



**Initiative Africa**

# Inception Phase Report: **Empowering Marginal Economic Actors through Policy Reform from the Bottom-Up**

June 2020

IA/EMEA/REP/20/015

This Project is supported by



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## List of Acronyms

AfCFTA	African Continental Free Trade Area
BMO	Business Membership Organization
CETU	Confederation of Ethiopian Trade Unions
CIPE	Center for International Private Enterprise
CSO	Civil Society Organization
ECCSA	Ethiopian Chamber of Commerce and Sectoral Associations
EMEA	Empowering Marginal Economic Actors through Policy Engagement from the Bottom Up
FGD	Focus Group Discussion
IA	Initiative Africa
IGF	Innovative Grant Fund
JCC	Jobs Creation Commission
M&E	Monitoring and Evaluation
MoF	Ministry of Finance
MoTI	Ministry of Trade and Industry
MoU	Memorandum of Understanding
SME	Small and Medium Enterprise
PACCI	Pan African Chamber of Commerce and Industry
PPD	Public Private Dialogue
SDG	Sustainable Development Goal
SEK	Swedish Krona
Sida	Swedish International Development Cooperation Agency
WEA	Women Entrepreneur Association
WTO	World Trade Organization

## Introduction

This report covers the seven months of the project entitled “Empowering Marginal Economic Actors through Policy Engagement from the Bottom Up” [EMEA], which constitute the Project Inception or Pre-Implementation period.

The preparation of this report is a contractual requirement (CIPE/IA Contract # 0020101-000-0A) covering the Inception Phase with fund amounting to \$ 224,410.99.

In order to carry out the activities listed in the grant agreement; Center for International Private Enterprise (CIPE), Pan African Chamber of Commerce and Industry (PACCI) and Initiative Africa (IA) signed a Memorandum of Understanding (MOU), forming a consortium to conduct a seven-month preparatory work for developing program activities and establish a program management system and evaluation framework.

## Project Objectives

The overall objectives of the Project are

- (i) to empower marginalized groups and communities to participate effectively in and benefit from economic development and trade, and
- (ii) to strengthen the ability of the private sector to engage in effective reform that leads to positive regulatory and policy changes conducive for the Ethiopian private sector at the national, regional, and sub-regional levels.

Specifically, the purpose of the Consortium inception period is to achieve the following eight objectives:

1. Build the foundation for how the consortium will collaborate on individual and co-developed tasks, activities and deliverables;
2. Establish intellectual property rights for common and Grantee proprietary training and capacity building curricula and methods as well as monitoring and evaluation approaches, tools and templates;
3. Elucidate detailed timelines, subtasks, activities and deliverables to identify intersection of simultaneous streams of work;
4. Align these intersecting consortium component elements to ensure
  - a) Synergies and efficiencies in project implementation and data-sharing,
  - b) Project learning throughout the project, and
  - c) Adaptive management during implementation for individual and co-developed responsibilities as outlined in the Concept Note;  
Collect initial baseline data that inform effective project design and implementation;
5. Design and pilot an evaluation framework and platform that provides for unified and shared project data and results;
6. Ensure crosscutting inclusive Consortium approaches including efforts that mainstream gender that build the capacity of the private sector; and
7. Capitalize on the Government of Ethiopia economic development and other inclusive

initiatives that work to expand the business enabling environment

This report presents the progress made by Initiative Africa (IA) towards the above mentioned objectives during the Pre- Implementation period from November 1<sup>st</sup> 2019 to May 31<sup>st</sup> 2020

## **Pillar 2: Innovative Grants Fund (IGF)**

IA's part of the "Empowering Marginal Economic Actors through Policy Reform from the Bottom-Up" project is limited to managing the Innovative Grant Fund (IGF) component.

The purpose of the IGF is to inspire innovation, encourage professional development and expand the association community. The IGF support ideas that associations want to explore but can't afford.

The IGF reflects three core objectives

1. Improve the management of BMOs to address key business issues, and extend the scope of their activities;
2. Ensure available resources are invested to support projects that improve the BMOs community;
3. Ensure the sustainability of the IGF beyond the project life time.

## **Continuation of the previous PSD Hub activities**

During the inception phase, IA conducted different preparatory works necessary for the implementation of the Innovative Grants Fund (IGF) activities. The preliminary work kicked off with the establishment of the IGF Task Force and quickly proceeded to putting together a program management system both within IA and with the consortium partners. IA organized a retreat to Adama to familiarize the staff with the operations and procedures of the organization and start brainstorming on the project. This orientation was designed to lessen mistakes, quicken productivity, and build more confidence in what they are doing and what they know.

As part of this progression, IA logically felt the next essential step was to have a clear understanding pertaining to the previous PSD Hub projects, activities and bottlenecks. As such, a consultative meeting, being the first of numerous planned, was held on January 24<sup>th</sup>, 2020 which aimed at creating an initial platform for introductions between Initiative Africa (IA), previous PSD Hub grantees and different Business Membership Organizations (BMOs) within Ethiopia. Participants of this consultative meeting included different types and levels of Business Membership Organizations (BMOs) ranging from the apex, national organization - the Ethiopian Chamber of Commerce and Sectoral Association [ECCSA] to different Regional, City Chambers and Sectoral associations. The intended outcome of this consultative meeting was twofold

- to formally introduce Initiative Africa to BMOs

- to gather primary information from the beneficiaries of the previous Private Sector Development(PSD) Hub and to ultimately use these valuable inputs for the upcoming Innovative Grant Fund (IGF) to be administered by IA

In the course of the consultative meeting, lively discussions took place pertaining to the status quo of BMOs in the country and the participants also shared their experience with the previous PSD Hub project. The IA project team gave a presentation on the new Innovative Grant Fund [IGF] and how BMOs could apply for the grant. The team also made a presentation on how the Innovative Grant Fund needed to be sustainable and innovative so as to have a deeper and lasting impact.

During the consultative meeting, the participants were broken down into six groups for a quick interactive exercise on project proposal development, pitching and the responsive grant management [peer review] approach [see *Component 2: Responsive and inclusive approach to IGF*] that will be followed by IA for the Innovative Grant Fund (IGF).

During the last week of January, the consortium partners had a white-boarding session so as to produce initial logic models, major goals for each pillar, draft Meta Work-Plan and other tools to ensure that all programmatic approaches are responsive to the flexible nature of private sector growth and development. Three major goals that were identified for pillar two (IGF) were to catalyze innovation by BMOs, produce higher quality demand driven services of BMOs and financial sustainability of the IGF

Even though the pre-implementation phase largely focused on assessment and refining of activities [see *Inception Phase Activities and Progress table below*], project activities of the previous PSD Hub needed to carry on. Accordingly, the ECCSA/PSD Hub to IA/IGF transition vis a vis the support of financial grants, project technical assistance and monitoring & evaluation previously provided to the previous PSD Hub grantees is now being delivered by IA.

