

**JOINT FINANCING ARRANGEMENT BETWEEN THE  
FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA AND  
DEVELOPMENT PARTNERS ON SUPPORT TO THE  
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE  
FUND**

JULY 2015

The SDG Performance Fund is pooled funding mechanism managed by the FMOH using the Government of Ethiopia procedures. In the framework of the Ethiopia IHP compact, it provides complementary resources, consistent with the '*one plan, one budget and one report*' concept, to secure additional finance to the Health Sector Transformation Plan. It is one of the GoE's preferred modalities for scaling up Development Partners assistance in support of HSTP.

## Preamble

The Federal Democratic Republic of Ethiopia, represented by the Federal Ministry of Health and Ministry of Finance and Economic Development, and the undersigned Development Partners, have reached the following common understanding to advance their shared objective of accelerated implementation of the Health Sector Transformation Plan (HSTP) to speed up progress towards the health Sustainable Development Goals in Ethiopia, within the framework of the International Health Partnership

**International Health Partnership (IHP)**, refers to the global compact signed in London on 5<sup>th</sup> September 2007 as the international commitment toward improved aid effectiveness in the health sector. It refers, specifically, to the Ethiopia country compact signed in Addis Ababa on 26<sup>th</sup> August 2008, setting out the framework for increased and more effective aid, and accelerated actions toward the achievement of the health sector development goals.

**Sustainable Development Goals Performance Fund (SDG PF)**, is a pooled funding mechanism managed by the FMOH using Government's procedures, which provides specific federal grants for underfunded priorities areas within the framework of HSTP. It is one of the GoE's preferred modalities for scaling up Development Partners' assistance in support of the HSTP.

**Joint Financing Arrangement (JFA)**, refers to this arrangement that sets out the jointly agreed terms and procedures for SDG Performance Fund management, including planning, financial management, governance framework and decision-making, reporting, review and evaluation, audit and supply chain management.

## 1. Definitions:

- I. **“ARM”** refers to the Annual Review Meeting which serves as the vehicle for joint annual oversight, guidance and decision-making around HSTP.
- II. **“Disbursement”** means the payments made by the Signatory DPs to the Fund.
- III. **“DPs”** refers to the Development Partners, who are bilateral and multilateral institutions which support HSTP.
- IV. **“Expenditures”** are those eligible costs which are incurred by the FMOH and other implementing agencies and charged to the Fund.
- V. **“FMOH”** refers to the Federal Ministry of Health of the Federal Democratic Republic of Ethiopia
- VI. **“GoE”** refers to the Government of the Federal Democratic Republic of Ethiopia.
- VII. **“GTP”** refers to the Growth and Transformation Plan, which is the national five year plan developed by the country to serve the period 2015/16 to 2019/20
- VIII. **“HCFS”** refers to Health Care Financing Strategy
- IX. **“HHM”** refers to the Sector Harmonisation Manual which sets out a basic set of planning and implementation procedures, activities and governing bodies, to guide the engagement of all Development Partners in the health sector. It defines the concept of ‘one plan, one budget and one report’.
- X. **“HPN”** refers to the Health Population and Nutrition development partners group
- XI. **“HSTP”** refers to the Health Sector Transformation Plan which provides a comprehensive national plan and guiding framework for the health sector.
- XII. **“IFMIS”** refers to **Integrated** Financial Management Information System
- XIII. **“JCCC”** refers to the Joint Core Coordinating Committee which acts as a technical arm of the Joint Consultative Forum (JCF).
- XIV. **“JCF”** refers to the FMOH / Health Population and Nutrition (HPN) DPs Joint Consultative Forum which serves as a highest sector joint governance structure for dialogue between FMOH and DPs.
- XV. **“JRM”** refers to the Joint Review Mission of government and DPs that is carried out every year before the ARM to validate the HSTP annual

performance report. JRM presents the opportunity to include independent reviewers for any required external review and validation process.

- XVI. **“MOFED”** refers to the Ministry of Finance and Economic Development of the Government of the Federal Democratic Republic of Ethiopia
- XVII. **“OFAG”** refers to the Office of the Federal Auditor General
- XVIII. **“PFSA”**, Pharmaceutical Fund and Supply Agency, is the Health Sector procurement agency, in charge of procurement and distribution of health commodities to public health facilities. PFSA is one of the agencies governed by its own Board of Directors and accountable to the FMOH.
- XIX. **“PPA”**, Public Procurement Agency, is the institution that oversees all public procurement processes. PPA is accountable to MOFED.
- XX. **“Signatories”** refers to the GoE represented by FMOH, MOFED and those Development Partners who sign the present JFA and contributes funds into the pool Fund according to this JFA and /or bilateral financial agreements

## 2. General Provisions

- 2.1. Signatories are committed to the principles of aid effectiveness and to enhancing ownership, alignment, harmonisation, results orientation and mutual accountability in their support to the Ethiopian health sector. The partnership framework is founded on the commitment to adhere to '*one plan, one budget, one report*'.
- 2.2. Key agreements, mechanisms and strategies include: the Growth and Transformation Plan (GTP); the Health Sector Transformation Plan (HSTP); the Sector Harmonization Manual (HHM); the Code of Conduct to Promote Harmonization in the Health Sector of Ethiopia and the International Health Partnership (IHP) Country Compact signed between GoE and Development Partners (DPs).
- 2.3. The signatories recognise the benefits that their mutual commitment can bring. All sides are committed to doing their part in supporting effective implementation. Signatory DPs will strive for the highest possible degree of alignment with the budgetary and accountability system and legislation of the FMOH in the provision of financial resources, as well as supporting HSTP priorities, including the focus to improve the Primary Health Care units. FMOH will continue to strengthen sector capacity, including human resources, financial management and supply chain management, health management information systems and health technologies.
- 2.4. The SDG Performance Fund Joint Financing Arrangement (JFA) represents a common understanding between the GoE and Signatory DPs and is not an international treaty, nor is it intended to be legally enforceable. It is adopted pursuant to and subject to bilateral agreements between the GoE and the Signatory DPs for the purpose of contributing to the financing of the HSTP. The Signatory DPs will endeavour to ensure that their bilateral agreements will be as far as is possible consistent with the JFA.
- 2.5. The signatories agree that respect for human rights, democratic principles, the rule of law and good governance, including the fight against corruption, are fundamental principles on which the co-operation between the Signatories rest and which constitute essential elements of this JFA. To minimize adverse social and environmental impacts resulting from construction of health infrastructure and medical waste including displacement of citizens and/or loss of access to resources due to construction of health infrastructure, early screening and consultation with the affected community will be undertaken to prepare and implement site-level mitigation.

### **3. Scope of the SDG Performance Fund**

- 3.1. The SDG Performance Fund is a pooled fund that is managed by FMOH using GoE procedures. It provides complementary resources, consistent with the one plan and one budget concept, to provide additional finance to under-funded areas of the HSTP. As stated in the country IHP Compact, the SDG Performance Fund is one of the GoE's preferred modalities (the others being sector budget support and the block grant). DPs channelling resources to the sector through the sector budget support can also be signatory to the JFA.
- 3.2. Eligible expenditures are defined as support to priority areas<sup>1</sup> under the HSTP framework upholding the principles of equity and quality. The details will be agreed annually at the Joint Consultative Forum in June of each year within wider sector planning discussions between FMOH and DPs. Signatories agree that government wage costs (at either Federal or sub-national levels) will not be deemed as eligible expenditures for the SDG Performance Fund.
- 3.3. Consistent with the mandate of FMOH, as stated in proclamation 471/2005, the majority of financial expenditure under the SDG Performance Fund will be made at Federal levels, with goods and services transferred in-kind to sub-national levels according to need and disease burden and in line with Article 3.1.

