with highlighting the capacity development component. The capacity development section below describes briefly what the capacity development component entails and what is expected from the capacity development strategy currently being contracted.

To provide these services, capacity will be built within MoLSA and the OSCD at the regional and city levels. The use of private providers and, thus, private employment officers, particularly in the provision of information, will be considered based on the needs on the ground and the actual capacity available to satisfy the needs. MoLSA employment officers are currently expected to provide the type of skills assessment, guidance, and counseling services envisaged in this phase, but their capacity to deliver these services is limited. Although the reach of the OSCD is larger, its clients are currently more educated than the average safety net beneficiary. A capacity assessment will be undertaken in the first year of implementation and used to develop a
capacity-building plan. The program will also finance the development of new skills assessment tools and manuals for staff and invest in additional engagement with the private sector to access more information on job openings and to spread it quickly to a city-wide network of employment offices, in the early months of implementation. This will improve upon the existing system in which information is available only in selected locations. The program will also experiment with dissemination of job alerts to mobile phones.

Thus, the program will require targeted continuous and fast-tracked capacity development and institutional strengthening as part of implementation. Capacity-building and skills-enhancement activities for the parent and other ministries that will be closely involved, as well as for other institutions at federal, regional, and city levels, are a priority. The capacity-development activities are expected to ensure that the primary managers, implementers, and stakeholders of the UPSNP have the required awareness levels for safety nets in general and urban safety nets in particular and impart them with skills to successfully deliver their roles.

16.2 Minimum Standards for Key Capacities

The capacity development strategy will set the key staffing standards and equipment needs of the program. This section of the Program Implementation Manual will be developed once this strategy has been prepared. Minimum standards for financial management have already been developed.

The systems approach is supported by the development of a number of tools and instruments as noted above. These include:

- **Targeting (program entry and exit)**
  - Develop and pilot a food insecurity/poverty index to add value to the primary community targeting mechanism
- **Management Information System/Single Registry/ Payroll Attendance Sheet System-PASS**
  - Design an integrated MIS that interfaces with other systems with a Unified Single Registry as a key component
- **Disaster Risk Management System**
  - Support a single Continuum of Response with one process for assessment, planning and response to shocks
- **Planning, coordination and governance**
  - Harmonize planning and strengthen coordination amongst all service delivery implementing agencies
- **Citizen Engagement**
  - Implement strengthened social accountability, Financial Transparency, community participation and grievance redress mechanisms
- **Capacity development**
• Implement a comprehensive national Capacity Development Strategy and Action Plan explicitly linked the overall systems development approach and the accompanying tools

MoLSA has role in the development of MIS system and instruments and these systems and tools are also a priority for capacity development support. They will share primary oversight responsibilities with UJCFSA on the development and implementation of the system tools with roles and responsibilities for each tool to be clearly spelt out during their further development.

The UPSNP has resources to build institutional capacity over time and a key function of management is to identify and fill capacity gaps that hamper program implementation. The key principle behind decisions to invest resources in additional capacity is that these decisions must be evidence based, driven by specific assessments that provide a specific justification for capacity-building expenditures.

Even when minimum standards have been set, project managers can exceed these minimum requirements if their analysis shows that additional staff, equipment or training are required to implement the UPSNP effectively and efficiently. Capacity is assessed each year to ensure that adequate capacity is maintained. However, it is critical that these capacities – human, physical or educational – be managed correctly and used efficiently. This includes maintenance of vehicles, offices and computers, among others, and providing staff with the support they need to carry out their job efficiently. These are all elements of sound project management, which is critical to ensuring the success of the UPSNP.

Guiding Principles for Capacity Development

Although there is no blueprint for capacity development, certain principles of good practices by various institutions have emerged. These principles can be grouped into the following three categories: the process, the methods, and the monitoring and evaluation of capacity development.

The Process of Capacity Development

1. Obtain Leadership Commitment and Support: Leaders and managers create a conducive institutional environment for continuous learning, and can help ensure that capacity development initiatives can be sustained by the organizations themselves after program completion.

2. Enhance Existing Strengths: Capacity development is not only about addressing gaps, but also about appreciating and enhancing inherent strengths to achieve the mission and program goals.

3. Clarify Roles and Responsibilities, and Respect Ownership: Recipient organizations should take ownership of their capacity development initiatives. This means that those who understand the context and are engaged in the organization should be responsible for its design, implementation and evaluation.
4. **Strengthen Partnership and Coordination**: Capacity development requires open sharing of information, dialogue and discussion within organizations, partnership and coordination between collaborating organizations.

5. **Ensure Sensitivity to Gender and Social Development**: Gender and social development issues will be mainstreamed within capacity development activities.

6. **Allocate Dedicated Resources to Capacity Development**: This will require the allocation of dedicated capacity development budgets as well as the human resources necessary to implement activities.

**Methods of Capacity Development**

1. **Holistic Capacity Development Approach**: This requires a focus on individual, organizational and enabling environment capacity development needs at all levels of government (from City up to federal level).

2. **Flexible Approach**: Apply flexible approaches and methods to capacity development, customizing the approach to the local context, culture and specific organizational needs based on local participation.

3. **Participatory and Engagement Approach**: Participatory methodologies such as staff’s active participation in assessing, planning, implementing, evaluating and improving capacity development approaches will enhance sustainability of capacity development, while engaging staff in dialogue about issues relevant to their jobs and encouraging new ideas will create a learning environment.

**Monitoring and Evaluation of Capacity Development**

1. **Build in Monitoring and Evaluation (M&E) at the Outset of Capacity Development**: Developing a plan for M&E involves deciding which indicators to use to monitor the progress of a capacity development process. Capacity development programmes need realistic goals with MoUDHO ECPI.

2. **Develop Outcome-Level Capacity Development Indicators Tailored and Integrated into the Program during the Design Phase, and Linked to Performance**: This can generate a body of evidence that can assist implementers, local counterparts and donors, in planning and prioritizing capacity development interventions to improve performance and achieve greater impact.

3. **Emphasize Measurability**: One of the persistent challenges in capacity development is the lack of evidence demonstrating measurable improvements in capacity and performance. This requires a baseline assessment, benchmarks, and progress and success indicators, without which it is impossible to judge either effectiveness or impact. Benchmarking must be repeated at different points in time to adapt the approach taken and to allow for accurate monitoring of outputs, the evaluation of outcomes, and the assessment of impacts achieved.
16.3 Capacity Development Component

A new capacity development component of the UPSNP is currently under development. The component will focus on the following three types of capacity development:

- **Individual**: technical and functional skills
- **Organizational**: staffing of implementing agencies and coordination units, physical resources to implement the program (excluding public works tools), systems, processes and tools to manage and implement the program, including roles, responsibilities and accountabilities of implementing agencies, and performance management and other motivational measures to reduce staff turnover
- **Enabling environment**: task forces, committees and engagement of stakeholders relevant to, but not directly implementing, the program, and policies and strategies to enable the project to operate.

PCU/ Capacity Development Specialist specialized in adult learning methodologies, organizational management, and systems development will support the implementation of the capacity development strategy at federal, regional, zonal, City and Woreda/Kebele levels.

Capacity development activities will be prioritized based on the capacity need assessment conducted by capacity development specialist. These priorities should address critical needs in a strategic manner and might vary from region to region. However, especially during the first years of program implementation, they are expected to include:

- **Capacity development of agencies implementing** the UPSNP activities at federal, regional, City and woreda/kebele levels.
- **Capacity development to manage significant changes planned for the UPSNP** Changes that will require significant capacity development include gradual geographic expansion into new implementation areas, transition to a system of integrated service delivery, a shift in public works and transfer scheduling to better match local needs, etc.
- **Capacity development for strengthened monitoring and evaluation**, for improved data collection, compilation and reporting at all levels.
- **Capacity development for better implementation of gender provisions**, as outlined in the Gender Action Plan.

16.4 Systems Development – Key Tools and Instruments

The role of management in the UPSNP is to ensure that the UPSNP achieves its objectives. This confers a responsibility on project managers in all implementing and partner organizations at all levels to ensure that UPSNP is successful. This means more than just performing the daily tasks of management. It means managing and doing what is needed to ensure that what needs to be done is done well. In logical framework terms it is the role of managers to deliver the UPSNP Outputs. But it is also the role of managers to make sure that all the assumptions are valid and
necessary conditions for success are in place. If outputs are delivered and all assumptions are valid, then the UPSNP will achieve its objectives. The key determinant of success in the UPSNP is timeliness of transfers and sustainability of public works. If transfers are timely then people can be sure that transfers are coming, and can plan their consumptions and expenditures to guarantee sufficient food and avoid asset loss. If public works are sustainable, they have been built to technical sound specifications and have operations and maintenance systems in place.

Timeliness of transfers and sustainability of public works are directly related to the effectiveness of program management. This PIM describes the processes and procedures that, if implemented correctly and on time, will result in timely transfers and sustainable public works. It is the role of management at all levels to ensure that each of these processes is followed as described and on time. The success of the UPSNP is the hands of UPSNP managers. To assist managers, the UPSNP has developed a set of performance standards and invested resources in the monitoring and evaluation system, so that managers have the information they need to make good decisions.

Even when minimum standards have been set, implementers can exceed these minimum requirements if their analysis shows that additional staff, equipment or training are required to implement the UPSNP effectively and efficiently. Capacity is assessed each year to ensure that adequate capacity is maintained. However, it is critical that these capacities – human, physical or educational – be managed correctly and used efficiently. This includes maintenance of vehicles, offices and computers, among others, and providing staff with the support they need to carry out their job efficiently. These are all elements of sound program management, which are critical to ensuring the success of the UPSNP.

A performance management system will be introduced under UPSNP with the following purpose:

- Motivate improvements in performance against the key performance target through the use of incentives,
- Provide continuous, tailored support and capacity building to implementers that are not meeting the minimum standards, and Enable management at all levels to make decisions and allocate resources in a way that leads to improvements in performance across the UPSNP.

This will create a system that provides program managers with the information and analysis required to inform decisions that will lead to improved program performance. The performance management system thus requires a continuous stream of quality data that provides timely information on program performance in all Cities.

