

Call-down Contract

Terms of Reference

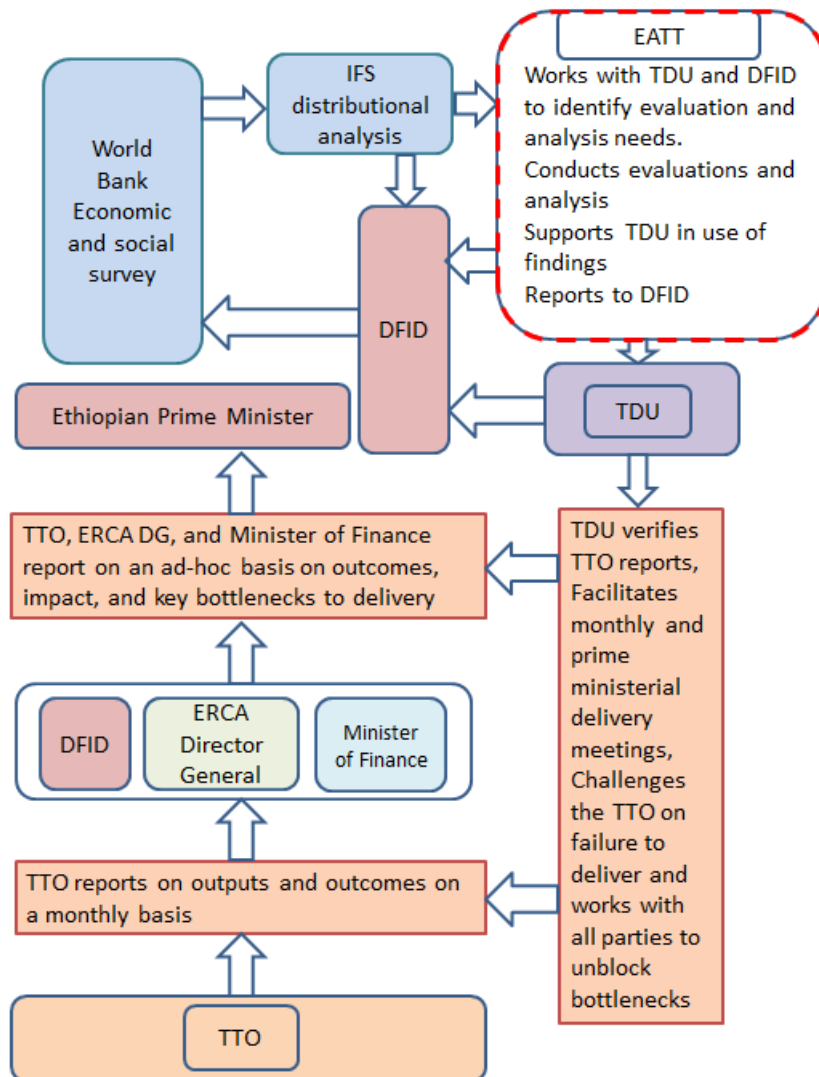
Terms of Reference: Evaluation and Analysis, for Tax Transformation (EATT)

Introduction

1. In 2016 DFID and the Ethiopian Government established a Tax Transformation Office (TTO) in the Ethiopian Customs and Revenue Authority (ERCA). This unit is designed to drive the institutional transformation of ERCA and tax policy reform in MoFEC (Ministry of Finance and Economic Cooperation). TTO coordinators and advisers work with counterparts in selected teams across ERCA and MoFEC to implement pre-agreed initiative plans that come together to form a delivery roadmap, the objective of which is to support the responsible and equitable increase of tax revenues in Ethiopia.
2. As a delivery unit, the TTO incorporates intensive, data-driven monitoring into its operating model. Excaliber software is used to monitor initiative progress according to a detailed KPI framework on a week on week basis. This information is fed live to a Tableau dashboard that informs weekly check-ins and monthly delivery meetings with senior leadership.
3. To complement the TTO. A Tax Delivery Unit (TDU) performs the following functions:
 - a. Independently verify and oversee TTO reported results
 - b. Independently verify that TTO initiatives are translating into outcomes and impact
 - c. Facilitate monthly delivery meetings between TTO, DFID, ERCA DG, and Minister of Finance
 - d. Facilitate quarterly reporting to the Ethiopian Prime Minister
 - e. Provide analytical support to the TTO where bottlenecks are constraining delivery
 - f. Work across Ethiopian Government (e.g. with Ministry of Planning, Prime Minister's Office, Regional Customs Authorities, etc.) to facilitate delivery.
4. DFID Ethiopia has set aside £726,875 over 4 years and 10 months to contract a service provider to provide independent evaluation and analysis that supports tax transformation in Ethiopia. This will consist of:
 - a. Conducting Annual evaluation reports to:
 - i. Assure the technical quality of DFID support to ERCA through the TTO
 - ii. Assure healthy relationships exist between programme stakeholders
 - iii. Test key Theory of Change assumptions
 - iv. Provide an overview of changes to the political economy context that may affect tax reform