### **4. Responsibilities of the FMOH**

- 4.1. The FMOH, representing the GoE, carries overall responsibility and accountability for the performance of the health sector as a whole, including the SDG Performance Fund, ensuring that all activities undertaken within the sector contribute to HSTP goals and priorities. Responsibilities include:
  - a. Ensure that strategic plans contain clear objectives and targets; that the measures required to achieve the targets are evidence-based and are fully costed; that the objectives and targets can realistically be achieved taking into account implementation capacity and projections of the available resource envelope; that the HSTP is consistent with the GTP II, that it is the outcome of a consultative process involving DPs, and that there is a clear annual results framework under the HSTP for monitoring and evaluation.
  - b. Fund the health sector in accordance with the HSTP financing scenarios and increase the domestic allocation to the health sector over time including through political support to increase allocations to health by the regions and woredas. In order to bring the intended impact of this fund, FMOH with MOFED will increase the domestic allocation to the health sector over time, in line with the Health Care Financing Strategy (HCFS) and global financing architecture.

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<sup>1</sup> Which may include drugs to be used within the Revolving Drug Fund

- c. Ensure any goods, services or funds transferred to sub-national levels are done predictably in accordance with the procedures and regulations of the GoE. The FMOH will ensure that the Joint Steering Committee (JSC) will be involved in the core and comprehensive planning processes and in the overall resources allocations to various sector priorities including the resources from Development Partners such as SDG Performance Fund.
- d. Ensure adequate capacity to manage sector planning, coordination, governance and enhanced aid flows to implement and manage the SDG Performance Fund.
- e. Ensure effective implementation of the information management system for financial and technical programmes reporting, joint monitoring and evaluation system.
- f. Each year develop and consult with development partners and other stakeholders during development of final core and comprehensive planning stages including procurement and technical assistance plans, revisions to plans and sector strategies through the health sector joint governance mechanisms.
- g. Provide leadership in ensuring the principles of “One Plan, One Budget and One Report” are understood and adhered to by stakeholders at all levels of the health system.
- h. Implement the SDG Performance Fund budget in a manner consistent with the agreed allocations, within the overall federal budget for the health sector, agreeing in advance with the Signatory DPs on major envisaged changes to budget allocations during the financial year.
- i. Keep financial records of SDG Performance Fund operations in line with GoE budgetary laws and procedures, and continue to improve the quality of public financial management and procurement systems at both central and sub-national levels.
- j. Conduct internal audits in respect of SDG Performance Fund operations and the reports will be sent to the Minister of Health within 30 days of completion of the audit report. Ensure an annual process of independent external audit of the SDG Performance Fund (including procurement post review, management and financial audit).
- k. Implement the measures agreed in Action Plan developed following the annual external financial audit and report on implementation progress every six months at the Joint Consultative Forum (JCF).
- l. Immediately inform signatories of any circumstance (including theft or misuse of funds) that may interfere or threaten to interfere with the successful implementation of the SDG Performance Fund and, with a view to resolve the issue, call for a meeting of the JCF to consult with signatories on remedial actions to be taken.
- m. Ensure all goods and services procured through the SDG Performance Fund are exempted from Value Added Tax (VAT) or other taxation.

## **5. Responsibilities of MOFED**

- 5.1. Participate in the sector planning process and provide inputs with an overview of the different sources of funding to the sector;
- 5.2. Provide overall guidance on the implementation of Integrated Financial Management Information System (IFMIS) and follow-up of financial and procurement audits of the Fund
- 5.3. Strengthen the linkage and reporting system between Channel 2 coordination unit at MOFED and the SDG Performance Fund (FMOH)
- 5.4. Work jointly with FMOH to increase domestic financing/allocation to the health sector – in line with HCFS (innovative financing)
- 5.5. Actively participate in JCF; lead at least a session in a year focusing on Performance Fund and broader issues

## **6. Responsibilities of the Signatory DPs**

- 6.1. The Signatory DPs commit to providing resources to the SDG Performance Fund or the Sector Budget Support in line with principles of aid effectiveness, the commitments of the IHP Compact and the procedures set out in this JFA. These include:
  - a. Align with the '*one plan, one budget, one report*' framework by using collectively agreed country-led arrangements for planning, execution and reporting. Use a common mechanism for any annual process of validation of the sector plan.
  - b. Signatory DPs supporting the fund through result based financing mechanism will align amongst themselves to the best level in the selection of disbursement triggers and validation process.
  - c. The Signatory DPs and FMOH will agree on activities to be financed by the SDG Performance Fund resources at the beginning of each planning year.
  - d. Enhance predictability of DPs' funding by providing information on commitments (on a three-year time-frame to the extent possible) and disbursements to the SDG Performance Fund and the health sector as a whole. The Annual Calendar of Events (Annex A) sets out the timing of the provision of such information.
  - e. Coordinate activities in line with the agreed budget calendar, keeping bilateral missions, analytical processes and engagement to a minimum and not attempting to influence budgets outside collective fora.
  - f. Strive towards increasing Development Assistance for the Health Sector and an increasing share of this to be according to the '*one plan, one budget and one report*' framework – including the use of GoE preferred financing modalities.
  - g. Provide information on harmonisation and alignment to allow for monitoring of progress (in line with Section VI of the IHP Compact).

- h. Agree to Government systems being used to procure, disburse, implement report, audit and monitor their assistance put in SDG Performance Fund.

## 7. Institutional arrangements and decision making

- 7.1. The framework for the dialogue, governance and decision-making of the SDG Performance Fund is provided by the existing health sector coordination framework which consists of a two tier collaborative governance system made up of the JCF and the JCCC. The institutional arrangements for the SDG Performance Fund will be integrated within overarching sector planning and coordination structures.
- 7.2. The division of responsibilities between different joint governance structures is described below. The various bodies will meet in line with the annual calendar of events and the provisions of this JFA. Key functions and events include:
  - a. **JCF:** the JCF will have oversight over SDG Performance Fund-related issues as part of review of the of quarterly sector results reporting, oversight of the JRM as an Independent Monitoring and validating Mechanism (IMM), handling of dispute resolution, non-compliance, DP accession and withdrawal. It will also provide the forum for exchange of views between GoE and DPs on: sector planning, budget priorities for the SDG Performance Fund and DP resource flow. (Annex D, JCF TOR)
  - b. The JCF will further constitute two planning/review meetings to discuss DP commitment and disbursement information, sector progress and the draft sector annual plan in June and September of each year (as per the Calendar of Events at Annex A). The Health Sector Annual Review Meeting (ARM) will remain the forum for broad policy dialogue.
  - c. **JCCC:** The JCCC will be the coordinating body responsible for joint oversight of health sector operational issues: review of Quarterly Financial and Activity Reporting, discussion of SDG Performance Fund Procurement Plans & implementation of the annual procurement systems capacity building plan, and other operational issues as necessary. (Annex E, JCCC TOR)
  - d. **SDG Performance Fund contributors' meetings:** the FMOH and Signatory DPs will convene a semi-annual meeting specifically focussed on the SDG Performance Fund to address strategic issues arising in the implementation of the programme. (Annex B, TOR for the SDG Performance Fund contributors' meeting)
- 7.3 Signatories recognise that, while the existing sector coordination framework is strong in principle, ongoing efforts from all sides are required to strengthen its performance in practice.
- 7.4. Signatory DPs will refrain from bilateral meetings with the GoE on the issue of the SDG Performance Fund.