### Inception Phase Activities and Progress

IGF Activities/ Major Benchmark Stages	Status	Type of activity
Continuation of PSD Hub grantees	[Completed]	
Agreement on timelines for disbursement of remaining grants	[Completed]	
New agreements with PSD Hub grantees signed or contracts closed	[Completed]	Project Milestone
Meeting with all PSD Hub grantees	[Completed]	

Develop Methodology Note for Pillar 2	[Completed]	
Stocktaking who are Potential New IGF Beneficiaries	[Completed]	
Create innovative funding model	[Completed]	
Review & Revise IGF Guidelines & Operational Documents	[Completed]	Project Milestone
Collect baseline and use findings to inform implementation phase activities	[In progress]	Project Milestone
Develop Templates	[Completed]	
Inception Phase Report Development	[Completed]	Project Milestone

During the months of February and March, the IA team supported planning processes for the program. One of the focuses of the work was on putting together the Technical Advisory Committee [TAC] to advise and assist with the planning and execution of the EMEA project. The ToR for the Technical Advisory Committee was finalized in collaboration with the consortium partners and potential members fulfilling the criteria put forth in the ToR were contacted via email by IA's project team and invited to participate in an interview about their experience. During the inception period, the following three individuals have been nominated by IA [each consortium partner is expected to nominate 3]

- W/ro Sindu Abebe – Senior Expert at USAID
- Ato Assefa Getaneh – Executive Director of Center of Concern
- Ato Yusuf Ademnur – Secretary General of Ethiopian Chamber of Commerce and Sectoral Association [ECCSA]

During this period, IA also finalized guidelines for the Innovative Grant Fund [IGF] management activities which included a series of required grant management documents like contract, progress report/budget templates, and brochures about the IGF to support the Innovative Grant Fund [IGF].

The prospectus for grant resumption of the previously halted 16 projects amounting to USD 86,113.80 of the former PSD Hub program was announced on Feb 10, 2020 with a deadline till Feb 20, 2020. Review of the applications for the resumption of projects was completed by Feb 25, 2020. Out of the total 15 BMOs which had their projects paused, 14 indicated their interest to resume them with IA and all 14 BMOs have signed resumption agreements with IA.

IA also made substantive contribution to the preparation of the ToR for the Baseline assessment to clearly define the target population, areas to be covered as part of the baseline survey, topics related to Covid-19 to make EMEA more relevant with the ever changing status quo [see *Data Collection Methodology table below*]. IA in collaboration with the consortium partners developed and finalized a Request for Proposals [RFP] that will be used to select an independent consultant [or team] to conduct a national survey of Business Membership Organizations [BMOs] in Ethiopia. While initially planned as an in-person survey, due to the COVID-19 pandemic's increased risks with in-person physical contacts and the state of emergency in Ethiopia which restricts travel, the Rapid EMEA Ethiopia BMO Survey for collecting baselines will be conducted via telephone.

## Pillar 2 Data Collection Methodology

	Pillar 2
Geographic Coverage:	National
Target Population:	<b>BMOs</b> <ul style="list-style-type: none"> <li>▪ Chambers[National, Regional, City , Sectorial]</li> <li>▪ Trade/Industry associations</li> <li>▪ Professional associations (Economic Association, Confederation of Ethiopian Trade Union (CETU)...</li> <li>▪ Women and youth entrepreneurial associations</li> </ul>
Areas to be covered as part of the baseline survey	<b>BMOs</b> <p><b>1 Leadership Capacity</b> - Vision and Mission/ Leadership and Governance/ Strategy and Planning/ Culture and Values</p> <p><b>2 Management and Operations Capacity</b> - Financial Management/ Human Resources/ Infrastructure and Information Technology</p> <p><b>3 Community Engagement Capacity</b> - Fund Development/ Communications and Advocacy/ Volunteer Management/ Community Partnerships</p> <p><b>4 Service Capacity</b> - Program Design/ Program Implementation/ Performance</p> <p><b>5 Evaluative Capacity</b> - Evaluation Planning/ Data Collection/ Measuring Outcomes and Impact/ Learning and Continuous Improvement</p>



	<p><b>6. COVID 19</b></p> <ul style="list-style-type: none"> <li>▪ Availability of staff</li> <li>▪ Staff ability to perform regular services</li> <li>▪ Access to members</li> <li>▪ Ability to let staff work on-line</li> <li>▪ Revenue expectations</li> </ul> <p><b>Brief statements on/about:</b></p> <ul style="list-style-type: none"> <li>▪ Long term impact as a result of Covid 19</li> <li>▪ Most helpful support to recover</li> <li>▪ Any success stories related to response to Covid 19</li> </ul>
Covid-19 specific topics to be addressed	<p><b>With concentration on sectors in Urban areas</b> [assuming hardest hit businesses and job loss will be much higher]</p> <ol style="list-style-type: none"> <li>I. address immediate challenges BMOs face(workforce, customers, technology, business partners)</li> <li>II. address near term BMO challenges related to shutdowns/knock on effects <ul style="list-style-type: none"> <li>○ Continuous &amp; rapid situation assessment of BMOs[ current state, perceived level of impact, types of assistance expected [short/long term] through both formal and informal means</li> <li>○ Exploring ways for disseminating clear and accurate information frequently[mass sensitization and education] for BMOs and SMEs</li> <li>○ Timely disseminations of the government’s policy responses and international grant opportunities pertaining to businesses</li> </ul> </li> <li>III. anticipating plans for BMOs how to scale quickly as the knock-on effects become clearer</li> <li>IV. anticipating what a discontinuous shift looks like and implications on how different BMOs should potentially reinvent] <ul style="list-style-type: none"> <li>○ Exploring new/innovative ways for BMOs in few segments of the economy—namely the hospitality industry, exporters (flowers/ textiles), certain manufacturers, and banks.</li> <li>○ Preparations for the <b>‘next normal’</b> - innovative business models/ technologies that are/will be required during/post the crisis.</li> <li>○ Exploring long term human capital implications</li> </ul> </li> </ol>

## COVID 19 and IA remote working

With anticipation of the Coronavirus crisis affecting the EMEA project, Initiative Africa started looking into alternative mechanisms to continue project tasks. During the first week of March, IA started piloting remote working using Slack and has seen very positive outcomes and as such continued project communications via the platform.

## COVID 19 response Activities

Initiative Africa focused on assisting the Ethiopian Chamber of Commerce and Sectoral Association [ECCSA]-the only national organization fully dedicated to supporting the competitiveness of small, medium and large-sized enterprises - to monitor COVID-19 and its effect on the business community. The EMEA project was not designed to take on enormous and unexpected problems like COVID-19.

However, IA realized that a pandemic of this scope demanded immediate reactions. Hence, by shifting and reallocating funds amounting to \$ 27,913.8 from anticipated un-utilizable/under-utilizable budget lines from the Inception Phase, IA recommended supporting the Ethiopian Chamber of Commerce and Sectoral Association [ECCSA] for their initiative labeled 'Ethiopian Chamber is Here for You' which is trying to help support businesses prevent, prepare for, and respond to the corona virus, while taking into account public health concerns.