- v. Audit TTO reported results
- b. Conduct an end-term impact evaluation
 - i. Assess the impact of TSTP
 - ii. Draw out lessons for other tax reform programmes
- c. Work closely with DFID, IFS, and the TDU in order to:
 - i. Prior to each annual evaluation, identify areas to be subjected to “deep dive” evaluation.
 - ii. On an *ad-hoc* basis, identify tax reforms that should be accompanied by a socio-environmental impact evaluation.
 - iii. Draw out findings relevant to TSTP evaluations from distributional analyses carried out by the IFS under the DFID centrally managed TAXDEVII programme.
 - iv. Synthesize and disseminate findings of EATT outputs as well as centrally funded IFS distributional analyses.

TSTP is unique because M&E activities are spread between 3 actors. Monitoring will be the responsibility of the TTO, and macroeconomic analysis will be conducted by IFS. The EATT service provider will verify TTO reporting, and bring this together with IFS distributional analysis and wider evidence to evaluate TSTP outcomes and impact. See below an organigram illustrating the division of M&E activities under TSTP.



5. These Terms of Reference (ToR) set out the scope for the management of the Evaluation and Analysis for Tax Transformation (EATT) sub-programme.

OBJECTIVE

6. DFID Ethiopia is seeking to contract a provider/consortium of providers to fulfil the role of EATT management agent. EATT will directly support tax transformation activities with specialized evaluation and analysis support as well as provide a means of independent quality assurance.

RECIPIENT

7. The Government of Ethiopia will be the ultimate beneficiary of the services as the effectiveness of tax transformation delivered through TSTP should be increased as a result of support and feedback from an independent EATT team. The direct recipient of the services and deliverables under the contract will be DFID Ethiopia.

SCOPE

8. Independent verification and oversight of TTO results

The EATT team will work closely with the TDU to audit TTO reported results on an annual basis.

9. Annual evaluation reports
The EATT team will work closely with all parties to ensure maximum relevance and effective dissemination of annual evaluations.
10. Social-environmental impact evaluations
The EATT team will work closely with all parties to ensure significant policy and administrative changes supported under TSTP are accompanied by appropriate social-environmental impact evaluation in line with DFID's "do no harm" approach.
11. End-term impact evaluation
At programme end the EATT team will draw together all available quantitative and qualitative data generated throughout the lifetime of the programme to make an overall assessment of TSTP impact and draw out key lessons for other tax programmes. This evaluation is expected to result in a peer-reviewed, published article.

REQUIREMENTS

12. The service provider will be responsible for delivering the following:
 - i. 4 *ad-hoc* social-environmental impact evaluations of DFID supported tax reform
 - ii. 4 Annual evaluation reports covering:
 - a. Outputs results audit
 - b. Outcomes assessment
 - c. Deep-dive evaluation
 - d. Political economy analysis
 - iii. 1 peer-reviewed and published end-term impact evaluation
13. In addition, DFID may request the service provider to do further, *ad hoc*, pieces of analysis related to the technical review and monitoring of the programme. These *ad hoc* pieces of work would fall under the broad scope of the programme, but specific terms of reference would be developed. Additional funding for this would also be made available.
14. A permanent presence in Ethiopia is not a requirement. However, DFID welcomes cost effective suggestions that will maximize contact time between evaluators and programme staff (especially the TDU). In the short to medium term it should be possible to facilitate any presence in-country that the service provider suggests with free of charge office space for a maximum of two evaluators in either the TTO or TDU. This arrangement will be reviewed as the programme evolves.