7.5. In line with sector governance principles, where the JCCC is unable to resolve an issue related to SDG Performance Fund, it will be referred to the JCF for resolution.

## **8. Planning**

- 8.1. The HSTP targets, priorities and costing form the basis of the annual planning process. The existing iterative top-down and bottom-up (Woreda based planning process) will be the only sector planning process modality for the annual operational plan in the health sector. This process will be aligned to the government budgeting calendar as outlined in the Sector Harmonization Manual (HHM).
- 8.2. This Woreda Based Core Plan will be comprehensive in scope (reflecting all the major targets at Woreda, regional and national levels), and resource based (capturing as much as possible all resources coming to the sector through the various channels including the SDG Performance Fund and allowing for contingencies).
- 8.3. In addition to the Woreda based core plan, the federal level comprehensive plan including procurement and technical assistance plans will be prepared. The consolidated plan will reflect the contributions of all stakeholders and the gaps to be filled by the SDG Performance Fund. A specific plan for the SDG Performance Fund will be extracted from the comprehensive plan and will be discussed and agreed among FMOH and contributors.
- 8.4. The approval of the annual planning guidelines, priority setting, review and appraisal of draft plans, overall resource allocation among HSTP priorities, and the approval of the comprehensive annual plan will be decided after consultations between FMOH and all DPs through the joint governance structures outlined in Article 7.
- 8.5. Most of the expenditure of the SDG Performance Fund will be incurred at the federal level. When an in-kind distribution is made, the government allocation criteria and procedures will be utilised according to need and disease burden and in line with Article 3.3.

## **9. Flow of funds**

- 9.1. The FMOH will conduct its accounting, recording and reporting functions as well as all other financial management and internal control procedures in full compliance with Ethiopian governing financial legislation, related decrees, standards and guidelines as issued by MOFED.
- 9.2. The FMOH shall maintain the foreign currency account in the National Bank of Ethiopia for the SDG Performance Fund into which all signatories shall make transfers of agreed funds. For partners using Sector budget support modality, the funds shall be channelled to MOFED.

- 9.3. Signatories are encouraged to disburse according to a mutually agreed disbursement schedule (in line with the Ethiopian Fiscal Year) and fulfilment of triggers and achievement of annually agreed performance indicators
- 9.4. A quarterly SDG Performance Fund Financial and Activity Report (Annex C) for the period will be prepared within 45 days of the end of the quarter and indicate the year-to-date advances and expenditures and all remaining balances in the SDG Performance Fund account. At the end of the Ethiopian fiscal year, any unspent balances will be carried forward to the next financial year, in accordance with Article 29.2 of the Financial Administration Proclamation. They shall be used for the sole purpose of financing eligible SDG Performance Fund expenditures and will be included in subsequent quarterly reports, and taken into account in subsequent funding requests.
- 9.5. Subject to Article 9.3, disbursement to the pooled fund will be made based on fulfilment of triggers: the audit reports, status report on previous year's audit recommendations and follow-up plans to address the latest audit recommendations (in line with Article 13), SDG Performance Fund Financial and Activity Report for the third quarter of the previous Ethiopian fiscal year, together with the agreed Annual Comprehensive Plan along with documentation supporting consultation between SDG-Performance Fund DPs and the FMOH and cash flow forecast for the subsequent fiscal year.
- 9.6 In addition to fulfilment of the requirement of Article 9.5; For Signatories supporting the fund through result based financing mechanism, the disbursement will be based on achievement of annually agreed result indicators.
- 9.7. The Signatory DPs will indicate at least their future three years and the upcoming fiscal year commitments through the annual Resource Mapping exercise.
- 9.8. Any additional funds that become available between the annual planning periods will finance the agreed plan and budget without extra development of proposals.
- 9.9. If any Signatory DP fails to meet its commitment to make payments into the SDG Performance Fund, the Signatory DPs and the FMOH will consult on action needed to ensure that the programme remains fully funded.
- 9.10. Following confirmation from the National Bank of Ethiopia, FMOH will acknowledge receipt of the funds in writing to the Signatory DPs within 30 days.

## **10. Procurement**

- 10.1 All procurement using the fund will follow the procedures of Public Procurement and its supervisory Agency under Proclamation No 649/2009 the Federal public Procurement directives and the standard bidding documents issued by the federal Public Procurement Agency (PPA).
- 10.2. The FMOH will be the budget holder for the Fund and will delegate the procurement of goods to PFSA, UN agencies and other authorised institution based on their comparative advantages. FMOH will transfer advances to the procuring agency based on signed contracts between suppliers and procuring agency.
- 10.3. The FMOH (Policy Planning Directorate, the Human Resources Development Directorate and Public Health Infrastructure Directorate) will be responsible for procurement of services, consultancies and works.
- 10.4. The PFSA will be governed by a Board. It will strengthen its procurement capacity and procedures, particularly in a) financial management and accounting and b) supply chain management. An annual capacity building plan will be developed for PFSA and will be closely monitored for implementation.
- 10.5. The FMOH will, upon request, furnish the Signatory DPs with all relevant documents/information on its procurement activities, including details and copies of contracts awarded.
- 10.6. To ensure full transparency, PFSA will maintain a website and publish approved procurement plans, tender adverts, all tender documents and results of tender awards related to the SDG Performance Fund on their website

## **11. Reporting**

- 11.1. The reporting process and format will be consistent with the 'one plan, one budget and one report' framework. This will be provided in October every year in the HSTP Annual Report which will be result oriented. At least one week before the date of the ARM, the FMOH will distribute its consolidated HSTP annual performance report to DPs including the SDG Performance Fund Annual Activity and Financial report.
- 11.2. Within 45 days of the end of each quarter of the Ethiopian Fiscal Year (in November, February, May and August) the FMOH will distribute a “Financial and Activity Report” to Signatory DPs. The Report will contain information on the implementation of the Fund over the previous quarter, including financial reporting, procurement, distribution, and key process indicators.
- 11.3. SDG Performance Fund quarterly financial and activity reports will be discussed in the JCCC on a quarterly basis. Reports will be sent by the FMOH, with copies provided to MOFED, the co-chairs of the Health,

Population and Nutrition (HPN) DPs group and all signatories at least one week in advance of the meetings.

- 11.4. The quarterly Financial and Activity Report will include information on sources and uses of funds in accordance with the formats in Annex C with all financial transactions reconciled to the balance in the SDG Performance Fund account. The quarterly report will also provide:
- a) Payments into and out of the Fund Account;
  - b) Budgeted and actual expenditures on the activity level;
  - c) Bank reconciliation;
  - d) Planned and achieved procurement activities;
  - e) Information on allocation and distribution of procured items
  - f) Ageing analysis

## 12. Reviews and evaluation

- 12.1. Reviews and evaluation will be common to all DPs and will be aligned with FMOH processes. FMOH and DPs will maintain a close dialogue around reviews and evaluation through the JCCC and JCF. An annual performance review framework will be jointly developed in which a number of specific key indicators will be agreed upon. The basis for review and evaluation is provided by the indicators set out in the HSTP matrix and the annual performance plan.
- 12.2. In line with the agreed annual sector Monitoring and Evaluation cycle, the FMOH and DPs will undertake a number of sector review and evaluation processes which are relevant to the SDG Performance Fund:
- a. **The consolidated HSTP annual performance report** that is currently prepared for the Annual Review Meeting will serve as the vehicle for annual review of the Fund performance.
  - b. The JCF will discuss, and commission if necessary, specific analytical exercises or diagnostic tools and agreed surveys for tracking any concerns that need to be undertaken. The results of such surveys will be discussed at the JCF and feed into the ARM.
  - c. **HSTP evaluations.** The SDG Performance Fund will be evaluated as part of the independent Mid-Term Review (MTR) and any end of programme HSTP evaluation.
  - d. The Joint Review Mission will, in advance of the ARM, be instituted to serve as **an Independent Monitoring and Validation Mechanism**. The scope of work will include reporting annually on the implementation of the IHP Compact, reviewing the extent to which Government and DPs actions are compliant with the provisions of the IHP Compact, and with the priorities and strategies set out in the HSTP. The JRM will include independent consultants to verify and validate the sector performance and to assess mutual

accountability. The JRM will be carried out on selected themes every year, which are agreed by the JCCC.

