

**act:onaid**



# **ETHIOPIA: ANNUAL REPORT 2012**

**Addis Ababa  
June 2012**

Cover photo: ***Members of women- only saving and credit cooperatives celebrating transformation of their basic SACCs into Union Azernet Berbere: Southern Nations Nationalities and Peoples State***

## Key Organizational Identities

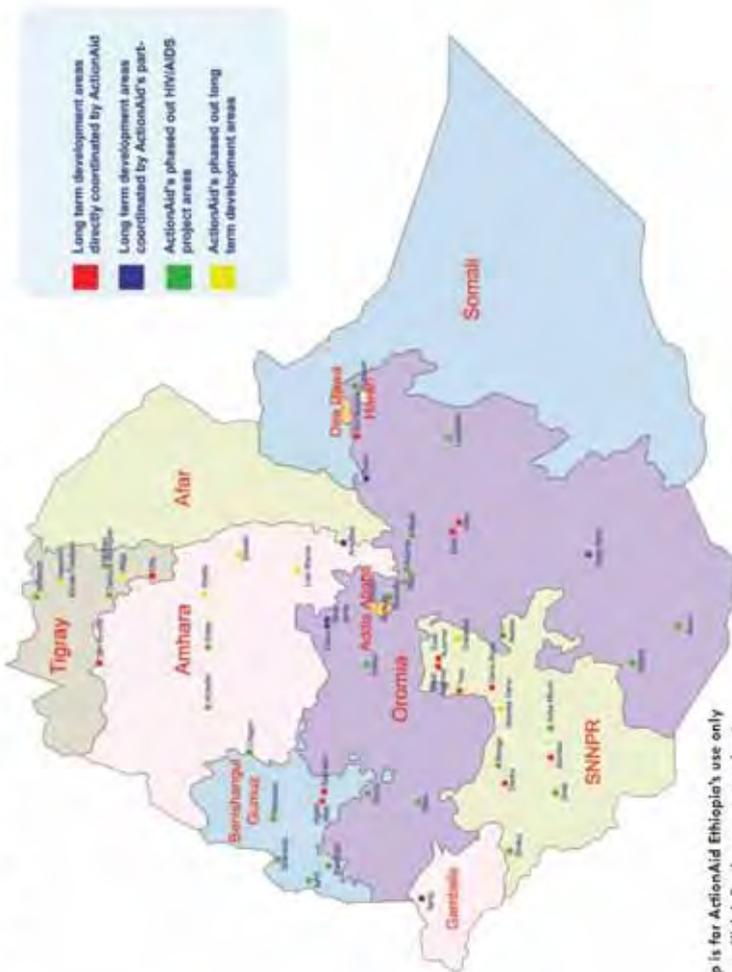
**Vision** *To see a poverty-free Ethiopia where every person lives in dignity and prosperity*

**Mission** *To work with people living in poverty, women, youth and children to eradicate poverty*

- Core Values**
- *Courage of conviction*
  - *Equity and justice*
  - *Solidarity with people living in poverty*
  - *Mutual respect*
  - *Integrity*
  - *Quality*
  - *Humility*
  - *Independence*

- Core Strategies**
- *Participation*
  - *Capacity building*
  - *Partnership and networking*
  - *Knowledge generation, documentation, sharing and learning*
  - *Information technology and communication for development*
  - *Mainstream the views and needs of women, children and youth*
  - *Addressing immediate and basic needs*
  - *Advance innovations and alternatives*

## ActionAid Ethiopia Intervention Areas



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## Acronyms

AA	ActionAid
AAE	ActionAid Ethiopia
ACCESS	Alternative Centers of Cost Effective Education within the School System
ALPS	Accountability, Learning and Planning System
AAUK	ActionAid United Kingdom
CBAP	Community Based AIDS Program
CP	Country Program
CSA	Central Statistical Authority
CSO	Civil Society Organizations
CSP	Country Strategic Plan
DA	Development Area
DFID	Department for International Development
EPRDF	Ethiopian Peoples' Revolutionary Democratic Front
GO	Government Organization
GTP	Growth and Transformation Plan
IASL	Impact Assessment and Shared Learning
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
PANE	Poverty Action Network in Ethiopia
PDD	Program Development Department
SACC	Saving and Credit Cooperative
WISE	Women in Self Employment
GBP	Great Briton Pound
HRBA	Human Rights Based Approach
IFSN	International Food Security Network
PPA	Program Partnership Arrangement
PRRP	Participatory review and Reflection
UNTF	United Nations Trust Fund
WATSAN	Water and Sanitation

## Country Director's Message

I joined ActionAid Ethiopia when 2012 was about to end while the staff were starting harvesting and gauging the progress of the year and meet the reporting and accountability requirements of the community, our organization, the government of Ethiopia and our supporters. Now in the eight month of my association with ActionAid Ethiopia as Country Director, I feel proud to be part of a team that is hard working, committed and professionally sound. The team is able to work in difficult locations and circumstances with a tenacity to overcome challenges. All these enabled to register considerable progress in our long term programmatic work and organizational processes.

2012 is unique to AAE because in tandem with AA global strategy, the country programme has developed an aligned strategic plan that is relevant to the Ethiopian context where the key essence of the annual plan stems from. Hence, 2012 is a point of departure for our five years journey contributing to Ethiopia in light of the new strategy.

During the year, we have worked in a wide geographic area covering five regions of the country. Our trust and close relationships with people living in poverty and local partners enabled us to engage in a range of issues from our core women development agenda to the promotion of quality education and sustainable agriculture. We succeeded in building community capacity on issues of livelihood, women empowerment and economic alternatives as well as girls education through saving and credit unions, Women Water Development Associations, school governance, and Irrigation Users Associations on issues of livelihood, women empowerment and economic alternatives and girls' education.