Objectives and Activities of 'Ethiopian Chamber is Here for You' initiative

### 1. CHANGE ATTITUDE, CHANGE CONDUCT

- Video spots – containing messages to help cushion the blow of the coronavirus pandemic i.e. 6 things SMEs need to know:
  - (i) Keep staff and customers safe and healthy;
  - (ii) Avoid price gouging on hand sanitizer and other high-demand products during the coronavirus pandemic;
  - (iii) know your rights and responsibilities; (iv) be aware of government package for businesses;
  - (iv) whenever possible establish a remote work option;
  - (v) Reduce meetings and travel;
  - (vi) Communicate transparently with your customers.
- Website and social media upgrade containing Covid-19 advisory notice.

### 2. EDUCATE BUSINESS LEADERS ON BEST WAYS TO TACKLE THE IMPACT OF COVID-19

- Publication: Guideline providing insights and guidance to small businesses searching for ways to cope with COVID-19.  
To be printed in two languages – Amharic/English.
- Brochures/Banners - Call to save SMEs, employees and customers  
Designed for a wider audience, with particular focus to regional audience.

### 3. INTRODUCE FLEXIBLE WORK FROM HOME OPTION

- Instituting a flexible work policy for ECCSA
- Introducing communication and tools in one place for remote teams at ECCSA

## IA's Rapid Situation Assessment of BMOs

A survey was conducted by IA to establish a baseline to develop effective strategies and work plan for maximising the IGF in the Empowering Marginal Economic Actors through Policy Reform from the Bottom-up[EMEA] program. The answers of the interviewees will facilitate the design and implementation of the IGF.

Due to the Covid-19 crisis, the survey will, not only help establish the current status and management systems of Business Membership Organizations[BMOs] and chambers of commerce but will also assess the impact of the pandemic on businesses. It's expected that the results of the survey will assist in developing a strong monitoring and evaluation framework to measure, audit and review the project's performance and outcomes.

The survey[See Annex I] was conducted from April 27<sup>th</sup> to May 11<sup>th</sup>, 2020 and is the first of subsequent rolling surveys IA plans to do every three months. More than 69 active BMOs and Chambers of commerce leaders responded to IA's survey. The findings highlight the profound impact of the current pandemic on BMOs and chambers of commerce - the leading voices of businesses in Ethiopia.

### Major insights

- The IA survey indicates that most of chambers of commerce and BMOs will be at great risk of temporarily (or even permanently) closing if the crisis lingers.
- The biggest concerns for BMOs and chambers of commerce is a lack resources to prepare their members to take advantage of government support programs.
- BMOs and Chambers of commerce around the world are slow in taking action to provide leadership and help member businesses deal with the challenges created by the COVID-19 outbreak.
- The survey indicates that to combat the pandemic, BMOs and chambers of commerce need to re-adjust the way they do business by adopting online work from home strategy.
- BMOs and chambers of commerce are providing contributions to those in need in the midst of the pandemic.
- Covid-19 has had a significant impact on small businesses' revenue and hundreds of thousand of employees are at risk of losing their jobs.

### Policy implications

- BMOs and chambers of commerce need to expand technical assistance support by establishing a centralized web-based information center to update members with relevant links, resources and templates to minimize the impact of Covid-19.

- BMOs and chambers of commerce need to continue raising awareness and sharing best practices using media to mitigate Covid-19.
- BMOs and chambers of commerce need to adopt and embrace of online and other technology-enabled service delivery and working methods.
- BMOs and chambers of commerce need to work closely with the government to provide guidance to small businesses about COVID-19 support programs.
- BMOs and chambers of commerce should work closely with local community associations and civil organizations on efforts to support businesses, employees and vulnerable populations.

## IA's Implementation Phase Activities

### COMPONENT 1: SAVING BUSINESS ASSOCIATIONS, MICRO AND SMALL BUSINESSES

The Micro, Small and Medium Enterprise (MSME) sector has emerged as a highly vibrant and dynamic sector of the Ethiopian economy over the last decade. MSMEs not only play a crucial role in providing employment opportunities but also contribute enormously to the socio-economic development of the country, notably in their role as catalysts for the transition to an industrial society. MSMEs are viewed as seedbeds for the development of medium and large enterprises. It is reported that there are approximately 800,000 SMEs across the country<sup>1</sup>.

COVID-19 and the measures being implemented to contain it, are deeply affecting our social and economic relationships here in Ethiopia, but also across the world. This new landscape is forcing us to reconsider many aspects of our lives and economy, including our economic future. The COVID19 response and recovery plan sets the stage for a series of what could be some of the most important and transformative policy decisions that Ethiopia and the world have the opportunity to enact. This is our moment to build a system that values the work we know is essential to sustaining us.

IA will be implementing the following activities for “recovery” actions that need to be taken in order for chambers of commerce, BMOs and small business and workers to recover from the crisis and mitigate the impact of similar future crises on the horizon.

Small and medium sized enterprises (SMEs) draw on a wide range of resources, internal and external to their business. Their memberships of business associations are one such source of external resources. These memberships are often compared, in academic discussions, with other external suppliers of advice that seek to provide particular expert knowledge. These suppliers range from the private sector (accountants, consultants, banks), through social networks of friends and relatives, to the public sector (such as government advice services). But associations provide more than advice to a SME. They also have a range of functions offering social opportunities, marketing and collective purchasing, self-regulation and lobbying and representing the interest of the business. This suggests that the contribution of business associations to the SME is multi-faceted, though different firms may maintain their membership for different reasons.

During the current outbreak of COVID-19, BMOs and particularly small business owners must prepare for disruption in their business as well as prepare to protect their employees' health and safety in the workplace. Here are some activities IA proposes to support BMOs and their members to help overcome the Covid-19 crisis.

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<sup>1</sup> *Addis Fortune* newspaper (September 2016), Interview with Asfaw Abebe, Director of Small and Medium Manufacturing Industry Development Agency

## Objective

The major objective of the initiative is to support BMOs and their members to help overcome and hence survive the Covid-19 crisis.

## Activities

### Business Support Unit (BSU)

Establish a one-on-one virtual and physical support unit to offer businesses general information/advice and help complete applications to access Government funding and other support programs related to Covid-19. The Addis Ababa Chamber of Commerce will put in place a unit to support SMEs impacted by Covid-19 and make sure to work closely with public health experts to prepare guidelines to help businesses of all types and in all regions navigate the challenging process of reopening and evolving post-coronavirus pandemic.

The ECCSA in collaboration with the AACCSA will support regional chambers affected by Covid-10 to establish their own BSU.