Social-environmental impact evaluations

15. These assessments will enhance DFID's understanding of the impact of DFID supported tax reforms on poor and marginalized groups, the business climate (especially for small businesses), and the environment. The TDU and DFID will advise the service provider on policy and administrative changes under tax transformation as and when they arise that could be subject to assessment and which groups are likely to be effected. Key questions to be addressed by these assessments are:

- How are incomes and consumption of group X affected by the proposed/implemented tax reform?
- How does the behaviour of group x respond to the proposed/implemented reform?
- How is the tax paying experience of group X affected by the proposed/implemented reform?

These reports may draw from high-level distributional analysis conducted by the IFS under the centrally managed TAXDEVII programme. However, they will build on this analysis with quantitative and qualitative assessment of the micro and behavioural effects of tax transformation sponsored reforms. The absence of the aforementioned distributional analysis, for any reason, should not preclude the service provider from carrying out required socio-environmental assessments. These reports will form part of DFID's safeguarding and "do no harm" approach.

Proposed assessments will be assessed either before or after implementation depending on the context and availability of data. In the case of *ex-ante* assessments, the service provider will work closely with the Tax Policy Unit in MoFEC to ensure policy impact forecasting efforts are coordinated and the tax policy making process benefits from the results of the assessment. Results of *ex-post* assessments will help inform DFID's assessment against log frame impact indicators 3 and 4¹.

Indications that the programme is undermining broader DFID and GoE objectives regarding poverty reduction, business climate, environmental protection, and/or gender equality will be raised with ERCA DG and Minister of Finance. Consistent failure to prevent tax reforms from undermining these objectives could be grounds for programme termination according to the MoU signed by UK and Ethiopian Government in August 2018.

The methodology of these assessments will largely depend on existing research, available data, and subject matter. Methodological approaches could include but shouldn't be limited to: further statistical analysis into trends identified by the IFS TAXDEVII distributional analyses and wider quantitative evidence where available; primary research where data does not exist; and qualitative research to complement existing quantitative evidence.

Annual evaluation reports

A: Technical quality assurance

16. Annual evaluation reports will be split into three sections. The first will focus on how TSTP is working in the Ethiopian context and what changes could be made to improve its effectiveness. This could (but may not necessarily) include recommendations to DFID on how performance of the main TSTP supplier could be incentivised to improve performance. It

¹ Impact indicator 3: "Disparity between male and female tax paying experience as measured by tax payers' customer satisfaction survey reduced year on year."
Impact indicator 4: "Tax reforms do not significantly increase poverty or inequality"

should also test assumptions of the theory of change at the output-outcome level. The review will loosely be framed around the following questions:

- I. Do the results reported by TTO paint an accurate picture of the technical quality and progress achieved (or lack thereof) under TSTP? Answering this question will involve a rigorous results audit in partnership with the TDU.
- II. Has the TSTP improved the capabilities of ERCA? If so, what capabilities were improved and what inputs (or other changes) led to the improvements? (Much of the data needed to answer this question will be generated by the service provider that manages the TTO rather than the service provider).
- III. What factors have helped or hindered building the capabilities of ERCA? Potential factors include, but are not limited to:
 - a. weak political support
 - b. the prevalent incentives structure
 - c. insufficient investment in capacity building (in spite of TSTP)
 - d. difficulties in retaining skilled staff
 - e. poor knowledge management capacity
- IV. Have changes in ERCA's practices and capabilities and / or tax policy changed the attitudes and / or behaviour of taxpayers? If so, how?
- V. Have efforts to increase tax revenue had any negative consequences that might weaken the tax system (eg, by reducing trust in or support of ERCA)?

B: Deep-dive evaluation

17. The second section will involve a deep dive into one initiative area of particular interest to DFID, GoE, and the TDU. The initiative area will be selected on a year-on-year basis, however deep-dive evaluations will build on section 1 to answer the following questions:

- a. In comparison to other initiative areas, to what extent has work on initiative x over/under performed
- b. How is the macro-economic context favourable / unfavourable to performance in this area?
- c. How is the political context favourable / unfavourable to performance in this area?
- d. How do teamwork, management, resources, and leadership affect performance in this area?
- e. Are the roadmap and KPIs still relevant and appropriate to performance in this area?
- f. How does progress or lack thereof in this area relate to performance in other initiative areas?
- g. What changes can be made to our approach to this initiative area in order to improve / maintain performance?
- h. What can other initiative leads learn from our experience in this area?