It is these successes that make me happy as I present before you "ActionAid Ethiopia Annual Report for 2012" which depicts ActionAid Ethiopia's contribution in assisting women and people living in poverty in their endeavor for collective action to end poverty. In addition to our collective success, the report highlights key challenges that we faced and key lessons learnt during the year.

I will not conclude without acknowledging and appreciating the support extended to us by wider ActionAid community, the international secretariat and regional and woreda government offices, our funding affiliates, donors, supporters, implementing partners and national civil society networks.

We are humbled by the trust put on us by the people living in poverty - women, children and men. They are the center of our work and provide us continuous guidance that shapes our policies and programmatic approaches. Without their critical feedback, participation, and proactive engagement, we will not be able to deliver on our mission objectives.

**Best Regards**

**Jemal Ahmed**



*Country Director*

## 1. Introduction

ActionAid Ethiopia is a branch of ActionAid International, a global development agency working to end poverty. It has been working in Ethiopia since 1989 focusing on addressing structural causes of poverty and enabling people who live in poverty to realize their potentials and respond to their development needs and aspirations.

The year 2012 is the beginning of the organization's fourth Country Strategy Plan (CSPIV) that is intended to guide all its works across 2012 – 2017. Though the 2012 annual plan is prepared in the process of elaborating CSPIV, it is well informed by key elements of Peoples' Actions to End Poverty, ActionAid's global strategy and AAE's accumulated experiences.

It can generally be said that the organization has made concrete steps ahead in 2012 demonstrating its commitments towards responding to the needs and aspirations of people living in poverty whom we work with. Our achievements in deed have added value in the country's efforts to ensuring sustainable development. We have made solid contributions in the year in promoting sustainable agriculture and responding to emergencies, enhancing access to quality basic education, empowering women towards holistic development and enhancing peoples' access to quality basic services. The people, their agencies and partners were able to actively engage in developing and realizing the annual plan and benefitted from achievements of the year.

This report, highlights processes involved in implementing the annual plan, key achievements of the year vis-à-vis stated objectives, challenges encountered and lessons learned across the organization's 15 local development areas that are currently operational in 20 woredas/districts and through regional and national programs. The report also outlines the performance of our organizational development processes and resource management.

## 2. The Context

Ethiopia's economy has progressed during the year as in the last couple of years where it performed double digit growth since 2003/4. It is recognized that the country is one of rapidly growing economies in Sub Saharan Africa in recent years. The government has been mobilizing and leading the entire public towards the implementation of the five-year Growth and Transformation Plan (GTP). The 2012 /13 growth is said to be around 10.9%, a little below the aspired low case scenario by the government while the total poverty head count is of 29.6% (MoFED,2012).

It is observed that the weather condition was favorable for good agricultural production as the trend and intensity of rainfall was nearly normal. Despite the encouraging growth trend, high inflation particularly high price of agricultural and manufactured goods remained a living challenge to the people at large and people living in poverty in particular. According to CSA<sup>1</sup>, the annual overall country level inflation rate in January 2012 was 34.3%. Food inflation in particular reached 41.4% while non-food inflation accounted for 21.1%.

National growth figures often camouflage the misery people living in poverty encounter both in urban and rural settings. Some analysts argue that the margin between the poor and rich is further widened in recent years. The government's report (MoFED<sup>2</sup> 2012) reveals that the rate of inequality (as measured by the rate of consumption - Gini Coefficient), has not substantially changed from 0.3 at national level. However, the Gini Coefficient value for urban is 0.371 while the value for rural was 0.274 (in 2010/11). This shows the prevailing high inequalities in the urban centers.

The government's commitment and supports made by other development actors to meet Universal Primary Education resulted in a surge in primary school enrolment and a rapid increase in the net enrolment rate which currently stands at 85.3% of primary school (1st to 8th grades) aged children. The gender parity ratio was 0.94 in 2010/11. Despite this success however, challenges remain with regard to quality at all levels of education, high level of literacy among women, girls' educational participation as well as community involvement in school governance. Considerable proportion of students who completed first cycle faced difficulties to read and write which is an indicative of the falling quality. On the other hand, school dropout is at high level and the national figure is more than 13% which deserves greater attention. Moreover, there are still sizeable number of children denied opportunity of access to basic education in marginalized and inaccessible areas.

There are improvements in addressing socio-economic problems facing women as a result of efforts made by various actors. Women's representation in decision making tiers of the government from woreda/district to federal level has improved. Likewise,

1. <http://www.csa.gov.et/index.php/price-indices/consumerprice-index>.

2/ MoFED (March 2012), *Ethiopia's Progress Towards Eradicating Poverty: An Interim Report on Poverty Analysis Study (2010/11)*

women's access to and control over resources has made progress. However, despite existence of good legal and policy frameworks that guarantee women's well-being, women and girls still assume subordinate position as a result of lack of opportunities and patriarchal attitudes. Gender disparities remain pervasive and entrenched and continue to be drivers of poverty.

Though progress is observed in many fronts and accountability to respond to peoples' demand for basic services has improved, there are significant gap between demand and supply. Low access to potable water, for instance, remained a solid evidence of peoples' unmet needs. The national figure for access to potable water is over 73% in 2010/11. The available data from some of our development areas, however, reveals that peoples' access to potable water at district level is around 25%, an indicative of the magnitude of unaddressed needs.

In the political sphere, the significant undertaking during the year was the smooth power transition after the sudden death of the prime minister, who served in the position for 21 years. EPRDF, the governing party has been dominant across the last 22 years while the opposition remained weaker through time. The government claims that religious extremism is observed sporadically and it has taken constant measures.