### Expand on-line work and business capabilities

IA will work with 15 chambers of commerce and sectoral associations in major towns and cities to shift their operations to full or part-time remote work. As this transition can be a stressful experience for employees, IA will introduce a variety of tools and resources to help team leaders and managers handle the process. The provided support will help employees successfully transition to telework environments through three major steps: (i) assessment to determine remote work capabilities (ii): executing necessary procurement and training plans, (iii): implementation and management of designed telework systems.

## COMPONENT 2: Select IGF recipients

The IGF will be used to provide grants to BMOs and chambers of commerce, business support organizations, trade unions, and specialized government agencies for employment creation, capacity building, advocacy, and innovative projects which can be tested and possibly replicated.

For 2020-2022 the IGF will focus on:

- (i) Enhancing internal administrative and finance infrastructure;
- (ii) Improving essential service delivery capacity;
- (iii) Improving information services/systems, human resource development and professional practice;
- (iv) Upgrading and strengthening research and advocacy;
- (v) Expanding communication capabilities;
- (vi) Promoting local and international trade.

IA will issue a call on its website about the grants, share the information with all BMOs and Chambers of commerce and place a Notice of Funding Opportunity (NoFO) on major newspapers, and ask other grant makers to publicize the grant opportunity. The IGF application call will be open twice each calendar year; once in July and another in February.

## Grant Making Program

Grant Making Phase	Activity
<b>I. Pre-Award Phase</b>	<ul style="list-style-type: none"> <li>✓ Organize introductory training for board members and staff members</li> <li>✓ Discuss with board/staff the management process and the priorities to adopt, risks to tolerate and the criteria to assess grant applicants</li> <li>✓ Design and make available grant application forms that are short and concise to minimize burden on applicants</li> <li>✓ Funding Opportunity Announcement - Inform potential applicants about the IGF and hold an open call for grant applications (or balance the number of applications received via an open call versus those invited)</li> <li>✓ Hold info sessions to explain the application process and collect feedback from applicants</li> <li>✓ Undertake site visits and conversations with the applicant organizations to allow applicants to submit proposals without much complexity</li> <li>✓ capacity building - proposal development; ideas for member services to help BMOs register and complete applications</li> <li>✓ Setting a transparent system for receiving applications and awarding grants on a rolling basis</li> <li>✓ Due diligence process / grant-making criteria that explicitly minimizes implicit bias and levels the playing field for smaller organizations</li> </ul>

<p><b>II. Award Phase</b></p>	<ul style="list-style-type: none"> <li>✓ establishment of a peer review group - recruit and service Peer Group members meeting reviewing applicants proposals</li> <li>✓ review and award recommendations based on the programmatic and financial reviews of the applications</li> <li>✓ Sending of a Notice of Award (NOA) to the entities selected for funding</li> <li>✓ Put in place a mechanism to quicken grant processing i.e. a limited timeline from first contact with applicants to when they receive an award (e.g., 2-3 months)</li> </ul>
<p><b>III. Post Award - Implementation, Reporting, and Closeout</b></p>	<ul style="list-style-type: none"> <li>✓ assist and ensure organizations comply with the grant terms and conditions</li> <li>✓ Work with grantees to determine which metrics to collect, based on their organizational capacity as well as the data they already collect</li> <li>✓ Design questionnaires (and metrics) streamlined and easy for grantees to fill out.</li> <li>✓ Undertake check-in calls or site visits with grantees</li> <li>✓ Host yearly retreats for grantees</li> <li>✓ Carry out participatory evaluation</li> <li>✓ Design and make available reporting formats for progress reporting/grant renewal process /final grant report and proposal for continued work /project timeline extensions/ and budget modifications</li> <li>✓ Monitor progress and expenditures through various programmatic and financial reporting procedures, as well as using performance metrics per the grant agreement.</li> <li>✓ have a single audit conducted and a single audit report submitted</li> <li>✓ Closing report to ensure compliance with all the grant terms and conditions as well as to make sure organizations spent all the funds appropriately</li> </ul>



## Responsive and inclusive approach to IGF

IA's grant evaluation methodology has two principal components;

- (i) Our assessment of the potential development outcome (PDO) associated with the project and
- (ii) Our assessment of the project implementation risk associated with the applicant.

Essentially the PDO is a broad estimate of how many people from the target beneficiary groups would benefit by how much if the project were to be implemented exactly as described in the grant application, taking into account the project implementation risk as a way of discounting the potential development outcome. The discount factor is derived from an assessment of the applicant's financial and management capacity and the strength of its governance structure. The final step is to combine the PDO with the project implementation risk to arrive at a value for the expected development outcome.

### A more inclusive approach to grant making

IA has developed an innovative way to challenge the donor-grantee power dynamic. The practice gives grantees themselves the power to decide where the money goes, shifting decision making from outside to inside the communities affected by the funding. Chaired by IA and composed of 6 members (3 from recipients, one from regional/local government official, one from an independent consultant, and a representative from beneficiaries) applicants present their proposals, peers comment, and finally the group votes to decide the final result.

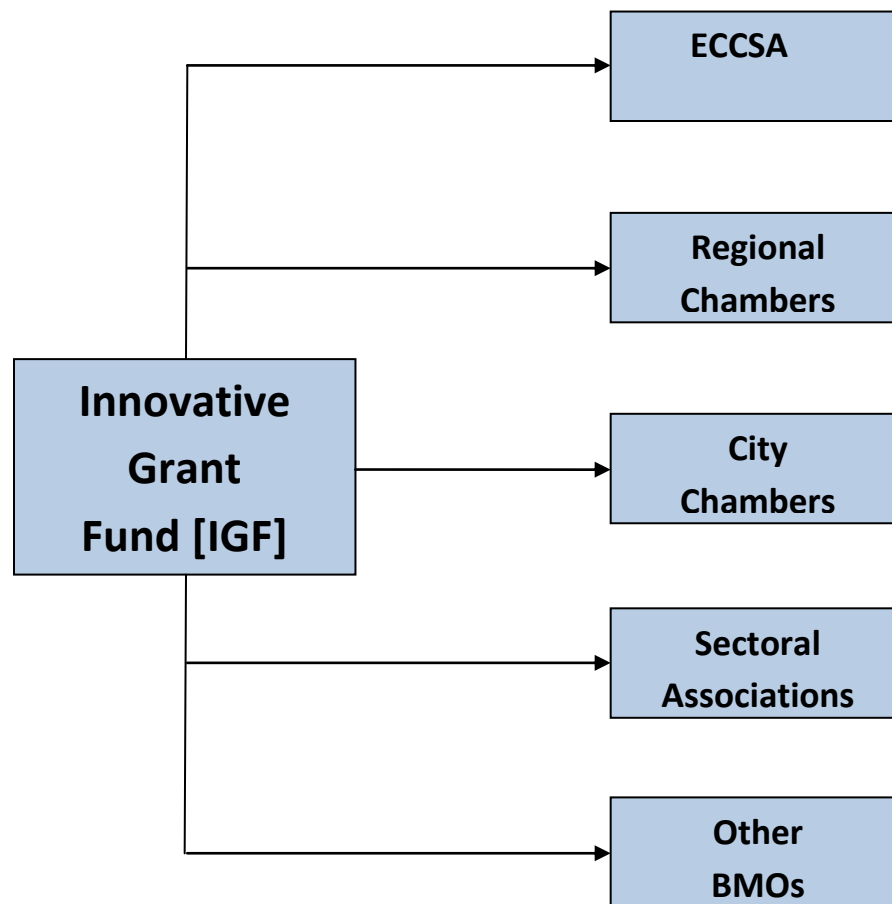
In conducting the review IA will sort applicants into groups, translate and make anonymous the applications, and then submit these back to the groups of applicants to read and vote on. Recipients need to vote to be eligible to receive a grant, and they can't vote for their own organization. During the process, applicants gain an understanding of the challenges of grant making, as well as of the range of projects in their region.