18. At this point in time, we plan to subsume deep dive evaluations into the annual evaluations. This is to avoid “evaluation fatigue”, but at the cost of flexibility. We may decide during implementation that it is in fact better to separate deep dive evaluations from the broader annual evaluation in order to allow the EATT service provider to provide flexible, demand driven evaluation and analysis in order to unblock obstacles as and when they arise. After 1 year, or before if possible/necessary, stakeholders will assess the pros and cons of separating deep dive evaluations from the broader annual evaluation.

C: Political Economy Analysis updates

19. The final section of the annual evaluation will consist of an update to DFID’s original assessment of the political economy of tax in Ethiopia, how this is affecting TSTP implementation, and what this implies for future strategy. The political economy analysis should be based on that carried out for DFID in 2017, should constitute an approx. 10 page update to this document, and answer the following questions:

- Identify the changes to the political context in the last year most relevant to tax reform.
 - o What are the implications of these changes to tax transformation initiatives?
 - o What are the implications on overall tax transformation?
 - o Do they throw new threats and/or opportunities, either at initiative or overall reform level?
 - o How does this effect the composition of key stakeholders related to tax reform (e.g. State Owned Enterprises, Party Affiliated Conglomerates, Foreign Investors, Political Parties, etc.) and their support/opposition to tax reform?
- Identify the key bottlenecks to tax transformation over the last year.
 - o How can these bottlenecks be explained by an understanding of the political economy of tax in Ethiopia?
 - o How should the TTO adjust strategy in order to overcome/avoid these and similar obstacles in the future?
- To what extent to political and economic factors explain performance and results over the previous year?

Prior to each PEA update the service provider will work closely with the TDU head and DFID to determine ToR and specific research questions. DFID expects these reports to be carried out by specialized political economy analyst. The quality of the reports will be judged on the following criteria:

- Credibility of analysis
- Ability to synthesize an understanding of political events with the tax transformation process
- Ability to draw lessons from an understanding of the context and history of tax reform in Ethiopia

- Ability to draw out implications of a high level analysis for tax transformation initiatives
- Ability to identify possible political events over the coming year that may affect TSTP delivery
- Ability to outline clear, credible recommendations (either to change approach, stay the course, or avoid/resist certain changes) to DFID and the TTO.

End-term impact evaluation

20. Given the size and novelty of TSTP, the service provider will carry out an end-term impact evaluation in order to assess the extent to which TSTP has helped to: raise the tax to GDP ratio, move towards a compliance based tax-system, and create a more equitable tax system. Given the complexity and ambition of TSTP, DFID does not expect attribution of impact to be either proved or disproved. Rather, service providers are encouraged to take a theory-based approach that infers causation based on the weight of evidence regarding the different mechanisms of change.² This evaluation should be able to draw heavily from data derived from the DFID funded expansion of the World Bank Ethiopia Economic and Social Survey (ESS)³ and DFID funded distributional analysis carried out by the Institute for Fiscal Studies (IFS) and funded under the centrally managed TAXDEVII programme. This component includes dedicated funding to support the World Bank improve its Economic and Social Survey report. The service provider will combine high level data and granular data on TTO initiative and ERCA administrative data to paint a credible picture of TSTP impact. The objectives of this evaluation will be:

Provide an independent and objective judgment of the extent to which TSTP has succeeded in meeting its goals by the end of the programme.

Understand the extent to which TSTP reforms had positive or negative effects on different groups in Ethiopia, with a particular focus on the poor, women, and businesses.

Contribute to DFID's and the development sector's knowledge of when and how to support institutional reform of tax systems in low-income countries

It may result that either the quality of data produced by the scaled up WB ESS and/or the quality of distributional analysis produced by the IFS, along with wider evidence, may be insufficient for a meaningful impact evaluation. By year 3 of implementation it should be clear whether or not this is the case. Yr3 (April 2021) DFID annual review will assess whether

² See "Befani, B., Davies, R., Forss, K., Mayne, J., Stame, N., Stern, E. (2012) *Broadening the Range of Designs and Methods for Impact Evaluation*. Department for International Development, Working Paper 38." For methods for evaluating impact that do not rely on a rigorous assessment of causality.

³ A scaled-up ESS will improve data on household consumption and spending which will be gender disaggregated and significant at the regional level. Data will be available on informal taxes and a specific tax module will be added to the survey to further dig into tax paying behaviour in Ethiopia.

to hold budget back for an end-term impact evaluation, or divert these funds to other analyses or evaluation.