Challenges in the operating environment to civil society organizations remained the same in the year and the government's regulatory body strictly controls applications of the charities and societies legislation and its guidelines.

Recognizing all these dynamics, ActionAid Ethiopia remained committed to contribute towards addressing multifaceted challenges that perpetrate poverty and affect the lives and livelihoods of people who live in poverty in collaboration with communities, partners and government stakeholders who share common purpose. '

### 3. Key Achievements of the Year

The organization's program interventions mainly focused around six priorities (change promises) through which it was intended to reach people living in poverty and impact positively on their lives and influence institutional systems and practices. These include, promoting sustainable agriculture, responding to emergencies and supporting preparedness, enhancing access to quality basic education, addressing factors inhibiting women's participation in and benefit from development, women's economic empowerment and enabling people to access quality basic services.

Key achievements of the year are highlighted below under each priority/change promise.

#### 3.1 Promoting Sustainable Agriculture and Responding to Emergencies

It is planned to enhance the food security of small holder farmers living in poverty through mobilizing and organizing them around sustainable agricultural programs.

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**Priority/Change Promise 1:** - Food security of smallholder farmers living in poverty will be improved through sustainable agricultural development.

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*A Small Scale Irrigation Scheme in Gena Bossa*

## Major achievements

- Two small scale irrigation schemes were renovated in Janamora and Kemba DAs.
- Irrigation users are organized into cooperatives where construction of three small scale irrigation schemes is well in progress in Ofla, Kemba and Gena Bossa DAs.
- Leadership and business skill trainings were organized for members and leaders of 17 saving and credit as well as farmers' multi-purpose cooperatives and their financial capacity enhanced through the seed money support made.
- Cooperatives were supported through training and seed capital to transform their basic Saving and Credit Cooperatives into unions in Kemba and Azernet DAs.
- Communities are engaged in model watershed management works in Ankober to protect and rehabilitate their environment.
- The capacity of beekeeping cooperatives is enhanced arranging training for members and leaders on technicalities of modern beekeeping and leadership.
- Three Community Based Tse Tse Fly Control and Prevention Cooperatives were provided with training and essential production materials.
- AAE has supported dialogue forums among food security actors at national and regional level to exchange experiences and debate on policies to influence the enforcement of existing policies and initiate changes.



*Chairperson of the Kemba Minch SACCs Union showing members the certificate the union has secured*

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**Priority/Change Promise 2:-** People affected by disaster are supported and capacity of vulnerable people, local partners and stakeholders enhanced on preparedness

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*Victims of fire outbreak receiving relief food (Girar Jarso )*

## Major Achievement

- AAE organized trainings on Participatory Vulnerability Analysis and early warning systems for farmers and community representatives in three DAs. People affected by flood provided agricultural seeds in Amhara Region (Kewet, Antsokia, Gemza Gera and Menz Mana Woredas). Victims of fire outbreak in Girar Jarso DA were provided with food,, clothes and agricultural seeds .

Generally, people engaged in sustainable agriculture and emergency response interventions are empowered more, their livelihoods improved as well as their capacity to respond and strive towards meeting their needs developed significantly. It was planned to reach 37,010 through both interventions but we have directly reached 53,111 people of which 46% were women and 8.4% children.

### 3.2 Enhancing Access to Quality Basic Education

In recognition to the problem associated with access to quality education AAE demonstrated its commitment focusing on ensuring children are able to access quality basic education with particular emphasis on girls' education and improving the teaching - learning environment by involving students, parents, teachers and other stakeholders in the process. The objective these interventions was to ultimately enhance education quality.

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**Priority/Change Promise 3:-** Children will have secured access to quality basic education.

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## Major Achievements

- Two new ACCESS centers were constructed and seven were upgraded to formal school level.
- 104 center management committee members were trained in participatory school governance.
- 14 separate toilets were constructed to create girls' friendly schools. Tutorial classes were organized for 1,724 girls in five selected schools for motivation & 29 best performed girls awarded.
- 39 new classrooms were constructed and 39 needy schools received school materials such as desks and reference books.
- AAE supported the national Basic Education Network and the Teachers Union helping them to undertake a study on education quality and advocate for change in practices
- Supported regional education forums where education quality issues were debated and good experiences shared
- The Global Week of Action was marked organizing series of dialogue forums across DAs and at national level. This helped bringing education quality issues to the attention of the public and government decision makers
- 504 adults (half of them women) took part in literacy programs through Reflect circles

Education programs enabled children access quality basic education at improved environment. People were empowered to participate in making decisions in school governance issues and able to improve the school environment for the promotion of girls' education. This year, it was expected to reach 20,060 children (50% girls) enabling them to secure equal access to quality basic education but we are able to reach 43,948 (58.6% females) as a result of concerted efforts made by all actors.



An ACCESS center transformed to formal school( Decha)



School governance training ( Kemba)

### 3.3 Women Development

In recognition of the existing magnitude of developmental problems that women encounter, AAE continued its commitment to maintain and enhance its initiatives through mainstreamed and standalone programs. The two standalone programs focused on empowering women so that they challenge norms and practices affecting their health, education, social and economic participation. This was meant to enable them benefit from developments and to ensure their overall wellbeing on one hand and promote their economic empowerment on the other.

**Priority/Change Promise 4:-** Women and girls protect themselves from violence and harmful customary practices through mobilization, solidarity building and collective actions.