## COMPONENT 3: Technical Assistance and Capacity Building of BMOs

IA's capacity building activities will be informed by the capacity diagnostics and tailored to the specific needs of the BMOs at a sector-level, geography-level or level of maturity or by further promoting these activities through the IGF. Furthermore, the demand-driven nature of the IGF, whereby the BMOs apply for the support they require, ensures that the capacity building activities funded through the IGF are relevant to the BMOs needs.

IA will provide trainings for IGF recipients to effectively initiate, plan, execute, and close out projects. The training will focus on helping grantees understand the expectations for grant reporting and financial management while highlighting the importance of continuous M&E throughout project implementation. IA will also provide trainings for IGF recipients on monitoring, evaluation, and data collection. The training will focus on helping grantees understand the expectations for grant reporting and financial management while highlighting the importance of continuous M&E throughout project implementation. Following the training, IA will work closely with the grantees as they develop and submit monitoring and evaluation frameworks for their project, with a focus on having IGF grantees develop M&E frameworks that fit into the consortium's integrated M&E approach.

IA's approach to building capacity will be across a number of different tiers simultaneously [see figure below]. In essence, this will be a more widespread, parallel capacity building initiative as opposed to the centralized, trickle-down approach of the previous PSD Hub.



#### **COMPONENT 4: Manage IGF grantee programs**

Leveraging the M&E frameworks developed as a result of the M&E training, IA will provide project management teams with technical support and advice on how to better implement projects. Training will be conducted on-line and at site and will cover the following topics; (i) project implementation training; (ii) Scheduling and Time Management; (iii) Resource Management; (iv) Budgeting and Cost Management; (v) Project Monitor and Control; (vi) Communication and Reporting.

IA will also provide targeted technical assistance to IGF grantees to maximize project impact. IA will work to identify areas for technical assistance for grantees, identifying areas where grantees are struggling with implementation or strategy. IA will then provide tailored technical assistance support to implement best practices to create a well-organized project management plan for project success.

## Roles and Responsibilities of Consortium Partners

**GOAL:** To ensure program success by building effective team communication and setting clear guidelines for how information will be shared among the Consortium partners. To that end, specific objectives include: i) Establishing clear roles and responsibilities for the Consortium partners; ii) To establish working arrangements between the Consortium partners and iii) Building a project team contact directory

### ***I. Communication***

Official communication will be handled by CIPE as the lead organization, but that doesn't mean that the lead organization is the only partner to communicate with the donor. As equal members of the consortium, IA could also communicate with the donor on progress updates, results, new concepts, challenges etc. To make this partnership inclusive, it is important that all voices within are heard. This both requires and guarantees a balance of influence, mutual respect, trust, and care within the partnership. Official communication extends to the submission of reports, interim and final deliverables, correspondences on program activities or budget changes, status updates, and other ad hoc requests.

- With official correspondence handled by the lead partner, the consortium members shall maintain regular updates with the donor. The consortium meets regularly, on a bi-weekly basis to discuss status on program activities, budgets and outstanding challenges, progress on results and M&E project activities. Consortium partners propose to meet with Sida on a monthly or quarterly basis to share updates on activities. This will help create transparency and strengthen reporting practices.

### ***II. Shared Responsibility***

- Accountability and responsibility shall be a shared goal. The lead organization shall make sure quality control is maintained on the delivery of terms and conditions according to the grant agreement between Sida and CIPE, as well as the individual partner grant agreements between CIPE and the consortium partners; but individual members shall be responsible and accountable for deliverables within pillars.
- Efforts shall be made to cascade the donor agreement conditions to consortium members to ensure unbroken chains of responsibilities.

### ***III. Follow Up***

- Individual members shall be responsible for pillar-level activities and outputs. Consortium level follow up should make more emphasis on results/outcomes.
- Lead partner shall give more emphasis to quality control, technical support, and providing feedback at a strategic level.

- Consortium level reporting (whether at a steering committee or technical committee level) should be a shared discussion about all pillars of the project with all partners sharing updates, results, and challenges.
- A consolidated report shall be submitted by the lead partner providing information on operations, accounts, and residual risks on pillars. Each partners' progress/performance reports (inception/implementation) on their respective pillars shall be attached to the consolidated report as an Annex.

#### ***IV. Decision Sharing***

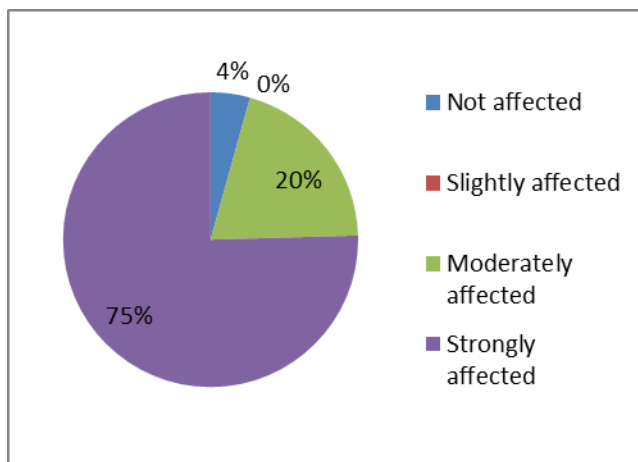
- There should be a clear delineation of power for decisions to be made by the lead partner and those of the individual members
  - o Programmatic leadership at a pillar level should be responsibility of individual partners. However, all members shall share key documents, such as TOR, new concepts, trainings etc., for discussion, feedback, and coordination purposes.

#### ***V. Project Structure***

- Technical Advisory Committee (TAC) will advise and provide high-level advice to the program on matters relating to project performance and results. The TAC's purpose is to provide technical guidance to help with responsiveness to private sector needs in Ethiopia. Further, the TAC will provide assistance for evaluation of the projects, programs, and activities of the Consortium as part of the Consortium's commitment to transparency and accountability, and to support results-based management consistent with appropriate legal, ethical and best practice standards for evaluation and for development work. The consortium envisions that the TAC will be a volunteer group of 9 members comprised of individual members selected from a diverse array of organizations, including international and local NGOs, academia, think tanks, media, business associations, private sector, the donor community, and independent experts.
- Sida, ECCSA, and other major cooperating partners (CPs) are invited to attend the TAC meetings. The TAC will convene on a bi-annual basis.