Methods

Taking a theory-based approach to an end-term impact evaluation and the other evaluations described above can accommodate a range of methods as needed.⁴ Bidders are invited to offer their own recommendation. DFID has not ruled out any particular methodology or method (other than running TSTP as a policy experiment), so appropriate methods could include but are not limited to:

- Literature reviews
- Statistical analysis of tax data
- Qualitative interviews and focus groups
- Surveys of subsets of taxpayers
- Small randomized control trials to test taxpayer behaviour (as HMRC has done in the UK)
- Process mapping
- Contribution analysis
- Root cause analysis

The evaluation should include:

- a. a summary of how TSTP was implemented and evolved over the course of the programme;
- b. an analysis of how tax revenues, tax to GDP ratio, and the distribution of the tax burden changed during the course of the programme;
- c. the evaluator's judgement on how close it came to meeting its objectives;
- d. an explanation of what facilitated and hindered progress and why it succeeded or did not if it fell short of its goals; and
- e. lessons learned over the course of the programme for other institutional capacity-building programmes.

Work plan

21. The EATT service provider should develop a full work plan setting out: the approach to evaluation and how this will interact with the TTO monitoring system; and the resources dedicated to each subcomponent of this contract. This will be finalised and signed off by DFID no later than six weeks after contract signing.

22. Although key questions have been set out above, it is important that the EATT service provider be flexible and research questions and plans should be adapted as necessary as the programme develops. The work plan should contain outline plans for the annual evaluations, but these should be refined and agreed with DFID (including finalising the set of questions the review will answer) closer to the review dates.

Staffing Skills and Expertise

⁴ Befani et al (2012) pp 14-29.

23. The successful provider(s) will have the necessary expertise to deliver the outputs described above. The supplier will be afforded flexibility in the team structure and composition. However, this should include personnel with significant technical expertise in the areas of M&E, tax, and political economy analysis, as well as experience of working in a flexible, results driven manner as per a “delivery approach” to institutional reform.

Constraints and Dependencies

24. Firms/consortia bidding for this contract should not have significant conflict of interest with the main TSTP service provider. Any conflict of interest should be declared to DFID. Firms/consortia that bid for the TSTP supplier contract and were unsuccessful are welcome to apply for this contract.

25. Access to data: The service provider will have full access to TTO data. Access to broader ERCA administrative data (that not associated with TTO initiatives) will generally be forthcoming, however this will have to be agreed on an case by case basis. Service providers should note that even when made available by ERCA, this administrative data is often incomplete and unreliable. The service provider will get early access to the results of the WB ESS and IMF distributional analysis on the back of this data.

26. The EATT contract will be dependent on the continued implementation of the TSTP programme.

27. A break clause after one year will be included in EATT contract and will only be activated in the case of poor supplier performance (based on agreed KPIs).

28. It should be noted that DFID programmes are not automatically tax exempt in Ethiopia and therefore suppliers may be liable to pay local tax. Tax liabilities should therefore be taken into consideration in commercial proposals.