Women commemorated march 8 and renewed their collective commitment to claim their needs and aspirations (Ankober)

### Major Achievements

- Series of sensitization sessions were organized among communities in general and women in particular on negative norms and practices affecting women's participation in and benefit from development and mechanisms to challenge and eliminate them
- Women organized in 156 new and existing Women Watch Groups trained on negative norms and practices affecting. Through the support, we have reached 1,924 women
- Through programs involved school communities, 4,545 students were sensitized who were organized under boys clubs in 75 schools across 12 DAs to enhance their understanding and engagement in fighting negative norms and practices and making schools girls' friendly.
- International days (March 8 & 16 Days of Activism) were commemorated advocating for elimination of challenges facing women by organizing dialogue forums, public sensitization sessions, role plays etc.

**Priority/Change Promise 5:-** Urban and rural women living in poverty will have optimized economic alternatives and ensure their entitlement and access to productive resources.

## Major Achievements

- Women were supported technically and financially to transform their saving and credit cooperatives into unions and two unions were formed in DAs where women were elected as leaders.
- Basic skills training provided to 2, 306 in eight DAs with a view to improving their livelihood and enhance recognition at house holde and community level..
- A total of 6, 587 women organized under co-operatives were reached through seed capital support so that their income is diversified.

Women in targeted communities are demonstrating growing ability and confidence to oppose any form of violence and HTPs including societal pressure for premature marriage, female genital mutilation, marginalization of women at household and community affairs etc.

Trained traditional and religious leaders were linked to Women Watch Groups to undertake community sensitization activities. As a result of economic empowerment interventions, livelihoods of target women have improved while their recognition at household and community level has significantly improved.

AAE envisaged to reach 8,005 women through sensitizations and training on negative norms and practices and to reach 2,289 through the promotion of women's economic alternatives. However, the achievement was 46,005 and 6,587 respectively of which 34.9% are children in both cases.



Members of women- only saving and credit cooperatives celebrating transformation of their basic SACCs into Union



Members of SACCs regularly review their accounts (Ankober)

### 3.4 Enhancing Access to Quality Basic Services

As a result of the country's overall development, there are improvements in the responsiveness of the public sector to the needs of people. However, there is still huge gap between demand and supply in accessing basic services. Moreover, little attention is given to organize and empower people so that they collectively act towards meeting their basic needs and manage service schemes. AAE's focus is to enable people living in poverty to access basic services on one hand and to support and influence the public sector to respond to peoples' needs on the other.

**Priority/Change Promise 6:-** People living in poverty mobilized and organized in groups/CBOs and networks and secured access to basic public services

### Major Achievements

- Supported GO-CSO dialogue forums at regional and national level on the creation of conducive working environment to CSOs in enabling people to access their needs and promote constructive relationship between the government and CSOs.
  - Organized experience sharing sessions to women who are leading large water projects
  - Expanded the community radio program and 81 additional radio listener groups were organized and trained on community radio listening skills and systems of drawing actions plans.
  - Mobilized communities to access 31 new water projects (shallow wells, hand dug wells, springs) together with water distribution systems that enabled availing potable water access to 34,083 people
  - Water committees and associations were organized and trained on community scheme leadership and management across the 31 newly constructed schemes
  - Refresher training organized to 111 water committees members of existing schemes
  - 11 old water schemes were maintained
  - A health post was constructed in one DA
  - Training organized to 78 CBAP circle members on positive living skills
  - Members of 10 PLWHIA received training and seed money so that they engage in educating the public and improve their livelihoods of their members
- Generally, the country program is proud of its achievements in the year despite internal and external challenges it has faced. The annual performance was encouraging in light of the plan and we have laid foundations for rolling out our CSP.



CBAP Circle members at a regular meeting( Addis Ababa)



Newly constructed health post, (Dersge, Janamora)



*"We have accumulated knowledge and experiences which we can share even beyond visitors brought to us by ActionAid. We aspire to be practical partners with the government and other development players in the move to enhance women leadership in managing water projects. We want the practice scaled up to other parts of the country. The process has empowered us and enhanced our recognition at household and community level."*

*Semira Assefa, (DAWWDA Coordination Office Manager)*



Attempts made to realize aspirations we made across the six change promises have helped people living in poverty to improve their livelihoods, enabled creation of their agencies (organizations) and empowered them to be proactive to strive towards meeting their needs and aspirations.

## 4. Human Resource and Organizational Development

The way how we organized ourselves and responded to organizational demands have contributed much to the success of program achievements. Works we have done in human resources and organizational development, fund raising and fund management as well as applying internal control systems have also gone well during the year.

The year was marked by the development of AAE's fourth Country Strategic Plan (CSP IV). Though crafting the strategy and particularly undertaking organizational review in order to feed into CSP IV started in 2011, the organizational development strategy that is aligned with the new country strategy was developed in 2012. Core achievements of our organizational development are highlighted below.

### 4.1 Enhancing the competence, commitment and motivation of staff

Value and competence based recruitments and inductions were undertaken to fill vacant positions as well as internalize organizational principles and processes. Endeavors were made to support staff in their postgraduate and undergraduate studies besides offering short term and tailor-made trainings and workshops.

### 4.2 Strengthening AAE's organizational gender sensitivity/responsiveness

A survey was conducted to assess the level of organizational gender sensitivity and a Women Forum was established with the aim of supporting creation of better working environment for women staff. Women leadership development training was organized for 24 female staff.

### 4.3 Staff training and development

Nature of the program		Participants		Remark
		Female	Male	
Long term	International	3	7	ACCA, MA
	Local	0	3	Undergraduate study through distant education & extension
Short term	International	0	0	
	Local	25	10	Leadership Development, M &E

### 4.4 Human resource statistics

The overall staff size remained stable with slight increase in the total head count from 118 in December 2011 to 125 in December 2012. During the year, 23 new staff (of which 56.5% female) were recruited through a rigorous process. On the other hand, 19 staff (of which 26% female) have left the organization. The turnover rate was 15% which is higher than in 2011 which was 13.5%. Through internal recruitment process, 3 staff (all male) were provided higher promotion opportunities and 4 interns (all female) were offered permanent employment with AAE.