On an annual basis, information will be used at Federal-level to award performance incentive grants to those Cities that meet minimum performance targets. These two components of the performance management system: (i) performance incentives grants; and, (ii) continuous support and capacity building.
Performance Incentives: The Federal-level awards the performance incentive to Cities meeting minimum performance standards on an annual basis in July. This performance incentive grant is additional financing provided to Cities through the UPSNP account and is managed by the CJCFS office. The CJCFS office can use the additional financing from the performance incentive grant for any activities allowed under either the UPSNP capital or administrative budget lines. This additional financing does not need to fit within the existing division between these two expenditure areas. As currently defined for these line items, allowable costs include: minor investments in IT infrastructure (including the purchase of computers), training and cross visits, survey equipment, and hand-tools. The performance incentive grants are awarded on the basis of a set of performance standards. These incorporate: (a) minimum standards for Regions and Cities; and (b) progress towards a core performance target.

The minimum standards for Regions and Cities must be met for a City to be eligible for the performance incentive grant. Data needs to be available for all Cities related to at least five of the six month. Monthly public works plans by City submitted to Regions at the beginning of the each year. Submission of financial reports at least 30 days after the end of the reporting period PASS is used to prepare attendance sheets and payrolls.

No outstanding problem with financial management reported by the Annual Financial Audit.

For those Cities that have met the minimum criteria, their progress towards a core performance target is then assessed.

A Committee established at PCU level is responsible to recommend which Cities should receive the performance incentive grant each year. The Director General of UJCFSA will make the final decision concerning the award.

The organizational component will support the development and strengthening of systems for targeting, monitoring and evaluation (M&E) and MIS, payments, and citizens’ engagement (CE). The system will focus on operational system development and MIS.

Operational System Development

A number of system development activities will be supported by the program. The main ones include systems for (a) M&E, (b) FM, (c) Human Resources Mmanagement, (d) Ttargeting, and (e) MIS.

MIS

Ethiopia is moving toward the development of key building blocks, tools, and instruments for a Social Protection system, in line with the recently approved Social Protection Policy and Strategy which, include the development of a single registry and significant investments in information management.

Therefore, the program will finance a program-specific MIS, which will provide credible information for decision making to program managers and implementers. Over time, this MIS will be harmonized with the MIS of the UFS&JCA and the UPSNP. The MIS will include
Unconditional cash transfer clients, PW and livelihoods databases and, given the decentralized nature of Ethiopia and the program, will be developed to be functional at both the federal and city levels. Establishing the MIS will require training and investments in information and communication technology at all levels.
PART 6: MONITORING AND EVALUATION, INSTITUTIONAL ARRANGEMENTS AND COORDINATION
CHAPTER 17: MONITORING AND EVALUATION

17.1 Introduction

UPSNP has given high emphasis for community development in general and meeting the needs and expectations of the poor individuals and households in particular. For this reason, participatory community monitoring and evaluation mechanism will be established to ensure the effectiveness of the system. In Urban Productive Safety net Program, a system of periodic review will be prepared to enable the program implementers, beneficiaries, community, stakeholders, and collaborators to track the physical and financial progress of the program and its activities.

A comprehensive and rigorous M&E system will be developed to effectively monitor the implementation of the program and measure the impact of its different components. The monitoring component of the M&E system will ensure the availability of accurate information on (i) enrolment of program beneficiaries; (ii) number of participants in the different project components; (iii) PW sub-projects; and (iv) timeliness of payments, among others. This entails the collection and compilation of monthly data at the woreda/kebele level that is processed for operational and institutional needs. In addition, different PW and livelihood services planning and implementation technical reviews, review of effectiveness of payment systems, and spot checks of targeting mechanism will be conducted.

17.2 UPSNP Outputs

The UPSNP log frame is organized according to the following five outputs:

- **Output 1**: Prioritized instruments and tools in place to support an effective system for Social Protection, urban environment improvement and better service delivery.
- **Output 2**: Appropriate, timely and accessible transfers and grant received by male and female clients
- **Output 3**: Sustainable community assets built up and access to social services enhanced
- **Output 4**: Clients’ livelihood opportunities facilitated through wage and self-employments
- **Output 5**: Effective management and operational processes in place to manage the program

Accordingly, UPSNP monitoring and reporting assess the progress of the program towards these outputs. The table below provides an overview of the UPSNP’s outputs and highlights which program components contribute to them.
Table 17.1: M & E Outputs and Component

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Key Components</th>
</tr>
</thead>
</table>
| **Output 1: Prioritized instruments and tools in place to support an effective system for Social Protection, urban environment improvement and better service delivery.** | Targeting (program entry and exit)  
- Management information systems (MIS)  
- National household registry  
- Social protection system  
- Urban environment improvement and better service delivery  
- Planning, coordination and governance  
- Social accountability and grievance redress mechanism  
- Capacity development  
- Direct support beneficiaries (number), of which female (percentage)  
- Program beneficiaries under the national poverty line (percentage) |
| **Output 2: Appropriate, timely and accessible transfers/grants received by male and female clients** | Provision of transfers (cash) for public works and temporary direct support clients, and permanent direct support clients  
- Program beneficiaries reporting increased household consumption as a result of the program (percentage) |
| **Output 3: Sustainable community assets built up and access to social services enhanced** | Planning and construction of public works that contribute to livelihoods, nutrition and other social services, climate resilience and DRM  
- Expansion of public works to include participation in BCC (with exemptions for literacy and financial literacy)  
- Beneficiaries reporting that program investments reflected their needs (percentage), of which female (number) and male (number)  
- Soft conditionalities which link temporary direct support clients to existing health and nutrition services |
| **Output 4: Clients’ livelihood opportunities facilitated through wage and self-employment Basic training and technical support (e.g. financial literacy and savings)** | Tailored technical support to wage and self-employment  
- Referral of households to credit service providers  
- Provision of livelihoods grants  
- Livelihood services beneficiaries who secured a new job or set up/expanded a business and are still in the new job/operating the business 12 months later (percentage) |
| **Output 5: Effective management and operational processes in place to manage the program** | Human resource management  
- Accountable program management systems with strengthened monitoring and evaluation function  
- Accountable budgeting and financial management  
- Accountable procurement systems  
- Accountable asset management systems  
- Number of participating urban local governments (ULGs) reporting improved capacity to deliver safety nets and livelihood services as a result of program support |

17.3 Regular Monitoring and Reporting on Implementation

The monitoring framework involves three types: performance monitoring, compliance monitoring, and impact monitoring. Performance monitoring will be used to improve program
management and identify any problems in implementation. Compliance monitoring will be used to ensure that program implementation follows prescribed rules and procedures. Impact monitoring (as well as performance monitoring) will provide lessons learned that will also feed into related programs for the near future. UFSP has given soaring emphasis for community development in general and meeting the needs and expectations of the pro poor individuals and households in particular. Hence, overlooking the role of the community in monitoring and evaluation of the program may lead to the overall program activities as futile exercise. Therefore, community based monitoring and evaluation mechanism will be designed to involve the community in UFSP implementation.

Therefore, the monitoring activity will involve:

- Tracking and Monitor key performance indicators
- Annual performance reviews and reports to the World Bank;
- Identification of challenges, timely informing decision makers and taking timely remedial actions

This basically means representative of the community will be actively involved in monitoring and evaluation. In view of this, a system of community monitoring and evaluation will be worked out to help community members’ track the progress using a set of participatory monitoring and evaluation tools. To attain the objective and to make sure the effectiveness of monitoring and evaluation, community monitoring and evaluation indicators will be prepared to enable communities to monitor progress as expected and designed in the program. In UFSP, a system of Periodic Review will be prepared to enable the program implementers, beneficiaries, community, stakeholders, and collaborators to track the physical and financial progress as well as externalities of the program. This will facilitate the program implementers to learn from the field experience and suggest positive inputs for further strengthening the program implementation.

**Regular Monitoring Takes Two Forms:** monitoring of program activities, which is particularly important for the disbursement of transfers and the completion of public works, and tracking of client participation, which is particularly important for the livelihoods component and links to social services (although these aspects also have regular monitoring of program activities). Tracking of client participation entails technical monitoring of the full suite of services from a household perspective, and is facilitated by the Client Card. The regular monitoring system, which includes kebele and woreda monthly and quarterly monitoring reports, regional and federal quarterly reports, and interim financial reports, is aligned with the institutional implementation responsibility for the UPSNP.

A reporting system will be established to provide information about UFSP success, challenges and mechanisms of addressing the critical issue of the program. The system will be operational at federal, regional city administration and partner levels. Program implementers shall produce
regular reports, as determined appropriate by all parties. Reports shall include outputs, outcomes of it monitoring and evaluation activities. Therefore, the reports include

- Quarterly progress reports and Semi-Annual Reports, both physical and financial reports (consolidation of woreda/kebele, city/and regional level reports);
- Coordinate and consolidate safeguard audit reports, annual monitoring and evaluation ESMF and RPF, EMP implementation reports;
- Procurement audit reports
- Consolidation annuals plans and budgets prepared by regions; and
- facilitation regional preparation of reports

A standardized reporting formats which will be used to gather data and information and for quarterly, semi-annual and annual reports including Dates for submission will be developed under the detail Monitoring, Evaluation and Reporting Guidelines.

Within the structure, M&E staff at federal, regional and zonal levels in each of the responsible agencies provides technical backstopping to lower-level staff along with regular feedback on the quality of reports.

Reporting follows the government fiscal year, which begins on July 8 (Hamle 1) and ends on July 7 (Sene 30). Annual plans for the PSNP will be completed by Sene 30, and used as the basis for quarterly achievement reports of the following fiscal year. The following table presents the dates for submission of quarterly reports at different administrative levels.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Period Covered</th>
<th>Woreda/kebele reports submitted</th>
<th>City/Regional reports submitted</th>
<th>Federal reports submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Jul 8 – Oct 10 (Hamle 1 – Meskerem 30)</td>
<td>Oct 15 (Tikimt 5)</td>
<td>Oct 25 (Tikimt 15)</td>
<td>Oct 30 (Tikimt 20)</td>
</tr>
<tr>
<td>Q2</td>
<td>Oct 11 – Jan 8 (Tikimt 1 – Tahisas 30)</td>
<td>Jan 13 (Tir 5)</td>
<td>Jan 23 (Tir 15)</td>
<td>Jan 28 (Tir 20)</td>
</tr>
<tr>
<td>Q3</td>
<td>Jan 9 – Apr 8 (Tir 1 – Megabit 30)</td>
<td>Apr 13 (Miazia 5)</td>
<td>Apr 23 (Miazia 15)</td>
<td>April 28 (Miazia 20)</td>
</tr>
<tr>
<td>Q4</td>
<td>Apr 9 – July 7 (Miazia 1 – Sene 30)</td>
<td>July 12 (Hamle 5)</td>
<td>July 10 (Hamle 15)</td>
<td>July 27 (Hamle 20)</td>
</tr>
</tbody>
</table>

All monitoring reports include as a minimum the following four categories of information:

- Physical measures of outputs provided
- Monetary measures of expenditures on inputs
- Number of clients reached by program, broken down into category of household and/or individual client. Households will be categorized into male-headed and female-headed, and individual clients will be disaggregated by gender.
- Problems encountered and corrective measures taken
17.4 Evaluating UPSNP Impact

The UPSNP has a series of assessments and evaluations to dig deeper into the outcomes and impact of the program on households as well as communities (e.g. through public works), and to ensure accountable resource management.