TIMELINE, PAYMENT AND REPORTING

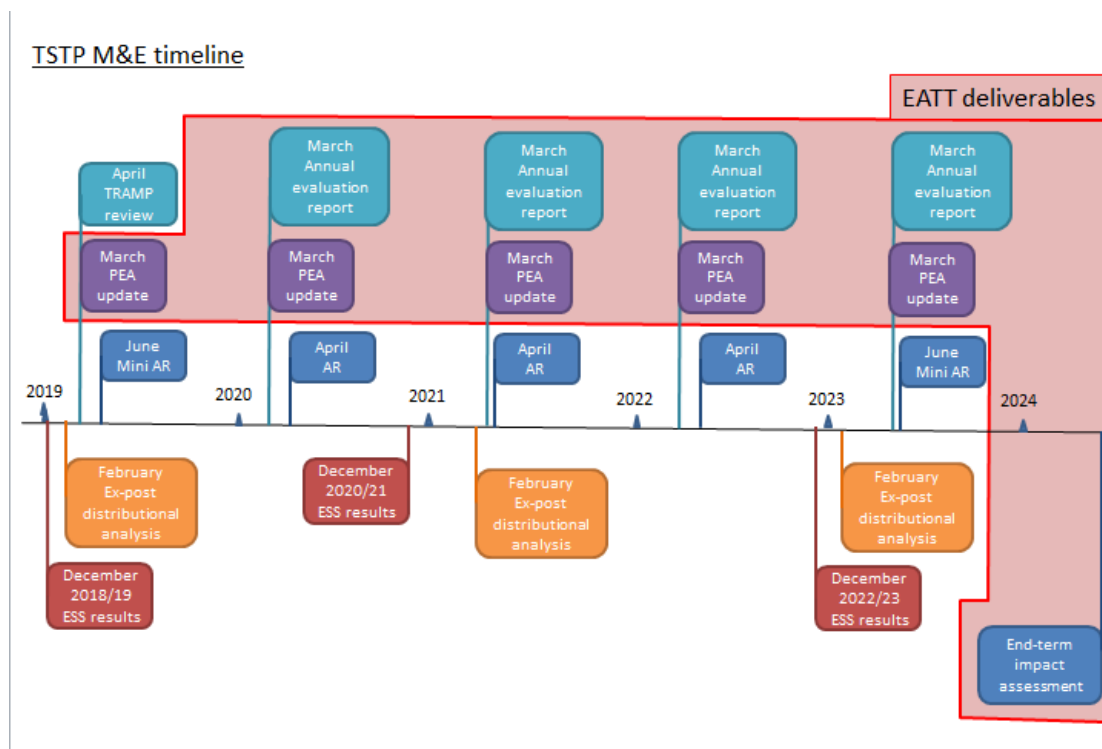
29. The contract will be for four years and 10 months, however at DFID’s discretion and dependent on supplier performance and needs of the programme, DFID may consider a contract extension of up to two years. The value of the potential two years extension will be up to £363,000.

30. The expected budget will be £726,875. This is based on DFID’s estimate of the level of effort required to deliver the outputs above. Proposals with a value outside of this guide may still be considered. All proposals will be evaluated for their commercial competitiveness and value for money in line with criteria provided.

31. The Supplier is required to commit to being fully prepared in the event that any decision is made to scale up, (increase by no more than 50% of the original contract value), will include accommodation of additional outputs

other than those specified above. Terms of reference for any additional outputs will be agreed between DFID and the supplier. Fee rates will be based on fee rates specified in the supplier's commercial proposal. Furthermore, DFID reserves the right to scale back or discontinue this programme at any point, (in line with our Terms & Conditions).

32. The EATT programme will deliver 1 annual evaluation report per year (expect in year 1), 4 socio-environmental impact evaluations on an *ad-hoc* basis over 5 years, and 1 end-term impact evaluation. The specific timing for these reports will be agreed by DFID at the beginning of the contract based on the deadline for the DFID annual reviews and availability of data, but an indicative timeline is illustrated below. In total there will be 4 annual evaluation reports, 4 political economy analysis updates, 4 socio-environmental impact evaluations, and 1 end-term impact evaluation.



33. Annual evaluation reports will be submitted on an annual basis, following data becoming available from the ESS (although not contingent on this), in order to inform DFID internal annual reviews.
34. Socio-environmental impact evaluations will be conducted on an *ad-hoc* basis throughout the duration of TSTP.
35. An end-term impact evaluation will be conducted after five full years of TSTP implementation. It is expected that design and baseline data assessment will take place in good time to ensure an appropriate impact methodology can be applied at the end of the time period. It is expected that a final version of the review would be submitted to DFID within three months of the initiation of the evaluation.
36. Payments will be linked to timely delivery of outputs as set out above. Suppliers should include in their proposals details on how an innovative and effective Payment by Results mechanism could be implemented in a

way that financially incentivises performance, quality and retains financial risk.

CONTRACT MANAGEMENT

37. DFID will contract one supplier, or lead consortium member, who will be responsible for delivering the full terms of reference. DFID and the supplier will agree Key Performance Indicators in order to manage contract performance.
38. The supplier will report to the DFID Ethiopia Senior Responsible Officer (SRO), and will have regular engagement with other relevant advisers and programme management staff from DFID Ethiopia.
39. The supplier must identify in the tender a senior representative with whom any contract management issues may be escalated.