## **13. Audit**

### **Internal Audit**

- 13.1. Internal Audit Department of FMOH will develop an annual risk-based audit plan to help management identify, *inter alia*, key risks and weaknesses in the operations of the Fund. Internal audits shall be conducted in compliance with the annual risk-based Audit Plan.
- 13.2. All internal audit reports in respect of the SDG Performance Fund operations will be sent to the Minister of Health within 30 days of completion of the audit report. Subsequent to the receipt of the reports an Action Plan addressing the observed weaknesses shall be developed by FMOH and be monitored for implementation by the FMOH.
- 13.3. The internal audit functions will be reviewed as part of the annual external audit.

### **External financial, performance and procurement Audit**

- 13.4. The Federal Auditor General or an auditor assigned by the Federal Auditor General will conduct an audit of the annual financial statements of the SDG Performance Fund in accordance with terms of reference agreed with the Signatory DPs. The auditor's opinion, together with the financial statements and Management letter shall be presented to signatories within nine months of the end of the Ethiopian financial year. The Signatory DPs will have access to the Office of the Federal Auditor General management letters sent to FMOH in respect of the Fund audit.
- 13.5. Failure to provide the aforementioned audit report may result in a delay in the release of future funds until a satisfactory external audit report has been provided.
- 13.6. Performance audit will be carried out by the Office of the Federal Auditor General or an auditor assigned by the Federal Auditor General, based on ToRs agreed upon with Signatory DPs.
- 13.7. Procurement Audit of Fund activities will be conducted on annual basis by PPA as per the mandate given to PPA. The PPA audit reports will be made available in Amharic and FMOH will use an official translation and submit the report in English to Signatory DPs in the context of Fund financial and activity reporting within nine months of the end of the Ethiopian financial year.
- 13.8. Based on the outcome of such audits (Financial, Performance and Procurement audits), an Action Plan addressing the observations shall be developed and submitted to Signatory DPs no later than one month after the annual audit report is finalised which will be jointly monitored for implementation by the FMOH and Signatory DPs.

- 13.9 Audit reports relating to the functioning of the SDG Performance Fund will be discussed at the next JCF that is held following receipt by the Signatory DPs of the reports.

## **14. Non-compliance**

- 14.1. In the event of a dispute in relation to whether Signatories to the arrangement are complying with their commitments, there will be a period of formal consultation through the agreed governance structures before any action is taken to modify the amount, timing, or conditions of development assistance covered by this arrangement.
- 14.2. If a common position cannot be reached on the response/remedial action needed, the Signatory DP shall inform the other Signatories about the intended action.

## **15. Corruption**

- 15.1. The Signatories will co-operate on preventing corruption within and through any activities funded through the SDG Performance Fund, and will require that the FMOH staff and consultants, as well as Signatory DP employees, refrain from offering third parties, or seeking, accepting or being promised by third parties, for themselves or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, which could be interpreted as an illegal or corrupt practice. The Signatories will take swift legal action to stop, investigate and prosecute in accordance with applicable law, any person suspected of misuse of resources or corruption.
- 15.2. The Signatories will promptly inform each other of any instances of corruption as referred to in this paragraph and of the measures taken as referred to in the previous sub-paragraph.

## **16. Modification, DP accession and withdrawal**

- 16.1. Any modification or amendment of the terms and provisions of this JFA will only be approved if agreed in writing by all Signatories.
- 16.2. The Signatories welcome participation in this JFA by other DPs who wish to support the HSTP through the SDG Performance Fund.
- 16.3. Upon a written request including acceptance of the terms and conditions of this JFA, a new DP may become a signatory. The FMOH will consult with all the Signatory DPs. The request will then be submitted to the JCF. Provided there is no objection from the Signatories, the FMOH will, as an annex to this JFA, give the DP written authorisation to become a Signatory. All other signatories will be provided with a copy of the letter of authorisation.

- 16.4. Each Signatory DP may withdraw/terminate its support to the SDG Performance Fund by giving the other Signatories three months' written notice of its intention. If a Signatory DP intends to withdraw/terminate its support, it will call for a meeting of the Signatories and FMOH to inform its decision.
- 16.5. If a Signatory fails to fulfil its commitments to contribute to the pooled fund, the other signatories may call for a meeting to discuss the future role of the specific signatory in the fund.

## **17. Entry into effect and revision**

- 17.1. This JFA enters into effect for a given DP on the date of its signature by the GoE and the DP in question and supersedes any JFAs for the Fund.
- 17.2. The JCF will review/discuss the implementation, application and effectiveness of the procedures outlined in this JFA every two years.
- 17.3. Based on the evaluation the content of the JFA will be reviewed every two years or more frequently if circumstances dictate.

## Annex A : Annual Calendar

| <b>Annual Health Sector Calendar</b> |                        |   |   |
|--------------------------------------|------------------------|---|---|
|                                      | Planning and Execution | Reporting and Oversight   |   |
| <b>Q3<br/>(EFY)</b>                  | January                | JCF quarterly meeting<br><br>SDG Performance Fund contributors meeting  | To address strategic issues arising in the implementation of the programme.   |
|                                      | February               | DPs provide indicative commitments to FMOH<br><br>Resource Mapping (Financial Resource Mobilization Directorate -led)   | 2 <sup>nd</sup> Quarterly SDG Fund financial and activity report  |
|                                      | March                  | Core Indicative Annual Plan (FMOH) (shared with JCCC)   |   |
| <b>Q4<br/>(EFY)</b>                  | April                  | Woredas prepare annual plans<br><br>JCF quarterly meeting   | Bi-annual sector results report (in Quarterly Health Bulletin)<br>External Audit of SDG Performance Fund for previous EFY |
|                                      | May                    | FMOH budget proposal (including SDG Performance Fund) (shared with JCCC)<br><br>Draft Sector Annual Plan prepared (PPD)<br><br>DPs provide updated commitments to FRMD                              | 3 <sup>rd</sup> Quarterly SDG Performance Fund financial and activity report<br><br>Joint Review Mission undertaken       |
|                                      | June                   | Regional Annual Core Plans (RHBS), Final Annual Plan (including TA and procurement)<br><br>JCF: planning meeting reviews final plans and resource allocation (including SDG Performance Fund plan), | DPs confirm the dates of disbursement   |
|                                      | July                   | SDG Performance Fund contributors meeting<br><br>Signatory DPs will disburse into SDG Performance Fund or MOFED   | To address strategic issues arising in the implementation of the programme.   |
|                                      | August                 |   | 4 <sup>th</sup> Quarterly SDG Performance Fund financial and activity report  |
| <b>Q1<br/>(EFY)</b>                  | September              | JCF: review meeting; reviews Annual Performance Report  | Consolidated report on sector performance for the ARM (covers SDG Performance Fund)                                       |
| <b>Q2<br/>(EFY)</b>                  | October                | ARM reviews sector policy and mutual performance  | Report on JRM to ARM  |
|                                      | November               |   | 1 <sup>st</sup> Quarterly SDG Performance Fund financial and activity report  |