In evaluations, high-level outcome indicators will be analyzed to allow comparisons between UPSNP clients, a control group (or counterfactual) and those who have exited the program (graduates). This will allow an assessment of the impact of the program on households participating in the program, and the contribution of the program to achieving sustainable livelihood security. Furthermore, data will be disaggregated to assess the differing impacts by gender of household head and gender of the household member participating in livelihood enhancing activities (whether credit or livelihood transfer).

Evaluation is mainly related to setting and evaluating the performance of the program in meeting overall and intermediate targets. Since sound performance evaluation is conducted by externals and independent evaluators, mid-term and terminal evaluation of the program will be conducted to track and ensure towards achieving program development objective and the sustainability of its impacts.

The evaluation component will comprise (a) annual process evaluations, (b) biannual targeting evaluations, and (c) quantitative impact evaluations, largely concentrated within the first three years of the program.

17.4.1 Annual Process Evaluations

A Process Evaluation component will be introduced in this phase of the programme. In its simplest form, a process evaluation, also known as implementation assessment or assessment of programme process, analyses the effectiveness of programme operations, implementation, and service delivery. Where an impact evaluation looks at the long-term, deeper changes that have resulted from that programme, a process evaluation looks at the actual development and implementation of a particular program. It establishes whether quantifiable targets have been met and strategies have been implemented as planned. For UPSNP, it will be important to use process evaluations to also assess:

- Whether services and goals are properly aligned both internally and externally
- Whether services (e.g. transfers, conditionality, and livelihood support) are delivered as intended to the appropriate recipients and by the institutions with the skills and mandate
- How well service delivery is organized and integrated
- The effectiveness of programme management across all sectors linked to UPSNP
- How efficiently programme resources are used
- A process evaluation undertaken after six months will help strengthen implementation during the rollout of the program.
17.4.2 Targeting Evaluations

Targeting evaluations will be undertaken in year 1, 3, and 5 of the program to assess targeting quality.

17.4.3 Quantitative Impact Evaluations

This impact evaluation will aim to measure what the program has achieved: The development effects of the different components of the program; in particular, the effects of the conditional and unconditional transfers on income and consumption and the effects of skill development and financial support in transitioning to self-employment or wage employment.

A set of impact evaluations will aim to measure the changes that are brought about for the direct and indirect beneficiaries and/or their institutional structures as a result of the activities initiated by the program. These will be carried out through independent assessments.

A representative household survey will be carried out every two years with an additional round of data collection in year 2 also (i.e. years 1, 2, 3 and 5) to assess the impact on direct and indirect beneficiaries as a result of activities initiated by the Programme. If the assessment findings suggest that significant changes in programme design, a new cycle of baseline and impact assessment will be launched. Quantitative household-level information will be augmented through qualitative assessments, addressing beneficiary perceptions and related social issues.

Regression discontinuity design and randomized selection across communities within a city will be used to identify the impact of the program by comparing beneficiaries with a control group (non-beneficiaries). Given the need to learn early on from what is working and what is not, impact evaluation surveys will be undertaken before the start of program activities (baseline), in year 1, 2, and 3. This will allow all phases of the integrated support to be evaluated. A final evaluation survey will be conducted in year 5. In addition, piloting exercises will test different aspects of design before they are scaled up. The targeting process will be piloted first, before effectiveness. A second pilot is planned to inform the design of the livelihoods guidance provided in year 1.

17.5 MIS and Mapped Public Works Database

The MIS will provide credible information for decision making to program managers and implementers. Over time, this MIS will be harmonized with the MIS of the UJCFSA and the scaled up UPSNP. The MIS will include PW and livelihoods databases and, given the decentralized nature of Ethiopia and the program, will be developed to be functional at both the federal and city levels. Establishing the MIS will require training and investments in information and communication technology at all levels.

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Annex 17.1: UPSNP Results Framework.

This framework is work in progress. Indicators may be updated as implementers gain better understanding of the program, their roles and responsibilities

Program Development Objectives

PDO Statement

To support the GoE improve income of targeted poor households and establish urban safety net mechanisms.

These results are at Project Level

PDO Indicators

<table>
<thead>
<tr>
<th>PDO Indicator Name</th>
<th>Description (indicator definition)</th>
<th>Base-line</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct support beneficiaries (Number)</td>
<td>Core</td>
<td></td>
<td>YR1</td>
<td>YR2</td>
<td>YR3</td>
<td>YR4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>152,000</td>
<td>304,000</td>
<td>465,600</td>
<td>465,600</td>
</tr>
<tr>
<td>Female (Percentage)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>50</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Beneficiaries reporting that program investments</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>50</td>
<td>55</td>
<td>60</td>
</tr>
</tbody>
</table>
reflected their needs (percentage)

<table>
<thead>
<tr>
<th></th>
<th>Female (Number)</th>
<th>Male (Number)</th>
<th>0</th>
<th>37,240</th>
<th>83,600</th>
<th>142,474</th>
<th>142,474</th>
<th>166,219</th>
<th>166,219</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program beneficiaries below the national poverty line reduced (Percentage)</td>
<td>The proportion of beneficiaries with consumption per adult lower than ETB 3,781 according to December 2010 prices (national poverty line)</td>
<td>0</td>
<td>65</td>
<td>70</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Program beneficiaries reporting increased household consumption (Percentage)</td>
<td>Increase in consumption of beneficiaries, as measured by a consumption expenditure module, due to the contribution of their participation in the program. Consumption is chosen to proxy income given it is more possible to measure for households engaged in informal activities.</td>
<td>0</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>60</td>
<td>80</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Livelihood services beneficiaries who secured a new job or set up/expanded a business and are still in the new</td>
<td>Proportion of beneficiaries who either: (a) established or expanded a business with a livelihood grant and is still operational 12 months later; or (b) were able to secure a new job and are still in it six</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>20</td>
<td>25</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

Annually

Impact evaluation

MoUDH / UJCFS / PCU/ULG (through external evaluators)
<table>
<thead>
<tr>
<th>indicator Name</th>
<th>Description (indicator definition)</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>YR1</td>
<td>YR2</td>
<td>YR3</td>
<td>YR4</td>
</tr>
<tr>
<td>job/operating the business 12 months later (Percentage)</td>
<td>months later.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participating ULGs reporting improved capacity to deliver safety nets and livelihood services as a result of program support (Number)</td>
<td>Self-reported assessment of the local government’s capacity to deliver safety nets and livelihood services.</td>
<td>0</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>

**Intermediate Results Indicators**

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Description (indicator definition)</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>YR1</td>
<td>YR2</td>
<td>YR3</td>
<td>YR4</td>
</tr>
<tr>
<td>beneficiaries of safety net programs (Number)</td>
<td></td>
<td>0</td>
<td>152,000</td>
<td>304,000</td>
<td>465,600</td>
<td>465,600</td>
</tr>
<tr>
<td>female (Number)</td>
<td></td>
<td>0</td>
<td>74,480</td>
<td>152,000</td>
<td>237,456</td>
<td>237,456</td>
</tr>
<tr>
<td>cash-for-work, and PW</td>
<td></td>
<td>0</td>
<td>127,680</td>
<td>255,360</td>
<td>391,104</td>
<td>391,104</td>
</tr>
<tr>
<td>Indicator</td>
<td>Description</td>
<td>Frequency</td>
<td>Reporting Agency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconditional transfers (Number)</td>
<td>勰ichtet with which the payments system is working. Payments are expected to occur every month.</td>
<td>Monthly</td>
<td>MoUDH / UJCFSA/PCU/ULG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments delivered to beneficiaries within 15 days of the due date</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Percentage)</td>
<td></td>
<td>0 40 60 70 80 90 90</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of person days of employment created (Thousands)</td>
<td>Measured the numbers of days of employment created in PW sub-projects.</td>
<td>Annually</td>
<td>MoUDH / UJCFSA/PCU/ULG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PW subprojects identified through community participation (Percentage)</td>
<td>This indicator is to assess the extent to which PW subprojects are identified through community participation.</td>
<td>Annually</td>
<td>MoUDH / UJCFSA/PCU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficiaries who are satisfied that the PW sub-projects meet/serve their needs (Percentage)</td>
<td>Self-reported indicators by those beneficiaries directly involved in PW regarding the convenience of the timing/intensity and payment of the PW</td>
<td>Annually</td>
<td>MoUDH / UJCFSA/PCU/ULG (through external evaluators)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sub-projects</td>
<td>PW days allocated to training (Percentage)</td>
<td>PW days allocated to training (Percentage)</td>
<td>PW days allocated to training (Percentage)</td>
<td>PW days allocated to training (Percentage)</td>
<td>PW days allocated to training (Percentage)</td>
<td>PW days allocated to training (Percentage)</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
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<td>---</td>
</tr>
<tr>
<td>PW days allocated to training (Percentage)</td>
<td>Measures the number of days PW beneficiaries receive training (such as financial literacy training) as part of their PW commitment</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>PW days allocated to training (Percentage)</td>
<td>PW reviews/regular monitoring report/MIS</td>
<td>Annually</td>
<td>MoUDH/ UJCFSA/PCU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure subprojects with clear maintenance plan and sustainability measures (Percentage)</td>
<td>This measures the proportion of projects undertaken in the PW that have a clear maintenance and sustainability plan at the local level (if the project requires it)</td>
<td>0</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>Infrastructure subprojects with clear maintenance plan and sustainability measures (Percentage)</td>
<td>Regular monitoring/MIS</td>
<td>Annually</td>
<td>MoUDH/ UJCFSA/PCU/ULG</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Component 2