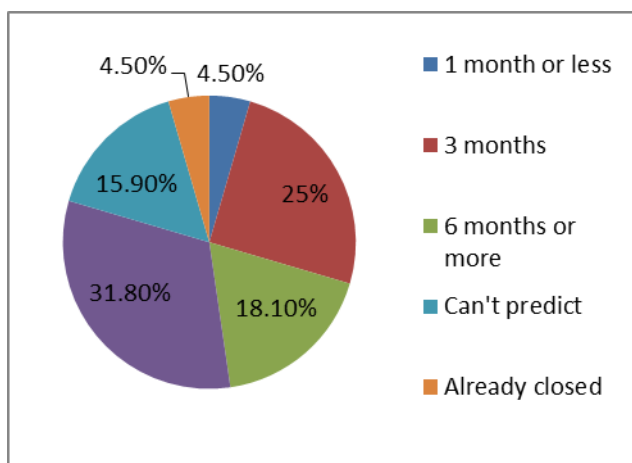
## Annex I: Rapid Situation Assessment

### 1. How have your BMO/Chamber operations been affected by the coronavirus (COVID-19) pandemic?



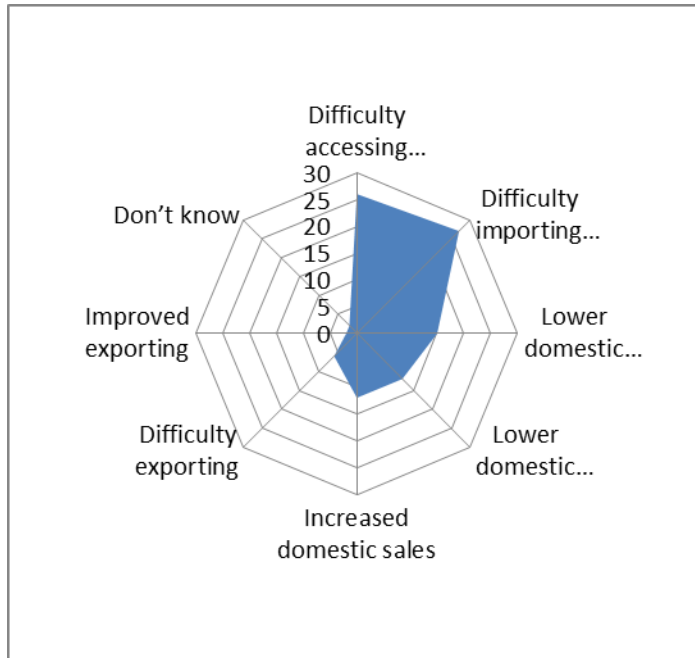
*Nearly 75% of businesses responding to the survey indicated that their operations are strongly affected by Covid-19 crisis; 20% indicated that their operation was moderately affected. This means that nearly 95% of BMOs and Chambers of commerce are in one way or another seriously affected by Covid-19.*

### 2 - Do you think there is a risk that your BMO/Chambers will shut down because of this crisis, and if so, when could these closures occur?



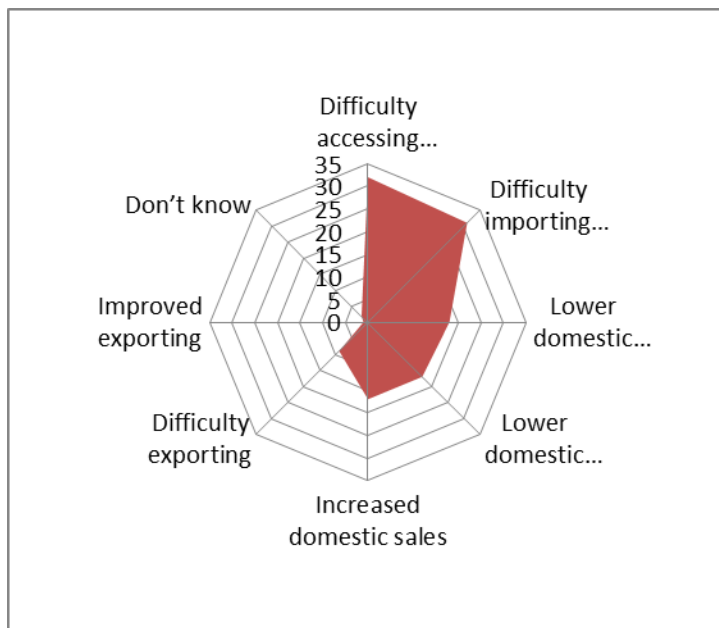
*Over 4% of chambers of commerce and BMOs indicated that their operations has already shutdown because of the crisis; another 4.5% say they expect to stop operation within a month.*

**3. Has the coronavirus (COVID-19) pandemic affected the ability of your members to purchase inputs for their businesses and/or sell outputs?**



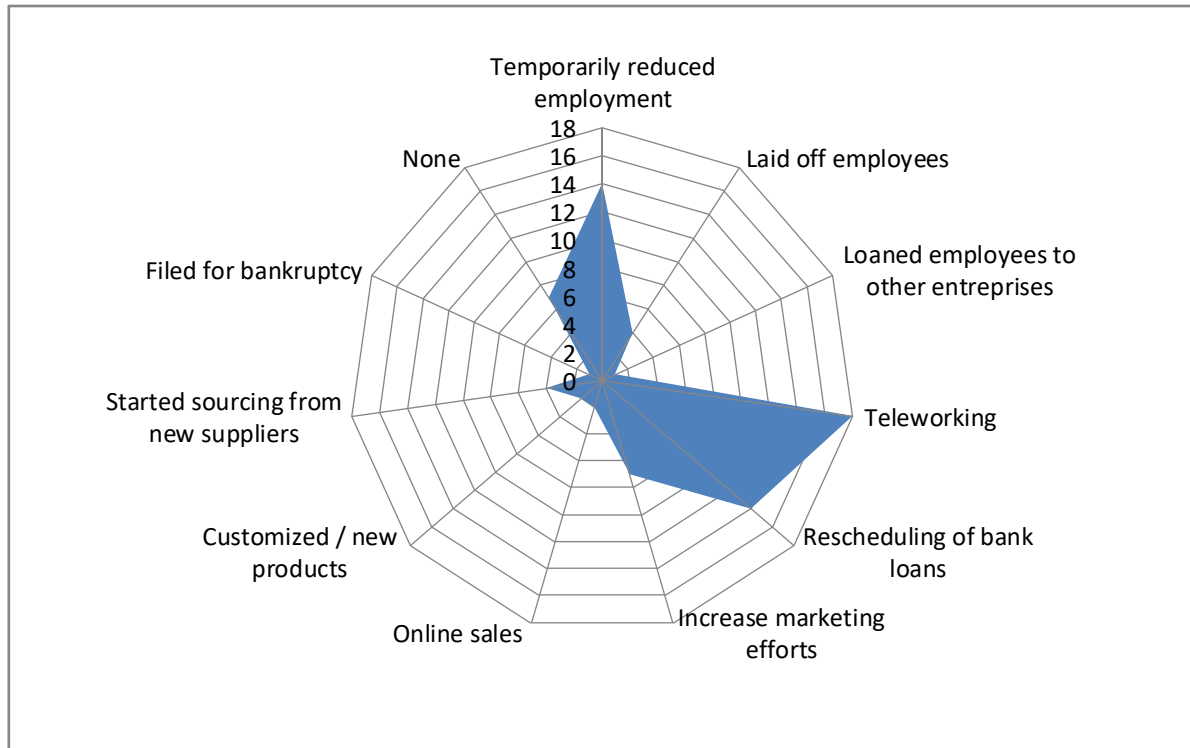
*The major problems faced by businesses are difficulty accessing inputs domestically, difficulty importing inputs from abroad and lower domestic sales to businesses and consumers*