## **ANNEX B: TERMS OF REFERENCE FOR SDG PF CONTRIBUTORS' MEETING**

### **Background:**

The SDG Performance Fund is a Federal level instrument for providing support to the Ethiopian HSTDP. A Joint Financing Arrangement (JFA) was developed in 2009, and then revised in 2011, which sets out the *modus operandum* of the MDG PF and the responsibilities of the Government of Ethiopia as well as the contributing Development Partners (DPs). This JFA is developed based on the previous two versions of the JFA and the current new developments in relation to the sustainable development goals (SDGs) and HSTP.

The MDG PF has been one of the GoE's preferred mechanisms for financing the health sector and was in line with the vision for the health sector that promotes "One Plan, One Budget and One Report". A principle of the MDG PF was it to utilise existing sector mechanisms and structures. The new SDG Performance Fund is the mechanism which evolved from the MDG PF and attempts to include the new developments both globally and in the country. It also intends to maintain and scale up the successes of the MDG PF while improving on its limitations.

The FMOH and Signatory DPs will convene a semi-annual meeting specifically focussed on the SDG Performance Fund to address strategic issues arising in the implementation of the programme.

There are already 2 'levels' of meetings – JCCC and JCF. Every effort will be made to ensure that these meetings do not duplicate the functions or mandate of the aforementioned two meetings.

### **Objectives of this Meeting:**

- Further strengthen the functioning and reporting of the SDG Performance Fund,
- Improve the communication between the FMOH and contributing DPs,
- Collectively work to increase the proportion of health sector funding channelled through the SDG Performance Fund
- To address any strategic issues in implementing the SDG Performance Fund

### **Participants:**

The Meeting will be chaired by the Minister of Health. All heads of agencies of signatory DPs and their relevant technical staff will participate in these meetings. MOFED will be invited as required.

### **Frequency:**

The Meeting will be conducted every six months in the months of January and July.

## Annex C: Financial and Activity Reporting Formats

### C1: SDG PF Financial Monitoring Report: Quarterly Report on Resources and Uses of Funds\*

|  | Three months to |     |                 |     | Current ETH Fiscal Year |     |                 |     |
|--|-----------------|-----|-----------------|-----|-------------------------|-----|-----------------|-----|
|  | Budget          |     | Actual to mm/dd |     | Budget                  |     | Actual to mm/dd |     |
|  | Birr            | USD | Birr            | USD | Birr                    | USD | Birr            | USD |
| Cash & Bank  |                 |     |                 |     |                         |     |                 |     |
| Receivable   |                 |     |                 |     |                         |     |                 |     |
| Payable  |                 |     |                 |     |                         |     |                 |     |
| <b>Total SDG PF Opening Balance</b>  | 0               | 0   | 0               | 0   | 0                       | 0   | 0               | 0   |
| - MOFED / GOE  |                 |     |                 |     |                         |     |                 |     |
| - Development Partner 1  |                 |     |                 |     |                         |     |                 |     |
| - Development Partner 2  |                 |     |                 |     |                         |     |                 |     |
| - Development Partner 3  |                 |     |                 |     |                         |     |                 |     |
| <b>Total Receipts from Development Partner during the reporting period</b> | 0               | 0   | 0               | 0   | 0                       | 0   | 0               | 0   |
| <b>SDG PF Available for use (Opening Balance plus Receipts)</b>            | 0               | 0   | 0               | 0   | 0                       | 0   | 0               | 0   |
| <b>Expenditures</b>  |                 |     |                 |     |                         |     |                 |     |
| - XXXX   |                 |     |                 |     |                         |     |                 |     |
| - XXXX   |                 |     |                 |     |                         |     |                 |     |
| - XXXX   |                 |     |                 |     |                         |     |                 |     |
| - XXXX   |                 |     |                 |     |                         |     |                 |     |
| <b>Total SDG PF Expenditure</b>  | 0               | 0   | 0               | 0   | 0                       | 0   | 0               | 0   |
| Cash & Bank  |                 |     |                 |     |                         |     |                 |     |
| Receivables  |                 |     |                 |     |                         |     |                 |     |
| Payable  |                 |     |                 |     |                         |     |                 |     |
| <b>Total closing SDG PF Balance</b>  | 0               | 0   | 0               | 0   | 0                       | 0   | 0               | 0   |

\* A summary of this Financial and Activity report on the SDG PF, including disbursement, expenditure and challenges will accompany the various tables presented below.

### C.2a: SDG PF Quarterly Financial Report on Uses of Funds (reported in Birr)

| SDG PF Annually Identified Priority areas | Three months from x to x |                    |   | Current ETH Fiscal Year * |                    |   |
|---|--------------------------|--------------------|---|---------------------------|--------------------|---|
|   | Budget (Birr)            | Expenditure (Birr) | % | Budget (Birr)             | Expenditure (Birr) | % |
| xxxxx                                     |                          |                    |   |                           |                    |   |
| A   |                          |                    |   |                           |                    |   |
| B   |                          |                    |   |                           |                    |   |
| Z   |                          |                    |   |                           |                    |   |
| Total                                     | 0                        | 0                  |   | 0                         | 0                  |   |
| xxxxxxx                                   |                          |                    |   |                           |                    |   |
| A   |                          |                    |   |                           |                    |   |
| B   |                          |                    |   |                           |                    |   |
| Z   |                          |                    |   |                           |                    |   |
| Total                                     | 0                        | 0                  |   | 0                         | 0                  |   |
| xxxxxxx                                   |                          |                    |   |                           |                    |   |
| A   |                          |                    |   |                           |                    |   |
| B   |                          |                    |   |                           |                    |   |
| Z   |                          |                    |   |                           |                    |   |
| Total                                     | 0                        | 0                  |   | 0                         | 0                  |   |
| xxxxxxx                                   |                          |                    |   |                           |                    |   |
| A   |                          |                    |   |                           |                    |   |
| B   |                          |                    |   |                           |                    |   |
| Z   |                          |                    |   |                           |                    |   |
| Total                                     | 0                        | 0                  | 0 | 0                         | 0                  | 0 |
| Grand Total                               | 0                        | 0                  |   | 0                         | 0                  |   |