<p>| Beneficiaries receiving guidance/information on employment opportunities (Number) | Measures the number of beneficiaries who received guidance (which could include training on soft skills required for employment) or information on local labor markets as part of the first year of the livelihood services program | 0 | 6,500 | 25,000 | 50,000 | 80,000 | 80,000 |
| Beneficiaries receiving guidance/information on employment opportunities (Number) | Regular monitoring/MIS | Annually | MoUDH/ UJCFSA/PCU/ULG |</p>
<table>
<thead>
<tr>
<th>beneficiaries reporting receiving satisfactory information on entrepreneurship opportunities, availability of wage jobs, and training available to meet identified skill needs (Percentage)</th>
<th>Measures the percentage of beneficiaries who have received the information they need to be able to understand the entrepreneurship, wage job, and training opportunities available to them to be available to improve their livelihoods</th>
<th>0</th>
<th>30</th>
<th>40</th>
<th>60</th>
<th>60</th>
<th>70</th>
<th>70</th>
<th>Annually</th>
<th>Impact evaluation</th>
<th>MoUDH / UJCFSA /PCU/ULG(through external evaluators)</th>
</tr>
</thead>
<tbody>
<tr>
<td>beneficiaries receiving appropriate training that received a livelihood grant (Percentage)</td>
<td>The proportion of individuals who received guidance on employment and business plan development that received a grant from the project to cover the costs of expanding or starting a self-employment activity (after completion of a business plan), the costs of undertaking skills training or the costs of search, and initial costs of engagement in wage</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>70</td>
<td>70</td>
<td>80</td>
<td>80</td>
<td>Annually</td>
<td>Regular monitoring/MIS</td>
<td>MoUDH / UJCFSA /PCU/ULG</td>
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<tr>
<td>Training recipients reporting improved skills as a result of the training provided by the program (Percentage)</td>
<td>The proportion of beneficiaries who self-report an improvement in skills as a result of the training provided by the program</td>
<td>0</td>
<td>50</td>
<td>60</td>
<td>70</td>
<td>70</td>
<td>70</td>
<td>70</td>
<td>Annually</td>
<td>Impact evaluation</td>
<td>MoUDH / UICFSA /PCU/ULG(through external evaluators)</td>
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<tr>
<td>Businesses with approved business plans that are set up within six months of receiving livelihood grant support (Percentage)</td>
<td>Proportion of businesses that were established or expanded with the livelihood grant within six months of the grant being provided. The number of businesses that were established or expanded and are still operational six months after the livelihood grant has been provided</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>60</td>
<td>60</td>
<td>80</td>
<td>80</td>
<td>Annually</td>
<td>Impact evaluation</td>
<td>MoUDH / UICFSA /PCU/ULG(through external evaluators)</td>
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<tr>
<td>Businesses that are still operating six months after livelihood grant support (Percentage)</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40</td>
<td>40</td>
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<tr>
<td>New wage jobs held for more than eight weeks by program beneficiaries (Percentage)</td>
<td>The proportion of individuals who were able to secure a new job and stay in it for eight weeks or more, after receiving support from the program.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40</td>
<td>40</td>
<td>50</td>
<td>50</td>
<td>Annually</td>
<td>Impact evaluation</td>
<td>MoUDH / UICFSA /PCU/ULG(through external evaluators)</td>
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<td>Component 3</td>
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<tr>
<td><strong>Federal institutions and cities where the program management and coordination arrangements are established and functional (Percentage)</strong></td>
<td></td>
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<tr>
<td>This indicator tracks whether program implementers at all levels have established agreed coordination mechanisms and made them operational. This includes regularity of meetings according to the agreed timeline, documentation of minutes, and participation of all concerned institutions.</td>
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<td>0</td>
<td>20</td>
<td>50</td>
<td>80</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>Annually</td>
<td>Progress report/MIS</td>
<td>MUDHo/ UJCFSA /MoLSA/PCU</td>
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</table>

| **Establishment of functional M&E/MIS system at the federal and city levels (Yes/No)** |
| Whether an M&E/MIS is established and functional |
| No | No | Yes | Yes | Yes | Yes | Yes | Annually | Progress report/MIS | MoUDH/ UJCFSA /MoLSA/PCU |

| **Ketenas in which CBT is verified if it is of acceptable levels in the PMT verification process (Percentage)** |
| Measures the extent to which the CBT is confirmed by the PMT measure and the number of communities in which retargeting had to be redone. It will help identify whether |
| 0 | 60 | 70 | 80 | 90 | 90 | 90 | Annually | Assessment of targeting effectiveness | Independent reviewers |
| Complaints to Woreda/Kebele Targeting Appeals Committee satisfactorily addressed within three months of initial complaint being recorded (Percentage) | This will give an indication on the extent to which the targeting mechanism is effective. It considers whether a complaint that has been received on the targeting undertaken by the Ketena Targeting Committee (by either the woreda in Addis Ababa or the kebele in other cities) is resolved within three months of the initial complaint being recorded | 0 | 0 | 70 | 80 | 90 | 90 | 90 | Annually/every two years | Reviewers assessment of targeting effectiveness | Independent interviewers |
| Program implementation staff trained on various aspects of the program at all levels (Number) | Number of staff trained, to assess how capacity has increased | 00 | 100 | 150 | 200 | 200 | 200 | 850 | Annually | Progress report/MIS | MoUDH/ UJCFSA/MoLSA/PCU |
CHAPTER 18: INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

18.1 Introduction

The UPSNP has ambitious but achievable objectives which require the involvement of various actors/stakeholders. This further requires strong coordination so that together they can improve the Urban Job Creation and Food Security and nutrition as well as income of urban households’, savings, strengthen their livelihoods, and enhance their resilience to shocks.

Many of the interventions that are required to achieve these objectives are not new; rather, they are core elements of mainstream service delivery of identified agencies. However, the clients of the UPSNP are often less able to take advantage of these services or are not yet benefiting from them in a coordinated way. The program does not aim to duplicate these services, but rather to ensure that the poorest households in urban Ethiopia are benefiting from them and that by ensuring an appropriate combination of services impacts are greater. As such, support facilitators expected to ensure that UPSNP clients benefit from these services. For example, social workers will link permanent direct support clients to services per their mandate; TVET trainers will provide training in self-employment and wage employment skills per their mandate.

The Urban Job Creation and Food Security line agencies at every level of Government will play a key role in coordination of interventions and be accountable for oversight. These arrangements are cemented in a Memorandum of Understanding (MoU) between different agencies of Government and between Government and development partners.

This chapter provides updated management structures and responsibilities based on the additional sectors and ministries involved in the program as well as on the merging of livelihoods institutional arrangements into the overall UPSNP institutional framework.

18.2 Coordination principles and mechanisms

Proclamation No. 916/2015 defines the Powers and Duties of the Executive Organs of the key Ministries of the FDRE. Agencies, commissions and other executive organs are also established by various Proclamations. These Powers and Duties need to be acknowledged when defining additional roles and responsibilities to implement the UPSNP.

Furthermore, partners in the implementation of UPSNP should subscribe to certain coordination principles that can be used to measure the effectiveness of coordination. These are summarized in Table 7 below and explained as follows.

First, it is important to agree on a common vision or goal. The UPSNP’s goal of reducing poverty and vulnerability of urban dwellers must be shared. Effective communication of this early in the start of the program and throughout is therefore crucial to bring partners on board and keep them.

Second, each partner should have a clearly defined role and responsibilities. If all partners know what is expected of them in the implementation of the program, there is greater chance of
success. If roles and responsibilities are not clearly defined, then there will be confusion among partners.

Third, it follows from above that if roles and responsibilities are well defined, then accountability is strong and decisions are made jointly through agreed mechanisms such as steering committees.

Fourth, supportive environment and objective feedback mechanisms are also important for effective coordination. A supportive environment is an environment of mutual trust that allows discussions of different points-of-views and objective feedback among partners.

Fifth, the various platforms created to coordinate implementation should be places of innovation and knowledge-share. This increases chances of continued relationship between partners (e.g. regular attendance of meetings).

Each of these principles may have several indicators that can be measured at appropriate times during program implementation (e.g. during baseline, midline and endline).

<table>
<thead>
<tr>
<th>Table 3: Coordination principles</th>
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<tr>
<td>Principles</td>
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<tr>
<td><strong>Common Vision and Effective Communication:</strong></td>
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<td><strong>Defined Roles and Continuity of Relationships:</strong></td>
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<td><strong>Accountability and Joint Decision Making:</strong></td>
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<tr>
<td><strong>Supportive Environment and Feedback Mechanism:</strong></td>
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<td><strong>Innovation and Knowledge-share:</strong></td>
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</table>

Figure 4 is a simplified diagram of coordination. Coordination is of two types: horizontal and vertical. Horizontally, ministries, agencies and directorates of similar status across Government structure are required to coordinate their activities and support each other for successful implementation of the program. Where actions and decisions are well beyond the coordination capacity of a single institution, a higher level steering committee is formed to facilitate and guide implementation vertically.
Figure 4: UPSNP Coordination Arrangements

UPSNP National Steering Committee
Chair: Minister of MUDHo
Co-Chair: Minister of MoLSA

MCC
Chair: Director General, UJC&FSA and co-chair:
Director, SWDD of MoLSA
Secretary: PCU

PCU

M&E/Planning Task Force
Chair: MUDHo
Co-Chair: MoLSA

FM and Procurement Task Force
Chair: MoFEC
Co-Chair: UJC&FSA

TCC-1
Safety Net Systems and Transfers
Chair: MoLSA
Co-Chair: MUDHo

TCC-2
PW
Chair: MUDHo

TCC-3
Livelihoods
Chair: UJC&FSA (RCBD)
18.3 Roles and Responsibilities of institutions and coordination mechanisms

UPSNP is a multisectoral/multi-stakeholder program owned and led by Government. This section identifies and assigns roles and responsibilities for (i) individual government ministries and agencies; (ii) coordination and technical committees and (iii) community/kebele/woreda level taskforces that directly implement various components of the program.

18.2.1 Community/Ketena level

Planning and implementation of the UPSNP starts at the community level. The Community Urban Job Creation and Food Security Task Force is responsible for targeting of UPSNP clients, while clients themselves have an important set of rights and responsibilities related to program implementation and accountability.

