

Harmonized Per Diem Rates and Other related Expenses Payment Manual for Programmes/ Projects Financed by Development Partners

MINISTRY OF FINANCE
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Introduction

The Ethiopian government has established strong economic cooperation with development partners and is receiving support in various forms to achieve the country's development plans. This international economic cooperation has greatly contributed to the country's annual economic growth over the past years.

Ethiopia has an excellent long-term track record of economic growth with major improvements in infrastructure, poverty reduction and social development. The country has an ambitious vision of economic transformation, as captured in the Home-Grown Economic Reform Program (HGER) which started implementation in 2019, built on the foundation of past successes but also recognizes and works on the macroeconomic, structural and sectoral shortfalls that have emerged as a consequence, requiring a different economic approach in the future.

To achieve the country's vision and support this national economic reform, the Ministry of Finance has a mandate to mobilize resources from national and international sources. While the government is investing heavily to enhance domestic resources through tax and non-tax, external sources of finance play an important role in bridging the national development finance gaps. With this objective, the government of Ethiopia engages in a range of strategic development partnership with different bilateral and multilateral Development Partners (DP's) to mobilize external resources in the form of grant and loan to achieve major objectives of the economic reform.

Resources mobilized from development partners in the form of loans and grants will help to finance projects which brings structural change in the economy: sustainable development, social service programs, as well as to improve basic services for citizens such as water, education, health and food security and the likes.

Thus, to ensure that these financial and technical supports provided by development partners are used for the intended purposes, performance monitoring parameters are included in the loan or grant agreement. Development partners financed projects under implementation shall be completed as per their planned budget, time, and quality to ensure their contribution in the sustainable national development efforts. In connection with this, to achieve sound project implementation, it is highly recommended to undertake capacity building support, ensure community participation, conducting regular monitoring and evaluation, and solving problems in a timely manner through all stages of project implementation.



Therefore, there is a need to coordinate Development Partners and Government efforts for more effective delivery and utilization of development assistance to Ethiopia.

To facilitate the implementation of programme/project including monitoring and evaluation out of duty station, the initial per diem rate for travel within Ethiopia was issued, formerly, by the Ministry of Civil Service and subject to periodic review. Nevertheless, there are key stakeholders such as community members who are engaged in the programme /project implementation but are not included in the civil service manual. Additionally, there is a need to harmonize the different per diem policies of development partners which created a challenge in the efficient implementation and management of programme/project. Consequently, to fill this gap, it is recalled that the Ministry of Finance issued a harmonized per diem rate manual in 2016 governing development partner financed projects. Subsequently, the per diem manual was amended in 2019 adjusting the changes in the market prices.

Furthermore, the previous civil servants per diem rate was not commensurate with the current market value/price of goods and services which affected the effectiveness of monitoring and evaluation interventions. Cognizant of the gap, the Council of Ministers had approved the new civil servants' per diem allowance, which has been issued by the Civil Service Commission under directive number 3/2012 effect February 24, 2020.

However, non-civil servants who play significant role in development partner financed projects implementation and management are not eligible to the amended per diem allowance back in February 2020.

On the basis of the foregoing, the new per diem rate manual has been developed incorporating the important issues that are not addressed on the new civil service commission per diem manual and also taking into account the current market price of goods and services.



Part One

General

1.1. Objective

The main purpose of this manual is to develop a harmonized per diem rate and other related expenses system for development partner financed programmes/projects in Ethiopia for coordinating development partners and government efforts for more effective delivery and utilization of development assistance in Ethiopia.

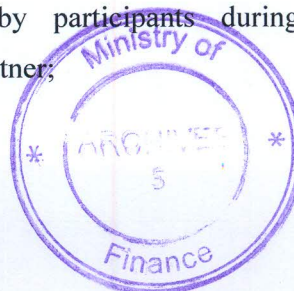
1.2. Short Title

This manual may be cited as “Harmonized Per Diem rates and other related expenses Payment manual for programmes/ projects financed by Development Partners”.

1.3. Interpretation

For the implementation of this manual,

- 1.3.1 Community Members:** Means individuals who are not government employees/ officials but represent the community in local activities related to the design, implementation, monitoring and evaluation of programs/projects implemented in the country with the support of development partners;
- 1.3.2 Other Stakeholders:** Refers to representatives of Non-Governmental Organizations (NGOs), civil society organizations and the private sector participating in programmes/ projects events financed by development partners;
- 1.3.3 Participant:** Refers to individuals who participate in events such as programme/project design, implementation, monitoring and evaluation, trainings, workshops, meetings, seminars, conference, community mobilization, field monitoring and evaluation;
- 1.3.4 Per Diem:** Refers to a full day allowance and/or a partial allowance in accordance with the meaning given in the manual issued by the Civil Service Commission;
- 1.3.5 Development Partners:** refers to International organizations, governments, charities and foundations that support the government's development agenda by providing financial, technical and in-kind support in the form of loan or grant for the implementation of development programs/projects;
- 1.3.6 Other Related Expenditures:** Refers to expenses other than per diem such as transport and other event related expenses incurred by participants during events of programmes/projects financed by development partner;



1.3.7 Programme/project Events: Refers activities of development partner financed programmes/projects during the design, implementation, monitoring and evaluation including meeting, trainings, workshops, seminars, conference, field visit , monitoring and evaluation as well as community mobilization which take place at federal, regional, zonal, woreda and kebele level.