\*Description about what the money has been spend on

### C.2b: SDG PF Quarterly Financial Report on uses of Funds (reported in USD)

| SDG PF Annually Identified Priority areas | Three months from x to x |                   |   | Current ETH Fiscal Year * |                   |   |
|---|--------------------------|-------------------|---|---------------------------|-------------------|---|
|   | Budget (USD)             | Expenditure (USD) | % | Budget (USD)              | Expenditure (USD) | % |
| xxxxx                                     |                          |                   |   |                           |                   |   |
| A   |                          |                   |   |                           |                   |   |
| B   |                          |                   |   |                           |                   |   |
| Z   |                          |                   |   |                           |                   |   |
| Total                                     | 0                        | 0                 |   | 0                         | 0                 |   |
| xxxxxxx                                   |                          |                   |   |                           |                   |   |
| A   |                          |                   |   |                           |                   |   |
| B   |                          |                   |   |                           |                   |   |
| Z   |                          |                   |   |                           |                   |   |
| Total                                     | 0                        | 0                 |   | 0                         | 0                 |   |
| xxxxxxxx                                  |                          |                   |   |                           |                   |   |
| A   |                          |                   |   |                           |                   |   |
| B   |                          |                   |   |                           |                   |   |
| Z   |                          |                   |   |                           |                   |   |
| Total                                     | 0                        | 0                 |   | 0                         | 0                 |   |
| xxxxxxxx                                  |                          |                   |   |                           |                   |   |
| A   |                          |                   |   |                           |                   |   |
| B   |                          |                   |   |                           |                   |   |
| Z   |                          |                   |   |                           |                   |   |
| Total                                     | 0                        | 0                 | 0 | 0                         | 0                 | 0 |
| Grand Total                               | 0                        | 0                 |   | 0                         | 0                 |   |

\*Description about what the money has been spend on

### C3: Bank Reconciliation form

| SDG PF Bank Reconciliation: For the Three months to (date) |              |              |              |              |                            |     |
|--|--------------|--------------|--------------|--------------|----------------------------|-----|
|  | Birr         |              | USD          |              | Total Balance (Birr + USD) |     |
|  | Book Account | Bank Account | Book Account | Bank Account | Birr                       | USD |
| Opening Balance  |              |              |              |              |                            |     |
| Add  |              |              |              |              |                            |     |
| Income or deposit  |              |              |              |              |                            |     |
| <b>Total Available Income</b>                              | 0            | 0            | 0            | 0            |                            |     |
| Deduct   |              |              |              |              |                            |     |
| Payment or Withdrawal                                      |              |              |              |              |                            |     |
| Un adjusted Closing Balance                                |              |              |              |              |                            |     |
| Add  |              |              |              |              |                            |     |
| Outstanding Deposit  |              |              |              |              |                            |     |
| Bank Collection  |              |              |              |              |                            |     |
| Error  |              |              |              |              |                            |     |
| <b>Total Expenditure</b>                                   |              |              |              |              |                            |     |
| Deduct   |              |              |              |              |                            |     |
| Outstanding Check  |              |              |              |              |                            |     |
| Unrecorded bank service charge                             |              |              |              |              |                            |     |
| Error  |              |              |              |              |                            |     |
|  |              |              |              |              |                            |     |
| <b>Adjusted Closing Balance</b>                            |              |              |              |              |                            |     |

\*Attach a copy of the Bank Statement

\* The report shows the reconciliation for the two Bank accounts (Birr and USD) used by the FMOH for SDG PF

### C4: SDG PF Six Months Cash Requirement Forecast

| MINISTRY OF HEALTH MDG PF<br>EXPENDITURE FORECAST AND CASH REQUIREMENT<br>FOR THE SIX MONTHS FROM _____ TO _____ |               |              |
|--|---------------|--------------|
| PARTICULARS  | TOTAL in Birr | TOTAL in USD |
| <i>Expenditures for the next six months:</i>   |               |              |
| <i>Sub program xxxx</i>  | XXXX          |              |
| <b>Semi annual total</b>   |               |              |
| <i>Total planned expenditures for the next six months</i>  | XXXX          | XXXX         |
| <i>Balance as the end of the previous six months:</i>  |               |              |
| <b>Balance at bank</b>   |               | XXXX         |
| <b>Balance on hand</b>   |               | XXXX         |
| <b>Receivables-Advance payments</b>  |               | XXXX         |
| <b>Sundry payables</b>   |               | (XXX)        |
|  | <u>XXXX</u>   | <u>XXXX</u>  |
| <b>Projected surplus/ deficit of the next six months</b>   | <u>XXXX</u>   | <u>XXXX</u>  |

\* Show the committed value that will be effected in the six months

**C5: SDG PF Schedule for Disbursement: For the three months to ended (date)\***

| No | Development Partner |  | Quarter   |           |          |                     | Current ETH Fiscal Year |           |          |                     |
|----|---------------------|--|-----------|-----------|----------|---------------------|-------------------------|-----------|----------|---------------------|
|    |                     |  | Committed | Disbursed | Variance | Reason for variance | Committed               | Disbursed | Variance | Reason for variance |
| 1  | Birr                |  |           | 0         |          |                     |                         | 0         |          |                     |
|    | USD                 |  |           | 0         |          |                     |                         | 0         |          |                     |
| 2  | Birr                |  |           | 0         |          |                     |                         | 0         |          |                     |
|    | USD                 |  |           | 0         |          |                     |                         | 0         |          |                     |
| 3  | Birr                |  |           | 0         |          |                     |                         | 0         |          |                     |
|    | USD                 |  |           | 0         |          |                     |                         | 0         |          |                     |
| 4  | Birr                |  |           | 0         |          |                     |                         | 0         |          |                     |
|    | USD                 |  |           | 0         |          |                     |                         | 0         |          |                     |
| 5  | Birr                |  |           | 0         |          |                     |                         | 0         |          |                     |
|    | USD                 |  |           | 0         |          |                     |                         | 0         |          |                     |
| 6  | Birr                |  |           | 0         |          |                     |                         | 0         |          |                     |
|    | USD                 |  |           | 0         |          |                     |                         | 0         |          |                     |
| 7  | Birr                |  |           | 0         |          |                     |                         | 0         |          |                     |
|    | USD                 |  |           | 0         |          |                     |                         | 0         |          |                     |
| 8  | Birr                |  |           | 0         |          |                     |                         | 0         |          |                     |
|    | USD                 |  |           | 0         |          |                     |                         | 0         |          |                     |

\* Average Exchange Rate over the relevant three months period xxx

### C6: SDG PF Quarterly Activity Report

| No       | Annually identified areas | Activities/ processes | Three months from x to x |                        |               |               |        | Current ETH Fiscal Year* |                        |               |               |        |  |
|----------|---------------------------|-----------------------|--------------------------|------------------------|---------------|---------------|--------|--------------------------|------------------------|---------------|---------------|--------|--|
|          |                           |                       | Planned / Quantity       | Achievement / Quantity | Achievement % | Expenditure % | Remark | Planned / Quantity       | Achievement / Quantity | Achievement % | Expenditure % | Remark |  |
| <b>1</b> | XXXXX                     | a.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           | b.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           |                       |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           | z.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
| <b>2</b> | XXXXX                     | a.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           | b.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           |                       |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           | z.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
| <b>3</b> | XXXXX                     | a.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           | b.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           |                       |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           | z.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
| <b>4</b> | XXXXX                     | a                     |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           | b.                    |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           |                       |                          |                        |               |               |        |                          |                        |               |               |        |  |
|          |                           | z                     |                          |                        |               |               |        |                          |                        |               |               |        |  |

\* The Result Framework as presented in the HSTP Annual Report will be used for the narrative to describe the sector results. The annual performance report and the comprehensive plan will be used for targets and baselines