**4. Has the coronavirus (COVID-19) pandemic affected your BMO/Chamber in any of the following ways?**



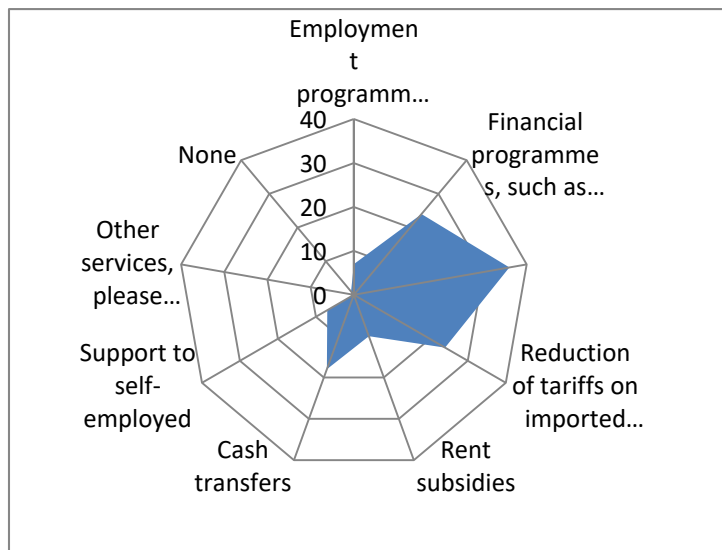
*The major problems faced by BMOs are difficulty accessing inputs domestically, difficulty importing inputs from abroad and lower domestic sales to businesses and consumers*

**5. Have you adopted any of the following strategies to cope with the crisis?**



*The majority of strategies adopted are reduction of employees, teleworking and rescheduling of loans. And the lack of activities in the customized and online sales suggest potential areas where capacity building might be needed in areas like adapting innovative business models and technology use such as e-commerce and digital marketing.*

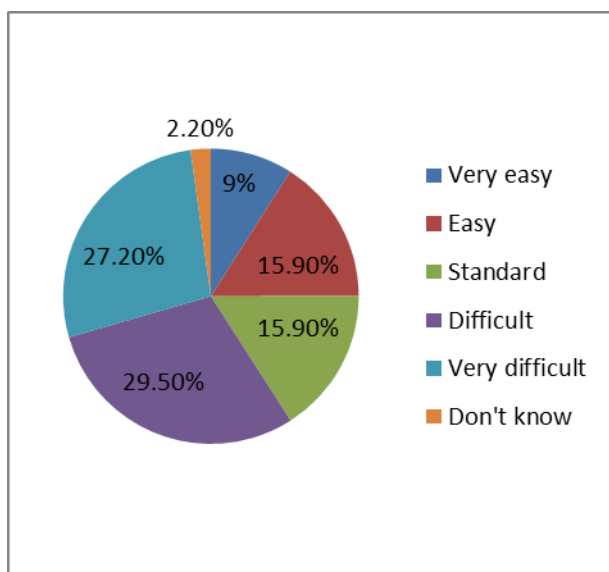
**6. What are the top three government measures that would be most helpful for your members cope with the COVID crisis.**



*The top three government measures identified by BMOs as helpful were*

- I. tax waivers or temporary tax breaks,
- II. financial programs [such as low interest credit line or credit guarantees]
- III. reduction of tariffs on imported inputs
- IV. cash transfer
- V. rent subsidies
- VI. Support to self-employed
- VII. Employment programs (e.g. temporary unemployment programs or social security waivers)

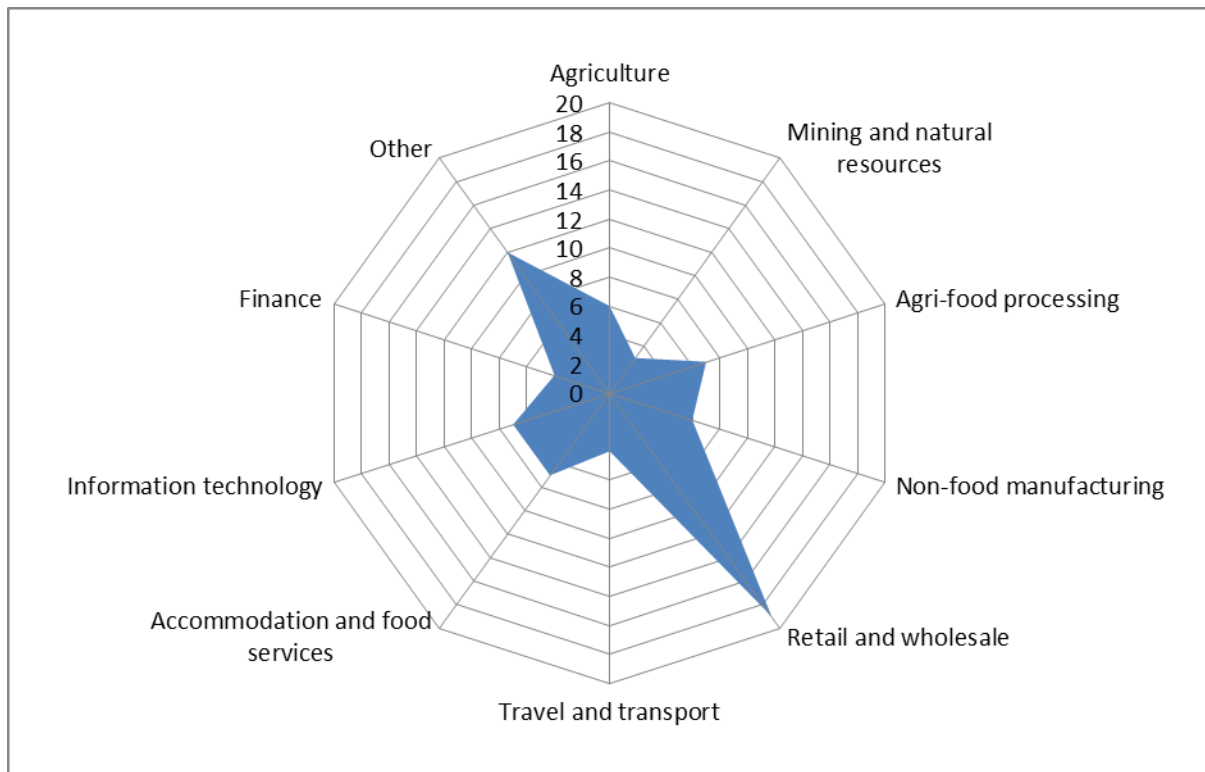
**7. How easy is it for your members to access information and benefits from government COVID-related business assistance programs?**