### 4.5 Recruitment and staff movement

New recruitment				Promotion		Transfer		Secondment		Resignation	
Regular		Contract		Male	Female	Male	Female	Male	Female	Male	Female
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2	7	8	6	3	0	1	1	2	1	14	5
	77.7%		42.8%	100%	0%	50%	50%	66.7	33.3%	74%	26%

### 4.5 Staff turn over

Turnover and reasons for leaving			
Leavers	Male	Female	Total
Resignation	13	5	18
Termination	1	0	1
<b>Total</b>	<b>14</b>	<b>5</b>	<b>19</b>
Reasons for resignations			
Family & location	1	1	2
Better job opportunity	12	3	14
other	1	1	2

## 5. Fundraising and sponsorship

### Sponsorship

The unrelenting financial crisis that continued in 2012 in Euro zone had direct bearing on the country program's Regular Giving Income. In efforts to maintain resource in light of the challenging context, we have accomplished major activities in areas of increasing accountability both to supporters and the community by producing and delivering of various sponsorship communications.

In the year, the Sponsorship Unit serviced 21,455 supporters of four Funding affiliates (Greece, Italy, Spain and the United Kingdom). Accordingly, Two rounds Child Messages, Photo Updates, Community Newsletter, Progress Reports as well as Next Step/IPP/ reports were produced. Onsite support was given to selected DAs in organizing facilitators trainings and message collectors as well as DA staff on sponsorship deliverables. The Unit facilitated the collection of 400 new profile for Saba Boru DA as well as a minimum 100 profiles for replacement from all the 14 sponsorship funded DAs.

With an objective of providing opportunities for supporters to experience firsthand impression on the impact of development programs and the poverty level where sponsored children live, a visit is facilitated to more than 40 supporters from Greece to Azernet DA.



AAE has successfully hosted the Sponsorship Annual Meeting (SAM) in Addis Ababa in November 2012 which brought together more than 70 Child Sponsorship and Supporter Care staff from across all the ActionAid Federation. The meeting also served in building capacity of staff in delivering quality sponsorship products. In connection with the event, a visit was organized to Ankober DA and Women in Self Employment, a partner organization for SAM participants.

The overall status of supporters link (both Child linked and Non-child linked) at the beginning of the year was 23,290 and this was decreased to 21,473 (1,817 or by 7.8 %) at the end of the year. The aggregate drop out (withdrawal) of supporters was 2,484 (10.6%) and 636 new sponsors were recruited during the year.

### Partnership income

The Fund Raising Department aims and strives to satisfy the growing funding demand of the organization by way of soliciting funds from both institutional as well as high value major donors.

**Management of on-going Donor Projects:** The country programme has been managing a total of 21 active projects in the year that are funded by different donors. But as of end of the year, five projects (Decha Balearic; Kombolcha WATSAN, Ofla Beekeeping Cooperatives, UN- Trust Fund and IFSN) were fully completed. The remaining 16 projects were active and carried over to year 2013. In addition to these, there are 4 new projects to be operational in 2013 making the total number of projects to 20.

**Income Flow of Donor Funded Projects:** It was planned to raise a total of £515K in the year from institutional and high value donors. The CP however raised £1,422K; equivalent to Birr 36,799,233 from different donors mainly from Italy and UK which were not part of the confirmed income plan. The stated amount of money was solicited from the following donors: Pharo Foundation, Corti Foundation-Italy, Carpilo Foundation & Lombardia Region-Italy, Let combe Trust, Band Aid Charitable Trust, UNTF, Catalan Gov't-Spain, Balearic gov't-Spain, MonMouth Aid, Marsilieti -individual donor-Italy, Nick & Sophi Marple - Individual donor-UK, and One World Action.

**Fundraising & Marketing Activities:** During the year, 21 proposals and 10 Concept Notes were developed and submitted to different donors. In the year, AAE has confirmed income for 18 new projects that will be implemented during the year 2013 and beyond. The total contract value of the projects including local contribution as matching fund and affiliates levy accounts to Birr 47,194,551; equivalent to £1,842,906 calculated at a rate of 1 GBP = 26 Birr. However, the total net transfer to the 18 projects is Birr 42,478,444; equivalent to £1,633,780 while local contribution to the projects is Birr 1,978,089; equivalent to GBP 76,080.

## 6. Communications in 2012

The communications unit is entrusted with the responsibility to gather, process and disseminates information on AAE's works both for internal and external audiences to keep AAE's positive image, inform communities and influence policy decision makers at various levels. By doing so, Communications is expected to play active role towards meeting our mission and organizational objectives.

Our audiences include the public at large, government bodies at different levels, supporter/donors and other development players. A mix of media including the digital media, mass media outlets like radio, newspapers and television as well as internal media such as newsletters, monthly updates, hive and the website were used to convey messages and achievements.

Key deliveries of the Communications Unit during the year consisted of; the facilitation of Setoch Simeru (Women Leading), a weekly radio program that highlights impacts of AAE's works on enhancing women leadership potentials, preparation and publishing of monthly updates, bi-annual newsletter, calendar, posters and fliers as well as updating website and Hive contents. A media visit was made to Kombolcha DA which led to robust media dissemination of AAE's works through women watch groups, achievements in irrigation projects and development of cooperatives as well as AAE's education engagements in the area.

The unit has also been sharing AAE's change stories to the AAI communications, facilitated sharing of the organization's core achievements at the National NGOs Good Practice Day exhibition and contributed articles for PANE publications.

