



Draft workplan for the DAG ad hoc group on institutional development

Workstream 1 (underway). **Update the analysis of institutional development priorities for Ethiopia in the context of Covid-19 responses.** The context has changed radically since the March 2020 rapid assessment and workshop on institutional development convened by the DAG working group. A short note will update recommendations to the Government of Ethiopia (GoE) and the international community in order to continue to address institutional development in the Covid-19 context.

Workstream 2 (to be agreed): **Assist GoE prioritise where and how it would like external assistance to help develop its institutional capacity, and support the implementation of these objectives.**

A number of workshop participants recommended that GoE should further prioritise where it required external assistance to accompany the institutional development aspects of its reform initiatives. For example, the home-grown economic reform agenda covered several sectors, across a number of ministries and agencies, which have each identified their capacity development needs. They are supported by existing or planned development assistance programmes/projects, including a World Bank Trust Fund. The priorities and gaps from an institutional development perspective in this international assistance would benefit from additional analysis. There was consensus that some support could be provided at a central level to help manage the reform (in particular change management, coordination, coordination, monitoring learning and evaluation), paying attention to both federal, regional and local level. There was also agreement that flexible, problem-oriented support should be preferred to top-down and pre-designed projects.

The ad hoc group proposes the following steps:

1. Facilitate a process so GoE can prioritise further where it would like institutional development support, taking into account any Covid-19 adjustments to previous reform plans and programmes. The draft 10-year perspective plan includes institutional development as one of its priorities (in its May 2020 version). Proposed action: The working group could support the Planning and Development Commission finalise its proposals on institutional development as part of the 10-year perspective plan.

2. Map existing development partners programmes/projects that support different aspects of institutional development in the home-grown economic reform agenda, highlighting the different modalities used (e.g. technical adviser, training, mentoring, coaching, etc) and taking into account any changes in response to the Covid-19 crisis. Proposed action: The DAG Secretariat has started such a mapping and could find creative ways to update it. The Ad Hoc group could help map whether development partners support matches the institutional development priorities of the 10-year plan and where adjustments could help better match GoE priorities. The Ad Hoc group should clarify whether the mapping should be limited to the economic reform agenda or be broader.

3. Facilitate a process so GoE and its development partners agree areas where additional institutional development support may be required, and how they should be supported taking the Covid-19 context into account (or how existing resources within programmes/projects could be re-allocated to meet this need) on the basis of the GoE prioritisation and assistance mapping (steps 1

and 2 above). The Covid-19 paper will be finalised by 29 June and would contribute to the process. Proposed action: The Ad Hoc group could convene a targeted (technical level) workshop (or series of well facilitated virtual webinars) to identify how to target institutional development assistance (consistent with the 10-year perspective plan and other GoE documents).

4. Design an innovative programme of support to assist the GoE's institutional development priorities. The programme would take a decentralised approach, with flexible packages to address specific problems identified by GoE ministries/agencies (related to policy or service delivery), testing commitment, building wider support, learning and experimenting on an ongoing basis (inspired by the problem-driven iterative adaptation approach), potentially delivered through focal points in interested ministries/agencies skilled up to operate in this new way. The design would include specific attention to 'change management' skills and resources (including coordination and communication at different levels; promoting accountability and participation, not just top-down reform; and monitoring, learning and evaluation). It would also pay particular attention to gender and social inclusion; how to protect the most vulnerable; and other measures to prevent or mitigate negative unintended impacts that can result from centrally designed institutional change. Proposed action: As part of the proposed workshop (point 3), agree draft terms of reference, and submit them to the DAG to confirm which GoE ministries/agencies should be within scope and which development partners would like to participate in the funding/design/delivery of the programme.

5. Agree institutional development principles across the GoE and DAG members and set up a coordination mechanism on the use of technical cooperation to ensure that international or national experts build longer-term capacity. GoE and development partners endorsed 10 institutional development principles presented at the March 2020 workshop. The rapid assessment had suggested that a policy on technical cooperation would be valuable. Interviews with a range of development partners expressed concerns about the possible ongoing inappropriate use of technical advisers in Ethiopia, including lack of data to ensure collective oversight (e.g. how many advisers are currently being funded, where are they working, is there duplication across projects, what are their salary levels and are they incentivising officials from leaving government or demotivating existing staff on lower salaries). A critical issue is the effectiveness and cost-efficiency of existing technical assistance (is there evidence of new systems being built, national staff technical expertise being improved sustainably, etc). Agreed principles, potentially complemented by guidelines and an effective coordination mechanism (including the capacity to learn what works and what doesn't in the Covid-19 context) would be able to overcome some of these challenges. Proposed action: Discuss at the 18 June DAG meeting whether GoE and development partners have the appetite to endorse the principles and include them in MoUs. The DAG could also decide whether to mandate specific organisations to prepare a fully developed proposal on guidelines, sharing good practice, coordination and other ways of improving the use of technical cooperation.

6. Develop a strategy to improve GoE internal capacity on critical technical issues. To complement the proposed work on the use of external advisers, GoE could identify what are the critical technical skills needed within the GoE public service, at federal, regional and local levels, to deliver the main elements of the GoE reform agenda. Learning from other countries which have had to address the creation of a 'parallel civil service' of better paid technical experts, GoE could consider whether a new senior technical government cadre would be useful and reduce dependence on externally-funded technical advisers. This effort would be closely coordinated with the Federal Civil Service Commission which is already working on a roadmap, to professionalise and motivate the public service. Proposed action: Discuss at the 18 June DAG meeting whether GoE and development have the appetite to develop such a strategy and identify who is best placed to lead on this agenda.