1. Community/Ketena Urban Job Creation and Food Security Task Force (CJCFSTF)

Main Role: The main role of the CFSTF is to identify UPSNP clients and to support the mobilization of the community for participatory public works planning

Membership

- Representatives from the Kebele Urban Job Creation and Food Security Task Force
- Support Facilitators/Experts
- Social Worker or Volunteer Community Health Worker
- A CCC representative
- One elected female representatives
- An elected youth representative
- An elected representative of the elders

Specific Responsibilities

- Mobilize the community for participatory planning exercises
- Undertake a needs assessment identifying those households which can participate in public works and those without sufficient labour or other support who will need direct support
- Identify households that are poorer, female-headed and target them to receive livelihood transfers and intensive coaching and mentoring
- Once UPSNP clients have indicated their interest in participating in livelihoods interventions, priorities clients on an annual basis, beginning with poorer clients.

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10 Community refers the lowest planning units (it may include neighborhood, ketene and blocks.)
- Mobilize the community jointly with Support Facilitators/ Social Workers for participatory public works planning.
- Submit community public works plans to the W/KJCFSTF.
- Organize a public meeting to discuss the proposed list of UPSNP clients, encourage comments from people attending the meeting and amendments to the list, as required, to reach overall agreement among the community on the list of UPSNP clients to be submitted to the W/KJCFSTF.
- Finalize the list of participants and submit it to the W/KJCFSTF for verification and action and ensure that an updated list of clients is posted in public locations every 6 months and that these updated listings are read out at a community meeting held every 6 months.
- Monitor the implementation of public works and livelihoods activities as well as the unconditional cash transfers related issues.
- Participate in the regular review of UPSNP clients.
- Inform community members at the community meeting every 6 months of the appeals process that appeals should be taken to the Woreda/Kebele Appeals Committee which will resolve the appeals or forwards difficult cases to the City Council for resolution.
- Ensure that an updated listing of appeals cases, appeals resolutions, and outstanding appeals resolutions forwarded by the Woreda/Kebele Council to the City Council is posted in public locations and read out to community members at the community meetings every 6 months.
- Ensures temporary direct support clients participate in soft conditionalities
- Facilitate and organize clients and communities provide feedback on the program through the citizen report card and the community score card and other social accountability mechanisms

Current capacity/gaps: This will be further defined during early stage of implementation.

18.2.2 Woreda/Kebele level

At the woreda/kebele level, the UPSNP is managed by the Woreda/Kebele Urban Job Creation and Food Security Task Force, under the oversight of the Woreda/Kebele Cabinet and the Woreda/Kebele Council. The Woreda/Kebele Appeals Committee plays an important role in ensuring local-level accountability. The Woreda/Kebele Development Committee oversees development activities in the kebele more broadly, and supports coordination between the UPSNP and other development interventions. Program implementation is primarily the responsibility of UJCFS focal unit, who implement livelihoods activities and oversee public works, with some support from social workers for the implementation of soft conditionalities.

2. Woreda/Kebele UJCFS Council
Leadership: Woreda/Kebele Administrator

Main Role: Chaired by the chief Executives of the woreda/kebele, the main role of the Council is to oversee the overall activities UPSNP including targeting and payment system, etc. In the UPSNP, the Woreda/Kebele Council plays a role in overseeing the Woreda/Kebele Appeals Committee to ensure the proper functioning of the appeals system.

Specific Responsibilities:

- Review and approve the Cabinet’s proposals, notably in relation to the Woreda/Kebele Annual UPSNP Plan and its integration within the broader Woreda/Kebele plan
- Link with the City Council to ensure the functioning of the appeal system
- Assist in establishing and ensuring effective operation of the Woreda/Kebele Appeals Committee
- Organize a general public meeting at Woreda/Kebele level every 6 months so residents can comment on the proposed list of UPSNP clients, learn about the operation of the Woreda/Kebele Appeals Committee, and be informed of appeals submitted and of resolutions to those appeals.
- Ensure that updated lists of UPSNP clients, and of appeals resolutions, are posted in public locations at the Woreda/Kebele and community levels.

3. Woreda/Kebele Appeals Committee (KAC)

Leadership: Woreda Deputy Administrator

Membership:

- 1 elected Woreda/Kebele Council member (not the Chairperson)
- Support Facilitators/UPSNP Experts
- 1 members of the community care coalition (if existing in the kebele)
- Social worker (if represented in the kebele)
- 1 elder representatives (1 female)

Main Role: The main role of the W/KAC is to hear and resolve appeals regarding UPSNP matters in a timely manner.

Specific Responsibilities

- Hear and resolve complaints, claims and appeals from Woreda/Kebele residents on the targeting process and other implementation issues in a timely manner
• Submit a complete listing of appeals cases by sex of appellant, appeals resolutions, and unresolved appeals each quarter to the Woreda/Kebele Council, which reviews them and forwards them to the City Council and the UJCFS office every quarter
• Convene within one month of the establishment of a new annual listing of clients to hear appeals submitted in their jurisdiction and to resolve a minimum of 95 percent of these cases within the month
• Provide the listing of the appeals and the associated resolutions to the Woreda/Kebele Council no later than 2 months after the announcement of the clients listing
• Maintain records of grievances and decisions of the committee

**Frequency of meeting:** The Committee meets quarterly under the auspices of the Woreda/Kebele Council.

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### 4. Woreda/Kebele Development Committee (KDC)

**Main Role:** In the UPSNP, the Woreda/Kebele Kebele Development Committee will assist in coordinating UPSNP activities with other development interventions in the Woreda/Kebele.

**Leadership:** KDC Chair

**Membership:** As defined in the Woreda/kebele structure

**Specific Responsibilities:**
- Oversee project interventions within the Woreda/Kebele development plan

**Frequency of meetings:** Regular

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### 5. Frontline Implementers/Support Facilitators/Social Workers

**Main Role:** These are crucial for the success of the program. They facilitate UPSNP implementation at the community and Woreda/Kebele levels

**Specific Responsibilities**
- Serve as member of the W/KJCFSTF and CJCSTF
- Support the CJCSTF in prioritizing community needs and preparing annual UPSNP plans (including public works as well as livelihoods)
- Support City Social/Environment experts in implementing ESMF procedures
- Oversee the implementation of public works
- Prepare UPSNP attendance/payments list for submission to UJCFS office and the Office of Finance
- Coordinate livelihoods interventions at the Woreda/Kebele level
- Provide training, technical assistance and mentoring to clients in livelihoods pathway.
• Support clients in business plan development for livelihoods pathway
• Facilitate awareness raising with public works clients on the improved Gender Sensitive Development (GSD).
• Provide intensive mentoring and coaching to clients who receive livelihood transfers
• Facilitate the linkage to the basic social service
• Provide technical support in targeting and the graduation process
• Identifies which households of malnourished children should be referred to UPSNP for temporary direct support
• Maps out C-BCC interventions available at community level
• Plans implementation of CBCC in collaboration with support facilitators

Current capacity: Major gaps to be filled. The Government will train xxx social workers to fill the gap.

18.2.3 City level

The City is the key level of government that determines needs, undertakes planning and implements the UPSNP. The City Urban Job Creation and Food Security Task Force and Urban Job Creation and Food Security office manage and coordinate UPSNP implementation, under the oversight of the City Council through the City Urban Job Creation and Food Security Steering Committee.

The City implementing Offices, OFED and city/town manage (i) cash transfers, (ii) public works, and (iii) livelihood activities. Other line agencies provide implementation and coordination support according to their mandate. In addition, OFED supports procurement and financial management, while NGOs provide support in the implementation of a variety of program interventions, depending on the City. Joint Technical Committees for transfers and resource management, public works, and livelihoods, facilitate joint planning, coordination, monitoring and reporting.

6. City UJCFS Council

Leadership: Chaired by the Mayor

Main Role: The City Council has ultimate responsibility for overseeing the implementation of the UPSNP.

Specific Responsibilities

• Allocate UPSNP resources to woreda/kebeles and City sector offices, based on the recommendations of the City Urban Job Creation and Food Security Task Force, as part of its responsibility for City plans and budgets.
• Guide and oversee the integration of the planning and implementation for the UPSNP in the City integrated plan.
• Guide the collaboration and linkages between UPSNP and other sectoral bureaus
• Assist in resolving unresolved appeals submitted to them by the Woreda/Kebele Council and sharing the outcomes of these appeals cases with the W/KJCFSTF.
• Work with Woreda/Kebele Councils to ensure that up-to-date listings of clients are posted in public locations at City, Woreda/kebele and community levels
• Work with Woreda/Kebele Councils to ensure that up-to-date listing of appeals and appeals resolutions are posted in public locations at City, woreda/kebele and community levels.
• Approve the use of the City contingency budget
• Approve action plans of each institutions involved in the implementation of the UPSNP
• Review the performance of each institution involved in the implementation of the UPSNP
• Monitors the findings of the commodity and financial audit findings in the City

Frequency of meetings: Quarterly

7. City Urban Job Creation and Food Security Steering Committee

Leadership: City Mayor

Membership
• City Mayor – Chair Person
• Urban Job Creation and Food Security office Head – Secretary

Main Role: The main role of the City Urban Job Creation and Food Security Steering Committee is to ensure accountability for program performance in the City.

Specific Responsibilities
The Urban Job Creation and Food Security Steering Committee functions as a sub-committee of the City Council. It provides strategic directions on the overall program management. Oversight of the UPSNP and monitors progress in implementation.

Frequency meeting: Monthly

Leadership: Heads of Agencies/Offices

Main Role: The main role of implementing agencies is to manage the UPSNP at City level. With the support of the City Steering Committee, the CJCFSTF and three specialized Technical Committees, it oversees the implementation and management of the UPSNP in addition to the integration of the UPSNP activities into the City Urban Food Security strategy.

Specific Responsibilities
- Prepare annual city UPSNP plan
- Execute the city UPSNP plan
- Maintain an accurate record of appeals and appeals resolutions
- Monitor, evaluate and report the progress of the UPSNP.

9. Joint Technical Committee

Leadership: Joint leadership of the three member committees (see below)

Membership: This committee formed from the three specialized technical committee (Unconditional cash transfer, PW and livelihood).

Main Role: It oversees and coordinates program implementation among all implementing institutions at City level, and works directly under the guidance of the City Urban Job Creation and Food Security Steering Committee.