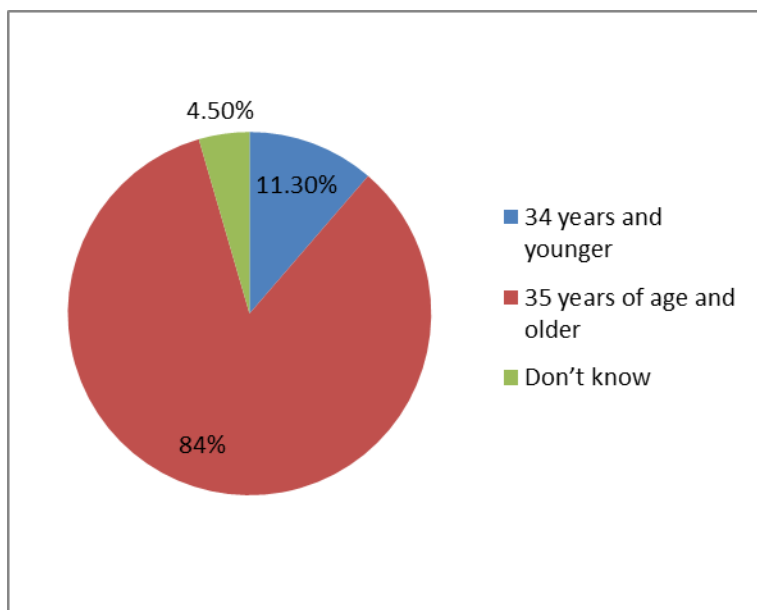
*Nearly 29.5% of respondents indicated it's very difficult to access the information and benefits for businesses for the Covid-19 crisis; 27.2% indicated it's moderately difficult and 15.9% said it's the same as before/standard. This means that in one way or another 72.6% of BMOs and Chambers of commerce facing information gaps about assistance programs.*



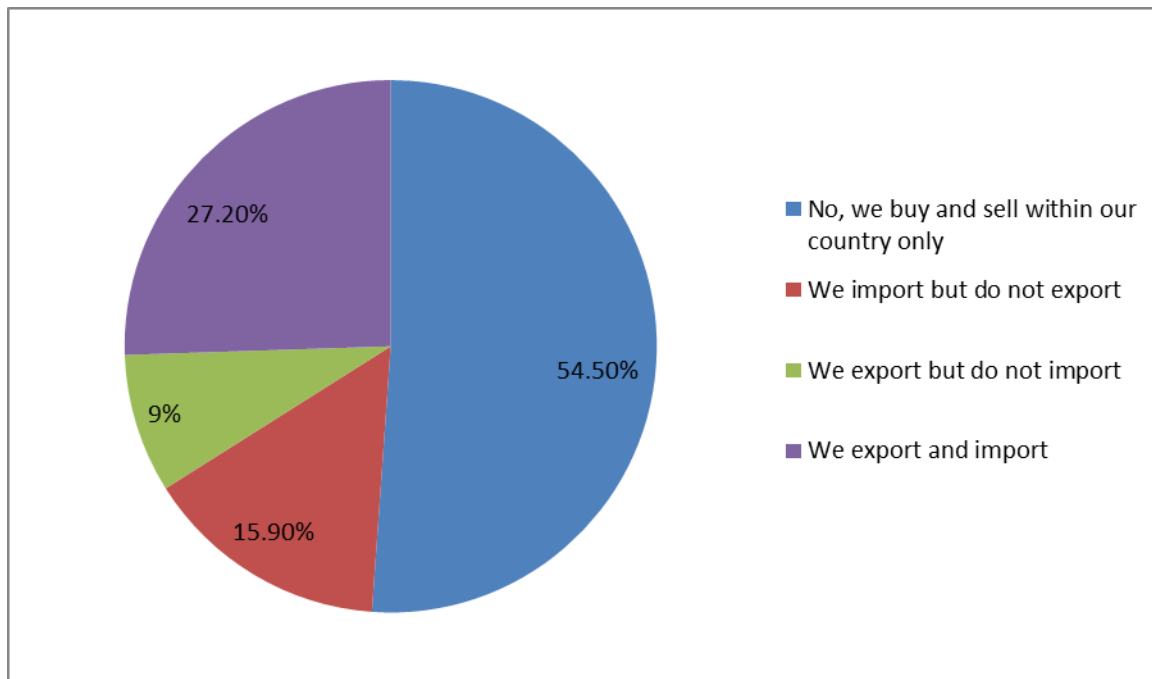
**8. What is the main sector of activity of your Chamber/BMO?**



**9. What is the age of the top manager of the BMO/Chamber?**



**10. Does the BMO/Chamber participate in international business relations?**





## Annex II: Implementation Phase Work-plan

Ac. No.	Activities per Objectives	2020		2021				2022			Remarks
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
1	Project Kick-off Meeting										
2	Staff development										
3	Follow-up on Resumption of First Round IGF beneficiary business membership organizations (BMOs) (former PSD Hub Project)										
4	Develop Capacity building programs and initiatives that improve the performance of former PSD Hub Project beneficiaries										
5	Close out of 1 <sup>st</sup> round IGF beneficiaries										
6	Call for Proposals for 2nd round IGF										
7	Information Sessions on Proposal Submission										
8	Peer review on submitted proposals										
9	Grant awards for selected BMOs										
10	Training of IGF Awardees on Project Management										
11	Follow-up on IGF Grants										
12	Progress review meetings with IGF Beneficiaries										
13	Supporting ECCSA's high-impact management, human resources, and accountability changes;										
14	Needs assessment and Capacity diagnostics for capacity building of BMOs										
15	Capacity building activities and trainings for BMO										
16	Position ECCSA to play its role as the leading business voice on better regulation at national levels.										
17	Monitoring and Evaluation on IGF Projects										
18	Develop resource mobilization strategy for IGF										

## Annex II: Implementation Phase Work-plan

Ac. No.	Activities per Objectives	2020		2021				2022			Remarks
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
	sustainability										
19	Donors' conference for sustained IGF										
20	Reporting										
21	Project Audit										
22	Close out meetings with IGF Beneficiaries										
23	Project Evaluation										