1.4. The issuing authority

The Ministry of Finance has issued this manual in accordance with its mandate to mobilize external resources, and ensures the proper utilization of resources for the intended purpose.

1.5. Scope of the manual

This per diem manual shall be applicable when programme/project events are financed by development partner supported programme/projects such as meetings, seminars, conferences, workshops, trainings, field visit, monitoring and evaluation, community mobilization and other related events organized at federal, regional, zonal, woreda and kebele level.

Part Two

Per Diem

2.1. Per Diem Payment

Payment of per diem shall be calculated in accordance to the civil service commission allowance payment directive number 3/2012. According to the directive, the total lump sum per diem payment will be applied based on the following criteria: 10% for Breakfast, 25% for Lunch, 25% for Diner & 40% for Hotel accommodation.

2.2. Eligibility criteria for Per diem

If civil servants and/or other stakeholders and/or community members participating in programmes/project related events, which are conducted at a location other than the participant's duty station and when a participant is required to stay over-night, S/he will be entitled to a full day per diem rate. If civil servants and/or other stakeholders and/or community members participating in programme/project related events which are conducted at a location other than the participants duty station and if a participant completes its duties during day time and return back to home, S/he will be entitled for food expense coverage payment in accordance to the civil service commission directive article 3 (2) and (3).



2.3. Per Diem Rate for Government Appointed officials

The per diem rate for government appointed officials participating in development partner financed programmes/projects related events shall be applied in accordance to the government appointed officials per diem rate which is issued by civil service commission. However, whenever necessary, the per diem rate allowance provided in this manual for the civil servants and other stakeholders can be applied for government appointed officials.

2.4. Per Diem rate for Civil Servants and other stakeholders

- 2.4.1** Civil servants and other stakeholders shall be paid birr 850 per day without any discrimination on the basis of salary and position when they participate in any development partner financed programmes/projects event which take place in Addis Ababa. Regarding the eligibility criteria for per diem payment, the new civil service per diem payment manual, article 3 (2) and (3) will be applicable.
- 2.4.2** Civil Servants and other stakeholders will be paid birr 650 per day without any discrimination on the basis of salary and position when they participate in any development partner financed programmes/projects event which takes place in regional and zonal capital cities. Regarding the eligibility criteria for per diem payment, the new civil service per diem payment manual, article 3 (2) and (3) will be applicable.
- 2.4.3** Civil servant and other stakeholders shall be paid birr 450 per day when they participate in any development partner financed programmes/projects event which takes place in woreda town without any discrimination in terms of salary and position. Regarding the eligibility criteria for per diem payment, the new civil service per diem payment manual article 3 (2) and (3) will be applicable.
- 2.4.4** Civil servants and other stakeholders shall be paid birr 125 per day when they participate in any development partner financed programmes/projects event which takes place in rural kebeles within the woreda they are living. The payment will be effective regardless of salary and position of the participants. Regarding the eligibility criteria for per diem payment, the new civil service per diem payment manual article 3 (2) and (3) will be applicable.
- 2.4.5** Civil servants and other stakeholders shall be paid birr 125 per day when they participate in a development partner financed programmes/projects event which takes place outside of the participant's duty station but within the city/town the participant is living. The payment will be effective regardless of salary and position of the participants.



2.5. Per Diem rate for Community Members

- 2.5.1.** Community members shall be paid birr 125 per day for participating in any development partner financed programmes/projects event which takes place in the woreda town they are living or when the event takes place in one of the rural kebele involving participants from different nearby kebeles.
- 2.5.2.** When Community members participate in an event that takes place outside of the woreda they are living and when they participate in events taking place in Addis Ababa, regional and zonal cities and other woreda towns, they will be entitled a per diem in accordance with the provisions of sub-article 2.4, section 2.4.1 to 2.4.3 of this manual.

2.6. Numbers of Days entitled for per diem

Any participant is entitled to get a per diem for the number of days s/he is participating in an event including for travel days (before and after the event), if and only if the event is taking place out of his/her duty station. The per diem payment criteria will be in accordance to the new civil service commission per diem directives article 3, (2) and (3).

2.7. Full board accommodation

If the organizer of an event covers all expenses (full board accommodation), per diem shall not be paid for the duration of the event, rather per diem shall be paid only for the travel days before and after the event.

2.8. Hardship Allowance

Participants will be entitled for hardship allowance in addition to the per diem rate if an event takes place in the area identified as remote and hazardous as per the civil service commission per diem manual.

Part Three

Transportation Allowance

Travel cost will be reimbursed based on the following evidences:

- 3.1.** An official receipt in accordance with the tariffs issued by the Road Transport Authority and the Railways Corporation for public transport.



- 3.2. An official receipt of transport service issued by an officially recognized private transport companies.
- 3.3. An official round trip receipt issued by Air transport service.
- 3.4. If the participants use office vehicle, an official receipt based on the existing market price of fuel and assuming that the vehicle will travel on average 5 km per liter.
- 3.5. If a participant is using air transport and if airport pick up transport service is not provided by respective organization, s/he will be paid Birr 200 for each trip to cover taxi expenses from/to the airport .

Part Four

Miscellaneous

4.1. Effective Date

This per diem payment manual shall be effective from the date of approval by the Minister of Finance, from 2 November 2020.

4.2. Repealed manuals

All previous per diem allowance payment guidelines, directives and manuals governing development partner financed programmes/projects have been repealed by this manual.

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