Specific Responsibilities
- Review and recommend Woreda/Kebele Annual Safety Net Plans for approval
- Consolidate City Annual Urban Productive Safety Net Plans and budget and ensure their integration within the overall City plan
- Ensure that all City offices integrate UPSNP activities into their annual work plan
- Ensure close collaboration with and regular reporting to the Region
- Ensure adequate information to the City Cabinet, and that the Cabinet’s decisions are acted upon
- Participate in monitoring and evaluation of UPSNP activities
- Identifies issues in collaboration between sectors and ensure that all sectors remain involved.
- Provide assistance to woreda/kebeles in establishing and training W/KJCFSTFs
- Hold quarterly progress review meeting on UPSNP activities
- Review monthly progress reports on UPSNP activities

Frequency of meeting: Monthly

10. City Urban Job Creation and Food Security Office
Leadership: Office Head

Main Role: The main role of the UJCFS office is to coordinate UPSNP activities. The UJCFS is technically accountable to the Regional Urban Job Creation and Food Security Agency/Bureau. In addition, it manages the coordination of livelihoods activities and the implementation of livelihoods technical assistance.

Specific Responsibilities

- Provide awareness for the public and training for clients
- Ensure the preparation of pipeline of sub-projects for UPSNP PW in consultation with the Woreda/Kebele Urban Job Creation and Food Security office.
- Establish partnership with stakeholders
- Mobilize technical assistance as needed
- Ensure that UPSNP plans are prepared and implemented correctly
- Oversee the use of City and woreda/kebele budget resources at City level
- Undertake monitoring and evaluation and report in coordination with City UPSNP implementing offices.
- Hold quarterly technical review meetings with implementing agencies
- Prepare and submit progress physical and financial progress reports
- Maintain accurate records of UPSNP activities and list of clients
- Provide information for concerned bodies on target areas and selected clients in planning and implementing UPSNP activities.
- Manage client cards, including facilitating availability of photograph and finger print of clients
- Coordinate, FI, OLSA, TVET and other stakeholders to link UPSNP clients training and to employment opportunities
- Provide entrepreneurship training, certify clients who have completed TVET trainings, and support the development of business plans for livelihood activities

11. Sub-city Administrations

Leadership: Sub-city Administrators/CEO

Main Role: The municipalities manage UPSNP public works, with support of the UJCFS office.

Specific Responsibilities
• Review public works plans in coordination with other concerned bodies to ensure that they contribute to livelihoods, nutrition, climate resilience and DRM.
• Consolidate public works plans and budgets developed in the woreda/kebeles
• Ensure integration of the UPSNP PW packages in the overall City plan
• Implement the ESMF for public works and livelihoods and ensure the implementation of ESMF compliance
• Together with UJCFS office, supervise public works and livelihoods and provide technical backstopping
• Support the M&E and reporting system
• Facilitate experience sharing inter and intra woreda/kebeles
• Follow up the proper implementation of grievance redressing mechanism.
• Identify and report on best performing woreda/kebele, clients and implementers on the basis of their performance.
• Coordinate the interaction and involvement of the relevant line offices and other UPSNP actors in program implementation.

12. City Office of Finance and Economic Development (OFED)

Leadership: Bureau Head

Main Role: The main role of OFED is to oversee the financial management of program

Specific Responsibility
• Ensure that the budget for the UPSNP is received in a timely manner at the City level to guarantee smooth implementation of approved plans and activities
• Undertake timely UPSNP payments for client households, supervising personnel, and the purchase of relevant equipment and materials
• Exercise necessary fiduciary controls and report on fund utilization to Regional BoFEDs.

13. City Office of Labour and Social Affairs

Leadership: Bureau Head

Main Role: OLSA’s mandate includes linking vulnerable people to services and ensuring sound labour practices. Under the UPSNP, OLSA has responsibility for the provision of services to direct support clients as well as linkages to labour markets for the employment livelihoods pathway.
Specific Responsibilities

- Support the Urban Job Creation and Food Security office in its activities related to the direct support clients
- Review needs of direct support clients and refer them to any available services.
- Manage all activities pertaining to direct support clients including linking them to complementary services according to their needs
- Coordinate with and UJCFS office and TVET to link UPSNP clients to employment-related skills training and to employment opportunities
- Prepare road map and implement for prevention and rehabilitation of urban destitute.

14. Technical, Vocational and Educational Training Agency (TVET)

Leadership: Head of Agency

Main Role: The main role of the TVETs is to provide technical training to clients in livelihood and employment related skills.

Specific Responsibility

- Assess local market for goods and services as well as labour opportunities
- Provide training to clients in livelihood skills and employment-related skills

15. Other City Sector Offices

Leadership: Sector Office Heads

Main Role: Other City sector offices (Education, Health, Women and Children, Youth and Sport Affairs, Trade, Industry, Environment, Urban Agriculture and others) will ensure that their specific roles in UPSNP planning, implementation, monitoring and reporting are conducted effectively and efficiently so that UPSNP achieves its objectives

Specific Responsibilities:

- Consolidate proposals for incorporation into the City UPSNP plans
- Incorporate UPSNP activities in their yearly action plans, based on the City integrated plan including UPSNP plans
- Prepare activity implementation plans and request budget for implementation
- Implement UPSNP activities at woreda/kebele and community levels
- Provide technical assistance and training to technical personnel and woreda/kebele staff
- Undertake program screening in accordance with the ESMF
• Conduct monitoring and evaluation of activities in collaboration with other relevant City level stakeholders
• Prepare quarterly progress and financial reports

18.2.4 Federal level

At the federal level, the UJCFSA, in close partnership with MoLSA, is responsible for the management and coordination of the program, with overall coordination vested in the MoUDH. The PCU, equipped with technical specialists, including a program management advisor and a food management specialist, coordinates all other aspects of the program and appoints focal points for Systems Development, Livelihoods, Public Works, Financial Management and Food Management. PCU organizes monthly management meetings with all key implementing partners, prior to the monthly joint Coordination and Management Committee (CMC) meetings.

MoFEC is responsible for financial management and reporting, and for channeling resources to regions, while PCU ensures the timely transfer of resources to clients and releases resources to implementing partners in a timely manner based on their approved annual plans and budgets.

Federal UJCFSA through its Public Works Coordination Unit provides implementation support, technical coordination and oversight of UPSNP public works. A Public Works Focal Unit in PCU provides overall coordination.

The Livelihoods Implementation Unit in the PCU coordinates and oversees livelihoods interventions. Depending on the livelihood pathway, the Livelihoods Implementation Unit work together with a range of different actors.

The Key partners in the delivery of PWs and livelihoods services are MoUDH, TVETs, Municipalities, MoFEC, MoWCA, MoYS, and FIs. All these key partners appoint UPSNP Focal Points. All these key partners appoint UPSNP Focal Points.

16. Federal UJCFS Council

Leadership: Finance and Economy Cluster Coordinator (status of Deputy Prime Minister)

Main Role: The council is responsible for overall UPSNP implementation at a strategic level.

Responsibilities
• Provide overall direction on UPSNP planning, implementations and challenges
• Make decisions based on the analysis of the Steering Committees and UJFSCA on the appropriate responses to issues emerging during the implementation of the program.
• Make decisions on strategic issues concerning program implementation, linkages with emergency interventions, other Urban Job Creation and Food Security interventions and related policies, and on overall systems development with a focus on the interface with
the four main policy level initiatives (Social Protection, Disaster Risk Management, CRGE, and Nutrition).

- Engage in policy and strategy dialogue on issues that are of direct relevance to the UPSNP.
- Monitor and evaluate the MoU agreements between Ministries and between Federal and Regional levels to ensure that agreed roles and responsibilities are being implemented as agreed;

**Frequency of meeting:** Quarterly

### 17. UJCFS Steering Committee:

**Leadership:** The Steering Committee will be chaired by MoUDH Minister

**Main role:** The roles will be providing overall support, guidance, supervision and evaluation of the activities of implementing agencies.

**Specific Responsibilities:**
- Ensure key principles and commitments laid out in the MoU are adhered to by Government, development partners and stakeholders
- Make timely decisions on matters within its mandate and refer program issues that are beyond its mandate to the UJCFS Council
- Regularly review the systems building agenda including linkages with existing Urban Job Creation and Food Security projects and provide recommendations for strengthening coordination
- Initiate discussions on PIM revision and approve amendments as necessary, in consultation with the technical committee.
- Oversee the development of manuals and guidelines on the implementation of the program
- Organize senior level discussion forums on critical policy issues relevant for UPSNP.
- Serve as an information-sharing network on experiences and best practices on social protection, UPSNP and broader Urban Job Creation and Food Security strategy.
  - Oversee major M&E related activities including baseline surveys, annual reviews mid-term and terminal evaluations.
  - Review progress reports.

**Frequency of meeting:** Monthly (initially), quarterly

### 18. Joint Technical Committees
Leadership: The joint technical committee (chaired by Federal UJCFSA),

Main Role: The main responsibility of the joint technical committees is to advise the respective technical committees on technical and strategic issues,

Specific responsibilities:

- Assessing performance and progress toward achievement of approved plans.
- Establishing/promoting Urban Job Creation and Food Security projects linkages with other DRM, Social Protection, Nutrition and urban environment protection initiatives,
- Managing and overseeing measures to support cities/towns and regions implement specific aspects of the program.
- Strengthen coordination and management of the technical activities of each component of the UPSNP
- Establish additional task forces for specific tasks and functions as and when required. Each taskforce is chaired by the responsible implementing body directorate head and has a membership composed of development partners and relevant line agencies and stakeholders. These committees meet monthly and report through the Coordination and Management Committee (CMC) to the SC.

Frequency of meetings: Monthly

19. Coordination and Management Committee

Leadership: Chaired by the Director General of UJCFSA.

Main Role: The main role of the MCC is to strengthen coordination, to monitor general management and M&E issues in UPSNP implementation, and to serve as the liaison between the NSC and the Technical Committees and Task Forces.

Specific responsibilities:

- Oversee the work of the Technical Committees and reports on their work to the NSC
- Make decisions and refer to the NSC questions involving wider programme issues as required
- Ensure that key programme principles and commitments laid out in the design document are adhered to by implementers.
- Reviews and consolidates annual project plans, budgets, progress reports and studies
- Organize and coordinates review missions, regular monitoring and technical assistance to implementing cities
Oversee general M&E, impact evaluation, capacity building, system development and other coordination activities.

Initiate discussions on PIM revision and approve amendments as necessary. Oversee the development of manuals and guidelines on the implementation of the programme.

**Frequency meetings:** Monthly

### 20. Public Works Technical Committee

**Leadership:** MUDHo Director - UPSBB

**Membership:**
- UJC&FSA
- MoWC,
- MoYS
- Environmental Protection Authority (EPA)
- TVET
- WB/DPs

**Main Role:** Guide and monitor the progress towards delivery of UPSNP public works outcomes and outputs, and address policy and operational issues.