## 7. Impact Assessment and Shared Learning

Apart from the regular planning, PRRP and reporting processes, the key components in the plan of IASL unit included development of the new Country Strategic Plan, coordinate the undertaking of Peer Review and develop DA strategic plans and facilitating staff training on HRBA and M&E.

### Major Achievements

- Coordinated the undertaking of peer review to the country programme organized by AAI .
- Organized consultation workshop to staff and partners on the findings of the external review, peer review, context mapping and stakeholders' survey and organizational development review. The objective of this workshop was to validate findings of the studies and crafting the new CSP.
- Based on the inputs from various studies and reviews as well as staffs and partners reflection, the new CSP was developed successfully.
- Peer review was conducted across 11 DAs.
- Coordinated and supported 11 DAs to develop three years strategy.
- Organized staff training on HRBA and M&E in which 85 staff took part.

IASL unit has also been managing the Program Partnership Arrangement (PPA) financed by DFID. AAE is one of the five countries obtaining £70K annually since April 2011 for organizational development purposes. Based on the agreement between AAUK and DFID, midterm external evaluation was conducted to the program which the IASL staff have facilitated. Subsequent to the recommendations of the external evaluation, the IASL unit participated in the review of the global Logical Framework development process.



AAE and Partners' Staffs Workshop on CSPIV Development process

## 8. Financial Management

### 8.1 Income and expenditure

#### A. Income

The CP realized a total income of £4,560K against the planned £3,815K and forecast of £4,171K. In general terms the raised income during the year is better than what was raised in the previous two years.

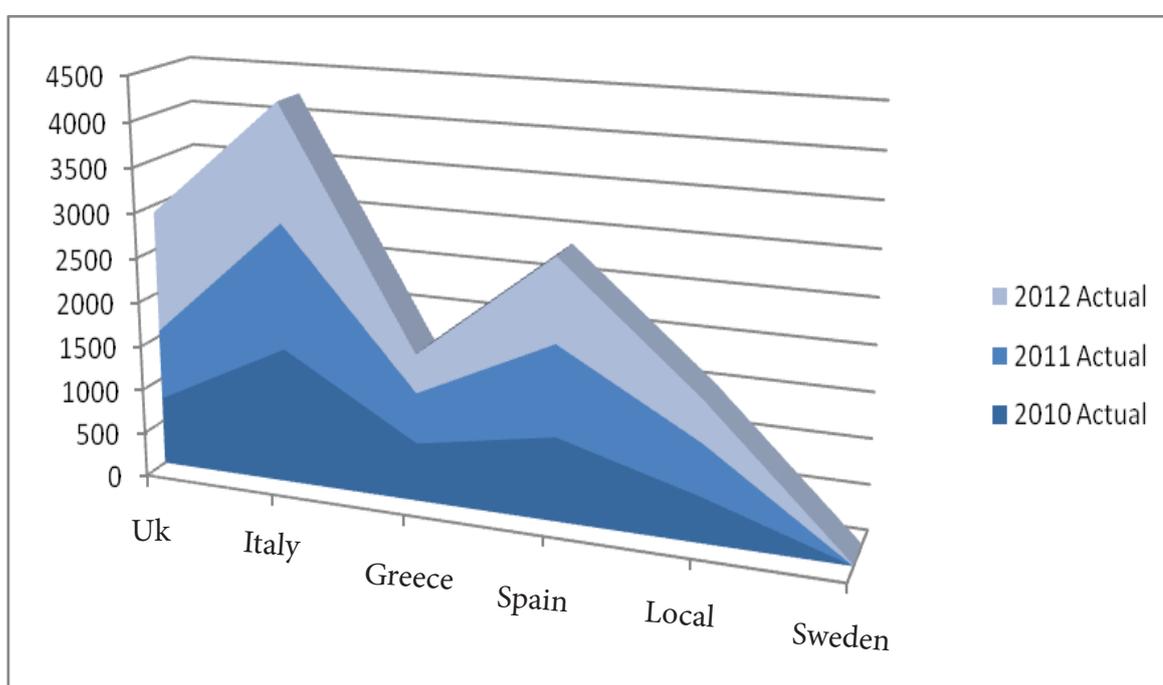
INCOME	2012			2011	2010	2012 Variance		2011	2010
	Actual	Plan	Forecast	Actual	Actual	Plan	Forecast	Growth	Growth
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(%)	(%)
Regular Giving	3,138	3,388	3,053	3,589	3,714	-250	85	-13%	-16%
Partnership, Official	800	351	390	516	177	449	410	55%	352%
Partnership, Other	622	76	728	71	216	546	-106	776%	188%
Other				165	308	0	0	-100%	-100%
<b>Income-TOTAL</b>	<b>4,560</b>	<b>3,815</b>	<b>4,171</b>	<b>4,341</b>	<b>4,415</b>	<b>745</b>	<b>389</b>	<b>5%</b>	<b>3%</b>

The realized regular giving income was lower than the plan and achievements of preceding two years. The regular giving income declined by GBP 250K or 7.4%. This has been worsened when compared to the prior two years representing 16% and 13% decline from the years 2010 and 2011 respectively. Child Sponsorship Income constituted about 67% of the total regular giving income raised in the year. The aggregate child sponsorship income decreased by 28% compared to the previous year's income of same product. The income from all Affiliates has been decreasing fast. Other Regular Income consists of NS, BS and IPP. The NS income and IPP income decreased by 5% and 7% respectively, while BS income increased by 4% in 2012.

The CP raised £1,422k Partnership Income against a plan of £427K and forecast of £1.118k. The actual achievement is 233% and 27% against plan and forecast respectively. This attainment is mainly due to the incomerealized from institutional donors such as Catalan Government and the Pharo Foundation. Of the total partnership income, £374k (26%) was raised locally. This figure increased to 34% of the partnership income if the collectible income from IFSN and UN Women are included.