### C7: Additional tracking format for procurement related activities

| Ser No                                  | Procurement Description | Allocated | Under tender procedure | Contracted | Disbursed/Paid | Balance | Remark |
|---|-------------------------|-----------|------------------------|------------|----------------|---------|--------|
| <b>Procurement under PFSA</b>           |                         |           |                        |            |                |         |        |
| 1                                       |                         |           |                        |            |                |         |        |
| 2                                       |                         |           |                        |            |                |         |        |
| 3                                       |                         |           |                        |            |                |         |        |
| 4                                       |                         |           |                        |            |                |         |        |
| 5                                       |                         |           |                        |            |                |         |        |
| 6                                       |                         |           |                        |            |                |         |        |
| 7                                       |                         |           |                        |            |                |         |        |
|   | <b>Subtotal</b>         |           |                        |            |                |         |        |
| <b>Procurement under UNOPS</b>          |                         |           |                        |            |                |         |        |
| 1                                       |                         |           |                        |            |                |         |        |
| 2                                       |                         |           |                        |            |                |         |        |
| 3                                       |                         |           |                        |            |                |         |        |
| 4                                       |                         |           |                        |            |                |         |        |
| 5                                       |                         |           |                        |            |                |         |        |
|   | <b>Subtotal</b>         |           |                        |            |                |         |        |
| <b>Procurement under UNICEF</b>         |                         |           |                        |            |                |         |        |
| 1                                       |                         |           |                        |            |                |         |        |
| 2                                       |                         |           |                        |            |                |         |        |
| 3                                       |                         |           |                        |            |                |         |        |
|   | <b>Subtotal</b>         |           |                        |            |                |         |        |
| <b>Procurement under other agencies</b> |                         |           |                        |            |                |         |        |
| 1                                       |                         |           |                        |            |                |         |        |
| 2                                       |                         |           |                        |            |                |         |        |
|   | <b>Subtotal</b>         |           |                        |            |                |         |        |
|   | <b>Grand total</b>      |           |                        |            |                |         |        |

## **Annex D: Terms of Reference JCF**

**Revised October 2013**

### **1. Background**

The establishment of a Health Sector Development Program (HSDP) was initiated by the Government of Ethiopia in consultation with the health development partners in the mid 90s. The first three phases of the twenty year program (HSDP I, II and III) were completed in June 2010, and contributed to significant progress in the sector. Currently, the fourth phase of the HSDP (HSDP IV) covering the period 2010/11-2014/15 is under implementation. HSDP I II and III have been continually reviewed through successive Government-Donors Joint Review Missions, Annual Review Meetings (ARMs), the FMOH/HPN-Donors Joint Consultative Forum (JCF) and the Central Joint Steering Committee (CJSC) meetings.

The HSDP operates within the regular framework of the Government structure. The specific forums and committees formed for the HSDP are meant to complement the normal procedures of the Government by involving two levels of partnership; firstly, the Federal Government, Regions and Woredas and secondly the Government and its Development Partners (DPs). Strong joint governance systems between the Government and DPs are critical in the context of efforts to move increasing DP support behind “One Plan, One Budget and One Report”.

Following a review of the Joint Governance Structures for HSDP in 2010, it was agreed that the following main structures would continue and be strengthened:

#### **The Annual Review Meeting (ARM)**

This will continue to be a forum where all stakeholders are involved to review HSDP implementation. The ARM is designed to be retrospective, looking back at performance, and prospective, looking forward over the coming fiscal year’s plan and budget.

#### **Joint Consultative Forum (JCF)**

This will serve as a joint forum for dialogue on sector policy and reform issues between GoE, DPs and other stakeholders.

#### **Joint Core Coordinating Committee (JCCC)**

This will continue to technically support the FMOH/HPN-Donors Joint Consultative Forum and the Policy and Planning Directorate (PPD) to manage the HSDP implementation process including organizing review exercises and the follow up of recommendations.

These Terms of Reference attempt to outline the roles and activities of the JCF as they are envisioned now.

### **2. Purpose of the JCF**

The JCF will be the highest joint governance body which will discuss strategic policy issues, oversee and coordinate the HSDP implementation.

### **3. Scope of Activities**

The major activities of the JCF will include:

- 3.1. Serving as a joint forum for dialogue on sector policy and reform issues between GOE, DPs and other stakeholders in line with the principles laid down for the partnership and dialogue framework of the Growth and Transformation Plan (GTP) and the Health Harmonization Manual (HHM);
- 3.2. Consult on ways of mobilizing government and partner resources to support implementation of HSDP;
- 3.3. Oversee the effective allocation and utilization of resources including MDG PF, HPF and all other DP supported programs as appropriate;
- 3.4. Oversee and regularly monitor implementation of the International Health Partnership (IHP+) principles and the mutual accountability framework for government and partners;
- 3.5. Consult and advise the FMOH and DPs on major policy or financial decisions that may affect implementation or effectiveness/efficiency of the HSDP;
- 3.6. Review information from the PPGD on the actual and forecasted annual resources for health compared to the total joint commitment. Discuss on identified financial gaps, work to mobilize additional resources to fill the gap, discuss on strategic priorities and advice on allocative decisions
- 3.8. Monitor the implementation of the HSDP through reviewing sector plans, reports, and mid-term and end-term evaluations and agree on recommendations for action;
- 3.9. Promote the alignment of DP resources with GOE budget cycles and priorities; and
- 3.10. Hold the JCCC to account for the timely and satisfactory implementation of their activities including the resource mapping exercise, the annual planning process, JRMs and ARMS and the reporting on pooled funds.

#### **4. Membership**

The consultative forum shall consist of the appropriate representative of the government, the donor community, non-governmental organizations, the private sector and the civil society. Members shall include:

- The Minister of Health (Chair)
- The State Ministers of Health
- MOFED and other Government Ministries as required/appropriate
- Directors and Director Generals of FMOH
- Chairs of the FMOH's Technical Working Groups, as required/appropriate
- Heads of Government Agencies as appropriate (e.g. PFSA, EHNRI, FMHACA, etc.)
- DPs in HPN
- Heads of Oromia and Addis Ababa Health Bureaus and others as appropriate
- The executive director of Christian Relief Development Association (CRDA) and CORHA representing the NGOs
- President of the Medical Association of Physicians in Private Practice(MAPPP) representing the private sector

- And two elected members representing the various associations of health professionals
- Representative of the CCM

## **5. Chairperson and Secretary**

The JCF shall be chaired by the Minister of Health and co-chaired by HPN Co Chair. The Secretary will be Policy and Planning Director. PPD with the assistance of the JCCC will be responsible for developing the agenda with the HPN and FMOH, and for circulating relevant documents at least one week before meetings. They will also draft the minutes and circulate for comments within a week of the JCF meetings taking place.

## **6. Meeting**

The JCF shall meet for a full/half day at least once a quarter, possibly in the months of January, April, July and October to allow substantive discussion on policy issues, annual national plan priorities, annual budget, resource commitments, financing gaps, strategies to fill the gaps and any other relevant issues to the sector. DP with significant changes in their financing to the sector should formally announce those changes at a JCF meeting.

# Annex E: Terms of Reference for JCCC

Revised October 2013

## 1. Background

The establishment of a Health Sector Development Program (HSDP) was initiated by the Government of Ethiopia in consultation with the health development partners in the mid 90s. The first three phases of the twenty year program (HSDPI, II and III) were completed in June 2010, and contributed to significant progress in the sector. Currently, the fourth phase of the HSDP (HSDP IV) covering the period 2010/11-2014/15 is under implementation. HSDP I, II and III have been continually reviewed through successive Government-Donors Joint Review Missions, Annual Review Meetings (ARMs), the FMOH/HPN-Donors Joint Consultative Forum and the Central Joint Steering Committee (CJSC) meetings.