**Specific Responsibilities:**
- Review and assess the performance and progress of public works towards the achievement of approved plan.
- Review standards, quality and compliance of public works with agreed norms, and identify the need for technical assistance in accordance with each operational manuals reviewing monitoring and evaluation reports.
- Advise and support regional/city PW Technical Committees in planning and implementing workshops, conducting sensitization activities, and documenting and sharing good practices and lessons learned.
- Propose strategic issues to JTC and SC affecting the PW implementation.
- Discuss strategic issues arising from the implementation of public works which affect the broader UPSNP and develop and propose recommendations to JTC.
- Facilitate training and promote saving.
- Promote linkages with other public works-related programs and organizations.
- Liaise with the Livelihoods Technical Committee as appropriate to ensure that public works are contributing to livelihoods.

**Frequency of meeting:** Monthly
Leadership: Chair: UJC&FSA Director, Co-Chair - MoLSA

Membership: UJC&FSA, MoLSA, MoWC, MoYSTVETWB/DPs

Main Role: Guide and monitor the progress towards delivery of UPSNP livelihoods outcomes and outputs, and address policy and operational issues.

Specific Responsibilities:
- Review and approve livelihoods plans, including activity/training plans and financial plans
- Review standards, quality and compliance of livelihoods with agreed norms, and identify the need for technical assistance in accordance with the livelihood operational manual including reviewing monitoring and evaluation reports.
- Review and approve quarterly and annual performance reports of the livelihoods component
- Advise and support regional/city Livelihoods Technical Committees in planning and implementing workshops, conducting sensitization activities, and documenting and sharing good practices and lessons learned.
- Resolve problems in the fulfillment of the livelihoods plan implementation, monitoring and evaluation.
- Propose strategic issues to JTC and SC affecting the livelihoods implementation
- Discuss strategic issues arising from the implementation of livelihoods which affect the broader UPSNP and develop and propose recommendations
- Promote and give assistance for preparation of business plan and saving
- Approve market assessments and other research as necessary for the improvement of the livelihoods component
- Promote inter-intra linkages with other livelihoods and PW activities.
- Liaise with the Public Works Technical Committee to ensure complementarity between public works and livelihoods interventions

Frequency of meetings: Monthly
22. Unconditional Cash Transfer Technical Committee

Leadership: MOLSA

Membership: MOLSA, UJCFSA, MoWC, MoYS, MoFEC, WB

Main Role: Guide and monitor the progress towards delivery of unconditional cash transfer component of UPSNP outcomes and outputs, and address policy and operational issues.

Specific Responsibilities:
- Review and approve unconditional cash transfer plans, including activity/training plans and financial plans.
- Review standards, quality and compliance of unconditional cash transfer with agreed norms, and identify the need for technical assistance in accordance with the direct support operational manual including reviewing monitoring and evaluation reports.
- Review and approve quarterly and annual performance reports of the unconditional cash transfer component.
- Advise and support regional/city Unconditional Cash Transfer Technical Committees in planning and implementing.
- Participating in the preparation of Preventive and Rehabilitative road map.
- Coordinate and follow up the psychosocial training and counseling of clients.
- Resolve problems in the fulfilment of the Unconditional Cash Transfer plan implementation, monitoring and evaluation.
- Propose strategic issues to JTC and SC affecting the Unconditional Cash Transfer implementation.
- Discuss strategic issues arising from the implementation of Unconditional Cash Transfer which affect the broader UPSNP and develop and propose recommendations.

Frequency of Meeting: Monthly.

23. Ministry of Urban Development and Housing

Leadership: Minister

Main Role: The MoUDH oversees the management and coordination of the UPSNP.

Specific Responsibilities:
- Provide support for the planning and implementation of the UPSNP as necessary and assist in setting the policy direction to which the UPSNP contributes.
• Provide technical support for the overall systems development of the UPSNP including the interface with other related policy initiatives and systems
• Act as the secretary of UJCFS Council, set agenda, prepare and circulate minutes and follow up the proper implementation of directions and decisions made by the council.
• Negotiate with development partners on resource mobilization and cooperation
• Chair the steering committee of the UJCFS and follow up the execution of the decisions made by the committee
• Give directions to the UJCFS agency and other implementing bodies for the preparation of manuals, guideline, directives, packages, etc as deemed necessary.
• Facilitate and emulate both national and international best practice on UPSNP
• Review strategies, programs, projects, and organizational structures, as deemed necessary.

24. Federal Urban Job Creation and Food Security Agency

Leadership: Director General

Main Role: Design strategies and prepare program to enhance activities of urban food security and job creation and upon approval coordinate implementation.

Specific Responsibilities:
• Chair the MCC
• Prepare the UPSNP plan of the sector on the bases of the urban food security strategy and follow up implementation.
• Build the capacity of regional institutions supporting and coordinating the urban food security and job creation in implementing.
• Coordinate and support the UPSNP implementing institutions at all level;
• Coordinate public mobilization that enhances extensive provision of education and training to develop awareness among the public to shape the distorted work ethics of the society.
• Follow up the enclosure of urban food security issues in the criteria set for the competition of urban centers in their respective sectoral development and evaluation of their good governance so as to promote the urban centers;
• Collect, analyze, compile and disseminate information, on unemployed, not willing to be employed, able to work and not able to work and those vulnerable to social problems, which are relevant and essential to ensure urban food security and job creation;
• Formulate a special package for the beneficiaries who are under poverty line and assist them to be engaged in different jobs and graduate in specific time frame;
• Conduct survey on best practices in relation with urban food security and Job creation activities and design the scaling up strategy to enhance the program implementation;
• Expand and oversee the one-stop service centers to help facilitate the preparation of annual plans, create awareness, and support business plan development
• Monitor the performance of interventions to support livelihood pathways
• Overall Coordination of CMC

25. Urban Productive Safety Net Coordination Unit (PCU)

Leadership: Coordinator
Main Role: The PCU facilitates the day-to-day general management and coordination of the UPSNP. It has direct responsibility shared UJCFSA safety net deputy director general for the overall coordination of UPSNP.

Specific Responsibilities:
• Provide support to coordination and oversight of the UPSNP
• Provide support to ensuring appropriate linkages of the UPSNP with other FSP and development interventions
• Consolidate UPSNP annual work plans and budget proposals from the Regions, make resource allocation proposals for decision and allocate UPSNP resources to the cities, regions and other implementers after approval and ensure that the proper utilization
• Provide technical support to regions and cities
• Monitor overall capacity to implement the UPSNP
• Monitor and evaluate the efficiency, effectiveness and impact of the UPSNP
• Provide procurement support to UPSNP in accordance with UPSNP procurement procedures and manuals
• Review and provide feedback on reports
• Facilitate information exchange and document experiences and lessons learned across regions
• Submit periodic physical and financial progress reports on implementation of the UPSNP to the UJCFSA and IDA including analysis of sex-disaggregated data.
• Monitor and evaluate adherence to UPSNP procedures, manuals and guidelines, effectiveness of utilization of resources, and program impact.
• Update UPSNP guidelines and operational mechanisms in response to M&E findings and disseminate as necessary.

26. Ministry of Labour and Social Affairs

Leadership: Minister

Main Role: Ensures the integration of the permanent direct support component with the overall Social Protection policy and Strategy, and oversees activities in the livelihood pathways. MoLSA will have focal unit to coordinate and oversee support to direct support clients.
Specific Responsibilities:

- Plan and monitor all activities relevant to direct support clients
- Responsible for preparation of road map for prevention and rehabilitation as well as linkages to social services/soft conditionalities
- Joint oversight with UJCFSA of the development, roll out, and implementation of the systems tools and instruments including MIS and the Unified Registry
- Ensure the social aspects of ESMF provisions in the employment pathways are properly implemented
- Plan and monitor employment linkage and protection interventions with stakeholders
- Coordinate appropriate organs in conducting prevention and rehabilitation of citizens vulnerable to social problems
- Liaise with PCU and other UPSNP partner institutions on coordination and management of direct support interventions, and participation in UPSNP design and management forums, including policy issues

27. Ministry of Finance and Economic Cooperation (MoFEC)

Leadership: Minister Main Role: Overall financial management of the program, including management of the special designated accounts and reporting on the UPSNP to the Council and IDA.

Specific Responsibilities:

- Disburse UPSNP resources to ministries at federal level and to regions/city administrations in line with requests submitted by PCU.
- Assume the usual financial responsibilities (including reporting on and auditing of UPSNP resources) under the normal government financial system.
- Prepare all relevant financial related manuals
- Provide technical assistance on overall financial management at all levels
- Review standards, quality and compliance with the financial manuals and identify the need for technical assistance.
# APPENDIX 1: Gender Action Plan