## Income by funding source

	UK	ITALY	GREECE	SPAIN	LOCAL	Sweden
2010 Actual	769	1523	650	931	501	
2011 Actual	790	1407	564	1006	573	



About 59% of the total raised income in 2012 was raised by AAUK and AA Italy followed by Spain in order of amount. The trend also depicts that income from all affiliates but UK is dropping at a significant rate. Especially the income proportion from AA Italy has been declining consistently from 35% in 2010, to 33% in 2011 and it has further dropped to 29% in 2012.

## B. Expenditure

The CP spent £4,683k against the planned £4,723k and the forecast of £5,363k. The achievement was over 99% and 87% compared to plan and forecast respectively. The CP's spending in the year is 9% more than that of the previous year (£4,289 k).

## Natural Costs Classification

EXPENDITURE BY: NATURAL CLASSIFICATION	2012			2011	2010	2012 Variance		2011
	Actual	Plan	Forecast	Actual	Actual	Plan	Forecast	Growth
				(£'000)	(£'000)	(£'000)	(£'000)	(%)
Grants and Community Inputs	3,375	3,242	3,939	2,963	2,382	133	-564	14%
Staff Costs	780	867	770	729	816	-87	10	7%
Travel	297	247	223	343	313	50	74	-13%
Office & Service	231	367	431	211	212	-136	-200	9%
Capital Expenditure				43	25	0	0	-100%
<b>Expenditure Total</b>	<b>4,683</b>	<b>4,723</b>	<b>5,363</b>	<b>4,289</b>	<b>3,748</b>	<b>-40</b>	<b>-680</b>	<b>9%</b>
<i>As a percentage of Total Exp</i>								
<i>Grants and Comm. Inputs</i>	72%	69%	73%	69%	64%			
<i>Staff Costs</i>	17%	18%	14%	17%	22%			
<i>Travel</i>	6%	5%	4%	8%	8%			
<i>Office &amp; Service</i>	5%	8%	8%	5%	6%			
<i>Capital Expenditure</i>				1%	1%			
<i>Expenditure Total</i>	100%	100%	100%	100%	100%			

Regarding the actual spending, the CP achieved more than 99% of its plan. This high achievement is attributed to;

- Better spending by almost all DAs and the close follow up and monitoring made from the center.
- Some DAs were able to absorb additional budget allocated from the reserves during the 2nd half of the year.

The project costs increased by 12% compared to the previous year, while the support and fundraising costs decreased by 7% and 23% respectively. The achievement of the project costs against plan was 103% while the accomplishment of support costs against plan was 80.5%.

## Statutory & Thematic Costs Analysis

EXPENDITURE BY: STATUTORY & THEME	2012		2011	2010	2012 Variance	2010
	Actual	Plan	Actual	Actual	Plan	Growth
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(%)
Education	765	742	1,091	865	23	-30%
HIV/AIDS	827	769	1,163	757	58	-29%
Food & Hunger	1413	1275	946	754	138	49%
Women's Rights	511	577	251	358	-66	104%
Cross Cutting	569	589	202	239	-20	182%
Other	99	129	75	92	-30	32%
<b>Projects Costs Total</b>	<b>4184</b>	<b>4081</b>	<b>3,728</b>	<b>3,065</b>	<b>103</b>	<b>112%</b>
Support	322	400	346	374	-78	-7%
Governance	31	38	27	23	-7	15%
Fundraising	145	203	188	203	-58	-23%
<b>Expenditure Total</b>	<b>4682</b>	<b>4722</b>	<b>4289</b>	<b>3665</b>	<b>-40</b>	<b>9%</b>
<b>As a percentage of Total Exp</b>						
<i>Projects Costs Total</i>	89%	86%	87%	84%		
<i>Support</i>	7%	8%	8%	10%		
<i>Governance</i>	1%	1%	1%	1%		
<i>Fundraising</i>	3%	4%	4%	5%		
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

The CP continued to maintain sound cost ratio between project, support and fundraising. The project cost ratio increased from 87% last year to 89% in 2012 while the support cost ratio decreased from 8% to 7% and fund raising from 4% to 3% as compared to 2011.

Food Security and Emergency Response theme took the lion's share of the spending in the year followed by Primary Healthcare & HIV/AIDS and Education respectively while Women Development was the least. Explicitly, expenditure on food security was 34% followed by HIV/AIDS, 20%. The rest 18% and 16% went to Education and Women development. Spending on Food Security and Primary Healthcare and HIV/AIDS were over due to additional resource allocated from national reserve.

## 9. Internal Audit

The Internal Audit Unit is responsible to provide assurance and consulting services which are designed to add value and improve the organization's operations. On the basis of the risk based audit plan, the Unit has carried out internal audit visits to five AAE managed DAs, two head office departments, one regional office, two local partners that manage DAs, one local long term partner and three donor funded projects. It has also reviewed financial records of about 70 short-term partner organizations either directly by visiting them or by reviewing records maintained at respective DA, Zone and Woreda Finance and Economic Development Offices. The Unit also carried out two unplanned internal audit engagements as per requests made by AAE management and the AA International Auditors. Draft audit reports were issued to concerned auditee and the AAE management. Final reports were issued after incorporating management responses.

The overall performance indicated that the Unit's annual achievement is 80 % as compared to the plan targets. However, with regard to short term partner organizations audit, it has covered about 132 % compared to the plan. Besides the planned audit exercises, the Audit Unit carried out an investigation audit in one of the AAE managed DAs. Moreover, the Unit assisted AAE leadership in the risk management process by reviewing risk registers of each DA and department and preparing the consolidated risk register of the Country Program.