The HSDP operates within the regular framework of the Government structure. The specific forums and committees formed for the HSDP are meant to complement the normal procedures of the Government by involving two levels of partnership; firstly, the Federal Government, Regions and Woredas and secondly the Government and its Development Partners (DPs). Strong joint governance systems between the Government and DP are critical in the context of efforts to move increasing DP support behind “One Plan, One Budget and One Report”.

Following a review of the Joint Governance Structures for HSDP in 2010, it was agreed that the following main structures would continue and be strengthened:

### The **Annual Review Meeting (ARM)**

ARM will continue to be a forum where all stakeholders are involved to review HSDP implementation. The ARM is designed to be retrospective, looking back at performance, and prospective, looking forward over the coming fiscal year plan and budget.

### **Joint Consultative Forum (JCF)**

JCF will serve as a joint form for dialogue on sector policy and reform issues between GoE, DPs and other stakeholders.

### **Joint Core Coordinating Committee (JCCC)**

The JCCC has played a critical role in organizing annual planning processes, HSDP mid-term reviews and evaluations, overseeing pooled funds, coordinating and managing preparatory works for the Joint Review Missions (JRMs) and ARMs) and review draft review reports before their submission to the JCF. These Terms of Reference, therefore, attempt to outline the roles and activities of the JCCC as they are envisioned now.

## 2. Purpose of the JCCC

The purpose of the JCCC is to technically support the FMOH/HPN-Donors Joint Consultative Forum and assist the Policy and Planning Directorate (PPD) in managing the HSDP implementation process including organizing review exercises and the follow-up of recommendations from reviews.

## 3. Scope of Activities

The assignment and mandates of the JCCC are drawn from the terms of references of the FMOH/HPN-Donors Joint Consultative Forum, the findings, conclusions and recommendations

of the series of JRMs, HSDP evaluations and ARMs. The JCCC is accountable to the Joint Consultative Forum.

**The major tasks of the JCCC are:**

- 3.1 Assisting the FMOH in the preparation of HSDP IV and the consecutive plans (phases) of HSDP;
- 3.2 Assist the PPD develop and propose strategic priorities for the annual health plans to be presented at the JCF;
- 3.3 Assist the PPD commission and oversee the annual national health planning process, providing support to the regions, woredas and federal health agencies as required;
- 3.4 Assist the PPD commission and oversee the annual resource mapping exercise and present findings to the JCF;
- 3.5 Assisting the PPD in organizing and coordinating the monitoring, review and evaluation missions and meetings of the HSDP;
- 3.6 Assisting the PPD in facilitating the implementation of the findings and recommendations of HSDP review missions and technical reviews;
- 3.7 Assisting the FMOH in strengthening government-DP partnership and commitment through dialogue, Joint Review Missions and Annual Review Meetings;
- 3.8 Assist the FMOH in conducting analytical studies relevant to the HSDP as required;
- 3.9 Assist the PPD to review FMOH's recommendations on allocation or reprogramming of funding and refer them to the JCF;
- 3.10 Assist the PPFGD to monitor all pooled funds, including the Health Pooled Fund and the MDG Performance Fund, preparing plans, budgets and reports for the JCF;
- 3.11 Assist the PPD to review MDG PF Quarterly Financial, Activity and procurement plans and reports and refer to JCF as appropriate;
- 3.12 Assist the PPD to undertake other reasonable tasks as instructed by the FMOH/HPN-Donors Joint Consultative Forum; and
- 3.13 Assist the PPD to prepare for meetings of the JCF and supporting follow-up actions.

The JCCC may deal with operational and technical issues. The FMOH's Technical Working Groups (TWGs) are the preferred modality for dealing with programmatic and technical issues. However, if an appropriate TWG does not exist then the JCCC may decide to create an ad-hoc time limited task force that can source members and expertise from outside the JCCC. These task forces will not duplicate, but rather complement, the roles and responsibilities of the standing FMOH TWGs. Expatriates and/or national expertise will be recruited as required, through the JCCC, to support the work of the FMOH.

**4. Chairperson and Secretary**

The State Minister of Health for Operations and/or the Director of the Policy, and Planning Directorate (PPD) will chair the JCCC. PPD will assign a secretary who will follow up all coordination activities including arranging meetings, taking minutes, coordinating preparations for the JCF and sending documents.

## **5. Membership**

Membership of the JCCC will be made up of representatives from the PPD, the FMOH and members of the HPN. The HPN will nominate candidates from DP organizations to the FMOH for membership of the JCCC. The selected DP organization will identify a focal person for the JCCC and name an alternate if they are unable to attend. Focal people should be selected on technical competency, experience and ability to commit to contributing to the JCCC. The names of the selected DPs and their alternates will be provided to the Chair of the JCCC, for approval.

DP organizations that contribute to the MDG PF and administer the Health Pooled Fund will pre-qualify for membership of the JCCC. In addition, there will be two seats for other DP organizations. Nominated members from these organizations will be selected using the following criteria:

- DP organization has the technical skills and the capacity to attend meetings regularly and commit adequate time to undertake tasks for the JCCC.
- Nominated focal people and their alternates are able to demonstrate competency in the following areas: planning, budgeting, financial management, M&E, auditing/accountancy, procurement, health system strengthening and programming.

Nominated JCCC members will be expected to make a serious commitment to the JCCC by attending fortnightly meetings and be willing to support FMOH to undertake operational tasks. If the member or their named alternate is unable to attend 3 meetings in a row, or is unable to commit adequate time to completing tasks for the JCCC, then the Chair holds the right to ask for a new representative from that organization or request the HPN group to nominate a different representative. Membership of the JCCC will be for two years after which the FMOH and HPN will review and refresh membership as required.

The co-chair is responsible for sharing JCCC minutes and updating the HPN on what was discussed and decided at the JCCC. If the HPN co-chair is not a nominated member of the JCCC, then the HPN will select a JCCC member to act in this role. HPN members' views can be fed through the HPN co-chair.

## **6. Meeting**

The frequency of meeting will be scheduled every two weeks on Wednesday afternoons but additional meetings can be arranged when required.

# Joint Financing Arrangement

15<sup>th</sup> July, 2015

Addis Ababa/Ethiopia

For the Federal Ministry of Health:

For the Federal Ministry of Finance and  
Economic Development:

Dr. Kesetebirahn Admassu

Ahmed Shide

Minister

State Minister

Signature: .....

Signature: .....

Date: July 15, 2015

Date: July 15, 2015

## For the Development Partners:

1. Julius Court

Acting Head,

DFID, Ethiopia

Signature: .....

2. Bouwe-Jan Smeding

First Secretary, Health

Embassy of the Kingdom of Netherlands

Signature: .....

3. Ambassador Chantal HEBBERECHT

Head of Delegation to Ethiopia,

European Union

Signature: .....

4. Seán Sherlock T.D

Minister of State for Development,

Trade Promotion and North South Cooperation

Ireland

Signature: .....

5. Giuseppe Mistretta  
Ambassador of Italy  
**Italian Cooperation**

Signature: .....

6. Gonzalo Robles  
Secretary General of International  
Development Cooperation and  
Vice-President of AECID  
**Spain**

Signature: .....

7. Faustin Yao  
Country Representative,  
**UNFPA**

Signature: .....

8. Gillian Mellsop  
Country Representative,  
**UNICEF**

Signature: .....

9. Dr. Pierre M'Pele-Kilebou  
Country Representative,  
**WHO**

Signature: .....

10. Mr. Guang Z. Chen  
Country Director for Ethiopia,  
**World Bank**

Signature: .....