<table>
<thead>
<tr>
<th>Program Components</th>
<th>Action</th>
<th>Responsible Body</th>
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</thead>
<tbody>
<tr>
<td><strong>TARGETING</strong></td>
<td>Prioritize registration of PLW and women from MHHs</td>
<td>Cities and Regions</td>
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<td><strong>PLANNING</strong></td>
<td>Strengthen planning template to better capture gender issues and PIM provisions</td>
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<td></td>
<td>Include Gender Analysis and ensure women’s participation in annual PW planning process (consult women and men separately, if necessary)</td>
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<td><strong>ACCOUNTABILITY</strong></td>
<td>Raise awareness and implement Social Accountability tools that measure the satisfaction of women</td>
<td>PCU/UJCFSA, Regional and City UJCFS office, BoLSA, OLSA</td>
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<td>Include module on complaints process related to GSD PIM provisions and use of household transfer in Grievance Redress Manual and monitor on gender disaggregated way</td>
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<td><strong>CAPACITY BUILDING, KNOWLEDGE MANAGEMENT</strong></td>
<td>Introduce experience sharing and establish networks among implementers and women’s groups at all levels</td>
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<td>Increase effective participation among women in committees, leadership positions, etc.</td>
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<td>Include gender in Capacity Building Strategy and prioritize gender mainstreaming in work plan of National Capacity Building Facility (including continuous skills oriented training on gender mainstreaming and equity for implementers including PW site supervisors, awareness raising on gender sensitivity, childcare centers, etc. for watershed committee, City agriculture office, communities, etc.)</td>
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<td></td>
<td>Develop knowledge and evidence-base regarding implementation of gender PIM provisions in lowland areas and assess and address needs of women in lowland areas and develop lowland specific gender provisions (if necessary)</td>
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<td>Develop and implement Communications Plan (i.e. activities on awareness creation for communities, production and distribution of IEC materials, etc. with focus on GSD PIM provisions, mainstreaming and equality). Ensure information accessible and communicated in a way that is appropriate for women to ensure that they are reached</td>
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<tr>
<td><strong>M&amp;E</strong></td>
<td>Strengthen sex and gender disaggregated data by reinforcing use of simple sex-disaggregated and gender disaggregated formats for data collection and include quantitative and qualitative analysis in reporting</td>
<td>PCU/UJCFSA, Regional and City UJCFS office, BoLSA, OLSA</td>
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<td></td>
<td>Include gender sensitive monitoring indicators representative of key gender priorities of each region in logframe</td>
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<td></td>
<td>Monitor implementation of GSD PIM provisions</td>
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<td>Follow-up gender mainstreaming progress with clear instructions for each working group during JRIS Missions</td>
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<td>Make better use of sex disaggregated (quantitative) and gender (qualitative) data to make adjustments for local contexts and prioritize activities, as necessary</td>
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<td><strong>TRANSFERS</strong></td>
<td>Pilot approaches to ensure that women equally benefit from transfers and compile knowledge on intra-household dynamics regarding transfers and PWs</td>
<td>PCU, MoUDH, MoFEC, BoFED, MoLSA, UJCFS office</td>
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<td></td>
<td>Develop community conversation manual /guidelines to promote household and community awareness regarding use of transfer for household Urban Job Creation and Food Security</td>
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<td>Program Components</td>
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<tr>
<td>PUBLIC WORKS</td>
<td>Sensitize communities and W/KACs (Grievance Redress Manual to include module on Transfers) to address issue of inappropriate use of transfers at all levels, Municipalities, and Financial Institutions.</td>
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<td>Clarify women’s 50% workload reduction, ‘light works’, and subprojects that reduce women’s time burden and ensure plans reflect these provisions. Disaggregate activities on PW annual plan by sex Revise PIM provisions to extend temporary DS for pregnant and lactating women to as early as first anti-natal check to 12 months post-delivery Awareness raising and guidelines (budget, staffing requirements, etc.) for mobile/permanent childcare centers Develop Public Health &amp; Safety Guideline and cascade training to community level (incl. childcare center awareness) Prioritize targets for women as foreperson/forewoman and leadership positions in PW sites to increase women’s representation in PW supervisory roles and address stereotypes re. traditional roles Enhance women’s equal and active participation in watershed planning committee</td>
<td>PCU, MoUDH, UJCFS office at all levels, Municipalities, and PWCU,</td>
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<td>HUMAN CAPITAL</td>
<td>Include GSD issues in BCC activities and work with MoH to develop specific BCC tools to encourage safety net clients to optimize use of both local and transferred resources for improved nutrition of children &gt;2 and PLW Pilot approaches in which female clients receive training to deliver BCC activities and/or fill service gaps Women involved in leadership positions and in decision-making structures mentor other women interested in participating in leadership positions and encourage women to express themselves in meetings PLW transitioned to temporary DS to participation in a combination of ante-natal counselling sessions, post-partum health facility visits, Community Based Nutrition Project, growth monitoring and promotion sessions, BCC sessions Mothers in vulnerable households affected by nutrition emergencies to be counted as temporary DS to enable them to care for their malnourished children and benefit from soft conditionalities Female PW clients to participate in literacy/financial literacy and other forms of skills training activities which are counted toward their PW requirement</td>
<td>PCU, MoUDH, UJCFS office at all levels, Municipalities, and PWCU,</td>
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<tr>
<td>ACCESS TO LIVELIHOODS SERVICES AND OPPORTUNITIES</td>
<td>Review and assess strengths and weaknesses of existing extension services/credit experiences and allow for flexibilities through gender lens Ensure eligibility of women from MHH and FHH Implement gender sensitive and demand-driven economic opportunities for women and facilitate linkages with markets and business opportunities Appropriate technical support (including coaching and mentoring) for female clients in business skills (women from both MHH and FHH) Develop and implement appropriate training and communication materials Develop understanding of success factors to successful group VSLA for women from MHH and FHH Include women friendly off-farm activities and facilitate relevant knowledge and skill transfer</td>
<td>PCU, MoLSA, BoLSA, OLSA, MoUDH, UJCFS office at all levels, Municipalities, and LCU,</td>
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<td>Program Components</td>
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<tr>
<td><strong>INSTITUTIONAL MANAGEMENT</strong></td>
<td>Promote improved technologies to increase productivity for women</td>
<td>MoFEC, MoLSA, BoLSA, OLSA, BoFED, OFED, MoUDH, UJCFS office at federal, city/town levels</td>
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<td>Assess feasibility of livelihood interventions in lowland areas taking into account differences in situations (i.e. MHH, FHH, polygamous HHs)</td>
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<td>Earmark budget resources to strengthen capacity on gender features</td>
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<td>Hire gender and social development experts at F, R and W levels</td>
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<td>Encourage female staffing targets</td>
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<td>Closer engagement with MoWCA and linkages with agencies with gender empowerment goals</td>
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<td>Ensure representation of sectors mandated promote social development in UPSNP decision making structures</td>
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<td>Develop incentives to implement PIM provisions</td>
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<td></td>
<td>Include performance targets for implementation of PIM GSD provisions in PMS</td>
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APPENDIX 2: Environmental and Social Management Framework

This document provides an Environmental and Social Management Framework (ESMF) for the Labour Intensive Public Works sub-component of the Urban Productive Safety Net Program. It will apply for PWs and livelihood activities by cities/regions, as benchmark and enriching it through a process of consultation and review with program implementers and stakeholders found in the participating cities. The ESMF document is prepared in line with the environmental and social safeguard policies of the World Bank and the GoE’s environmental policies and legislations. It is prepared with a particular focus on the most relevant safeguard policies triggered by the UPSNP, i.e. OP 4.01 Environmental Assessment, OP 4.11 Physical Cultural Resources, and OP 4.12 Involuntary Resettlement.

The ESMF establishes a unified process for addressing environmental and social safeguards issues on subprojects from preparation, through review and approval, to implementation. The specific location/site, size and activities of the LIPW sub-projects are going to be decided at later stages by the program implementers in each participating city. The present ESMF is intended to provide instructions to program implementers found in the participating cites, to screen sub-projects for potential adverse impacts; assess such impacts, and design measures to avoid and mitigate them prior to the commencement of the LIPW sub-projects on the ground.

Purpose and Objectives of the ESMF

The UPSNP Environmental and Social Management Framework (ESMF) is prepared to serve as a safeguard framework to examine the environmental and social impacts of the Labour Intensive Public Works (LIPWs) to be implemented in the capital cities of the nine regional states including Addis Ababa and Dire Dawa. The ESMF establishes a unified process for addressing all environmental and social safeguards issues on subprojects from preparation, through review and approval, to implementation. The overall objective and purpose of the UPSNP ESMF can be summarized as follows.

- To establish clear procedures and methodologies for the environmental and social assessment, review, approval and implementation of LIPWs to be financed under the UPSNP;
- To specify appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring environmental and social concerns related to UPSNP LIPWs;

The ESMF is complemented by an RPF that establishes the program resettlement and compensation principles and implementation arrangements.
Relevant National and Regulatory Environmental Framework

The principal relevant laws and policies of the Republic of Ethiopia for the purposes of this ESMF are:

- Proclamation No. 299/2002 Environmental Impact Assessment
- Proclamation No. 300/2002 Environmental Pollution Control
- Proclamation No. 513/2007 Solid Waste Management Proclamation
- Proclamation No 209/2000: Research and Conservation of Cultural Heritage
- Proclamation 377/2003: The Labour law
- Proclamation No 455/2005: Expropriation of landholding for Public Purposes and Payment of compensation
- Regulation No.159/2008, Prevention of Industrial Pollution Regulation

The EIA requirements are addressed through this ESMF.

World Bank Safeguards Policies

The UPSNP is categorized as “B” implying that the expected environmental negative impacts are largely site-specific, that few if any of the impacts are reversible, and that mitigation measures can be designed relatively readily. The environmental assessment for a Category B project,

a) Examines the project’s potential positive and negative environmental impacts,
b) Recommends measures to prevent, minimize, mitigate, or compensate for adverse impacts,
c) Recommends measures to improve environmental performance

The Bank’s ten safeguard policies are designed to help ensure that programs proposed for financing are environmentally and socially sustainable, and thus improve decision-making. The Bank’s Operational Policies (OP) is meant to ensure that operations of the Bank do not lead to adverse impacts or cause any harm.

Procedure for Screening and Development of EMPs

The ESMF requires that each UPSNP sub-project proposed by cities be screened for environmental and social impacts using the Screening Checklist provided. The screening will take place before the start of the construction stage and will determine the sub-projects; categories by both Government of Ethiopia (GoE) and World Bank Safeguard Policies and statutes. EMP/EIA studies will be guided by GoE Environmental Impact Assessment Guideline and World Bank Safeguard policies, provided however that in case of material differences between the two the latter will prevail. The Screening and follow-up EIA study will yield an Environmental Management Plan (EMP) which will be reviewed and approved by REPA. Upon approval by REPA, the EMP will guide resolution of all potential environmental and social impacts likely to be identified for each sub-project of public work. A RPF has been developed in parallel of this ESMF, to deal with potential displacement impacts and to guide the preparation of RAPs as needed.
Once implementation of the UPSNP LIPW subproject has started, regular supervision missions should be carried out by the cities. An annual environmental report must be submitted to RJCFSA/B by each city and consolidated by RJCFSA/B as regional reports for submission to the Regional EPA, FJCFSA/MoUDH and World Bank for review.
Monitoring of the ESMF

Monitoring of the compliance of city PW and Livelihood implementation with the mitigation measures set out in its EMP, CRMP and/or RAP will be carried out by the city officer that are responsible for environmental management. City UJCFS office carrying out this monitoring by regularly visiting the sub-projects, and pursuing the following corrective measures as required. Once implementation of the project has started, regular supervision missions should be carried out by City UJCFS office responsible for the sub-project and an annual environmental report must be submitted to the REPA, MoUDH and World Bank for review.

ESMF implementation will also be supported by conducting annual environmental and social performance audit (including audit of implementation of EMPs, CRMPs, RAPs and ARAPs) that will be carried out by a third party. The third-party annual environmental and social performance audits will be conducted on the cities implementing the UPSNP.