## 10. Challenges and Key Lessons

### Challenges

- Capacity limitation of local partners and stakeholders which hindered the program implementation process
- Inflation and its implications on project costs
- Problems to get competent contractors for construction works
- Staff turn over
- Maintaining the 70:30 program vs administration cost ratio requirement of the government especially in remote program areas

### Lessons

- There is a need of developing a realistic plan that has considered the context and capacity of players
- Maintaining periodic review of the progress against the action plan and taking timely actions enhanced implementation efficiency
- Given the opportunity, communities have the capacity and knowledge to contribute to their development

# Case Story One

‘Service delivery as a means to empower women’



*Hadra Mamecha is proud being a chairperson of VLWWDA*

“Water is life” reads a quote hanging on the wall of Vicky Lera Women Water Development Association (VLWWDA). The Association is a non-profit making institution established in February 2010 to manage the clean water supply scheme in West Azernet Berbere district. The Association has its own General Assembly comprised of 147 women members and a board composed of 16 women that oversee the overall management of the association and meets every fortnight.

Hadra Mamecha, 39, is the chairperson of the Vicky Lera Women Water Development Association. The association has enabled the community and women in particular to address their pressing basic needs.

Peoples’ access to potable water has been a challenge for long and women and girls had been subjected to various forms of hardships. Hadra, describes the challenges women had and the success story. ‘Previously, there was high shortage of clean water and as a result children were victims of water-borne diseases and girls were unable to go to school on time because they have to walk long and in some cases wait for 6 hours to fetch water. During long walks, girls are subjected to various forms of violence. The Vicky Water Project has addressed our age old problem. As a result of discussions on women’s multifaceted challenges and possibilities of getting out, women have long been demanding the local government. Upon securing the project, women committed themselves, participated in the realization of the project and established the association’.

‘The water project and establishment of the association had multiple benefits: 26,774 people secured access to clean water, people are relieved from water borne diseases, women and girls no longer walk long distance to fetch water, women have got spare time to engage in other productive works and girls are able to go to school on time and they are also protected from gender based violence they used to encounter’.

Recalling to the other benefit women acquired, Hadra added; 'Besides addressing our urgent needs, the association has created opportunity for women to exercise their leadership potentials. This big project is totally managed by women and we have proved to the community and the government that women are capable of shouldering big assignments with good quality. Because of women's demonstrated capability, women's acceptance at household and community level has improved significantly. Out of the 16 board members, 4 are elected as district council members and one woman is member of zonal council. These women have demonstrated their influence in voicing the interests of their members to concerned institutions and government officials during regular meetings as well as using other opportunities.

She further said 'the overwhelming success I recognize is seeing my community believing in the capacities and potentials of women for leadership and the change in attitude towards gender equality. Now, most of the community members believed that the opportunity given for women to manage the project was a right choice and they have built confidence on us.'

This year, ActionAid has brought together leaders of selected women water development associations from across the country into a common platform so that they share experiences and lay grounds for future solidarity work. Referring to the joint forum, Hadra said, 'it has enabled me and my colleagues to learn a lot on how similar associations can work together for collective action and lobby and influence the government to respond to the interest of women'.

## Case Story Two

'Icon of women lead the community towards sustainable living'



Birhan ('light') Women Saving and Credit Cooperatives Union is one of the community based organizations the Yem DA has initiated. The union was established to lead and p[romote women's economic empowerment. The Union was established in 2009 bringing together nine primary saving and credit cooperatives.

Dinknesh Alemu, 38 is a mother of 6 children (3 daughters and 3 sons). She is the chairperson of the Birhan Saving and Credit Cooperatives Union board. As a

live testimony, Dinknesh has a lot to say about their institution. 'We didn't imagine creating such large organization when few poor women started saving few money from their

meager income years back. As many women exercise subsistence life where it is difficult to feed the family, people from ActionAid educated women on mechanisms on how to come out of the abject poverty women encounter. As a result, women were able to own savings culture and established basic saving and credit cooperatives. The income of many women slowly increased and they are able to support their families as a result of savings and the credit service they accessed through the cooperatives’.

When basic saving and credit cooperatives realized the power they could assume if they come together, members have shown interest to form next level collective. Accordingly, the Birhan Union was established pulling together the resources of primary saving and credit cooperatives. Dinknesh started serving the Union at the capacity of secretary and later the assembly nominated Dinknesh to assume the chairperson position. Dinknesh says, ‘sometimes, it becomes very hard to believe that we own such large Union because in our society, women were not given the chance even to control small household assets leave alone controlling. As one can understand, the Union formed to solve problems primary cooperatives could not on their own. Togetherness is power in promoting collective voice as well as enhancing the fund base. The Union has also brought an added value to women’s leadership potentials.

Dinknesh states that the formation of the Union has brought immense economic and social benefit to women. Before the establishment of the union, the primary cooperatives were not that much visible to the community. She cited the increased confidence of members to take loans for feasible businesses and the increased rate of loan repayment. Moreover, hurdles created in withdrawing and depositing savings from banks that were found at distant location, attraction of establishment of new primary cooperatives from nine to twenty six, creation of the opportunity for women to practically demonstrate their leadership and managerial capacity as instances of the benefits secured from coming together under the Union. She added that the union has magnified the visibility of women in the district and increased the solidarity of women living in the different corner of the district. According to her, women members of the union are the first choice to be nominated and represented by community based organization, government administration structures, and district level council which were unthinkable in the past. Dinknesh herself is a member of the district government’s council, chairperson of kebele level women association and smaller community based organizations. Dinknesh promised to increase number of member cooperatives in the coming three years.

Lastly she said, ‘besides the livelihood promotion we secured as a result of the saving and credit cooperatives, women’s recognition has truly improved at household and community level.’



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