DUTY OF CARE

40. The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
41. DFID will share available information with the Supplier on security status and developments in-country where appropriate. DFID will provide a copy of the DFID visitor notes (and a further copy each time these are updated), which the Supplier may use to brief their personnel on arrival. A named person from the contracted organisation should be responsible for being in contact with DFID to ensure information updates are obtained. There should be a process of regular updates so that information can be passed on (if necessary). This named individual should be responsible for monitoring the situation in conjunction with DFID.
42. Travel advice is also available on the FCO website and the supplier must ensure it (and its personnel) are aware of this. The supplier is responsible for ensuring appropriate safety and security briefings for all of its personnel working under this contract.
43. The supplier is responsible for ensuring that appropriate arrangements, processes and procedures are in place for its personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the contract (such as working in dangerous, fragile and hostile environments etc.). The supplier must ensure its personnel receive the required level of appropriate training prior to deployment.
44. Suppliers must develop tenders on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix prepared by DFID (see Annex 1 to this Terms of Reference). They must confirm in the tender that:
 - They fully accept responsibility for security and Duty of Care.
 - They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
 - They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

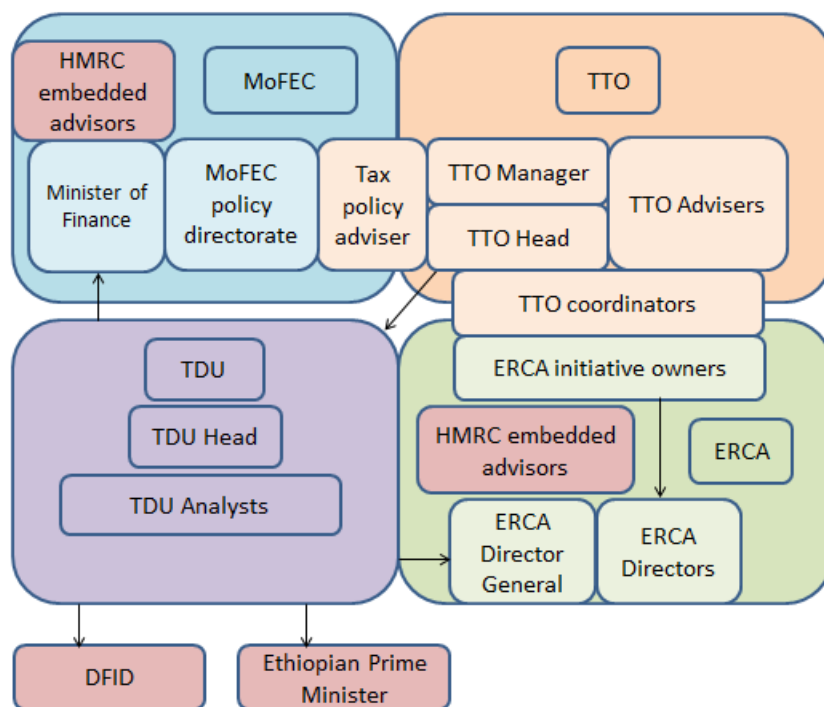
- They will give responsibility to a named person in their organisation to liaise with DFID and work with DFID to monitor the security context for the evaluation.
45. If you are unwilling or unable to accept responsibility for security and Duty of Care as detailed above, your Tender will be viewed as non-compliant and excluded from further evaluation.
46. Acceptance of responsibility must be supported with evidence of capability (no more than 2 A4 pages) and DFID reserves the right to clarify any aspect of this evidence. In providing evidence tenderers should consider and answer yes or no (with supporting evidence) to the following questions:
- I. Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding, and are you satisfied that you understand the risk management implications (not solely relying on information provided by DFID)?
 - II. Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
 - III. Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?
 - IV. Have you an appropriate mechanism in place to monitor risk on a live / on-going basis (or will you put one in place if you are awarded the contract)?
 - V. Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
 - VI. Have you appropriate systems in place to manage an emergency / incident if one arises?

Background

Ethiopia has set itself the ambitious target of becoming a middle income country by 2025. The UK supports this ambition: as an island of peace in a troubled region, Ethiopia's future stability and prosperity matters to the UK. However, the DFID Ethiopia economic development strategy identifies the tax system as a potential bottleneck. While the country has enjoyed impressive GDP growth of 7.5% per annum over the last decade, the tax to GDP ratio remains low at ~11%. As a result, the Government of Ethiopia (GoE) still depends on external resources to finance its development. Public debt has risen to 57% of GDP and risks becoming unsustainable. Tax take must increase in order to maintain current levels of public investment in the infrastructure that underpins investment, industrialisation, trade and growth. Likewise, tax paying must be modernised so as it no longer acts as an obstacle to private sector growth and investment.

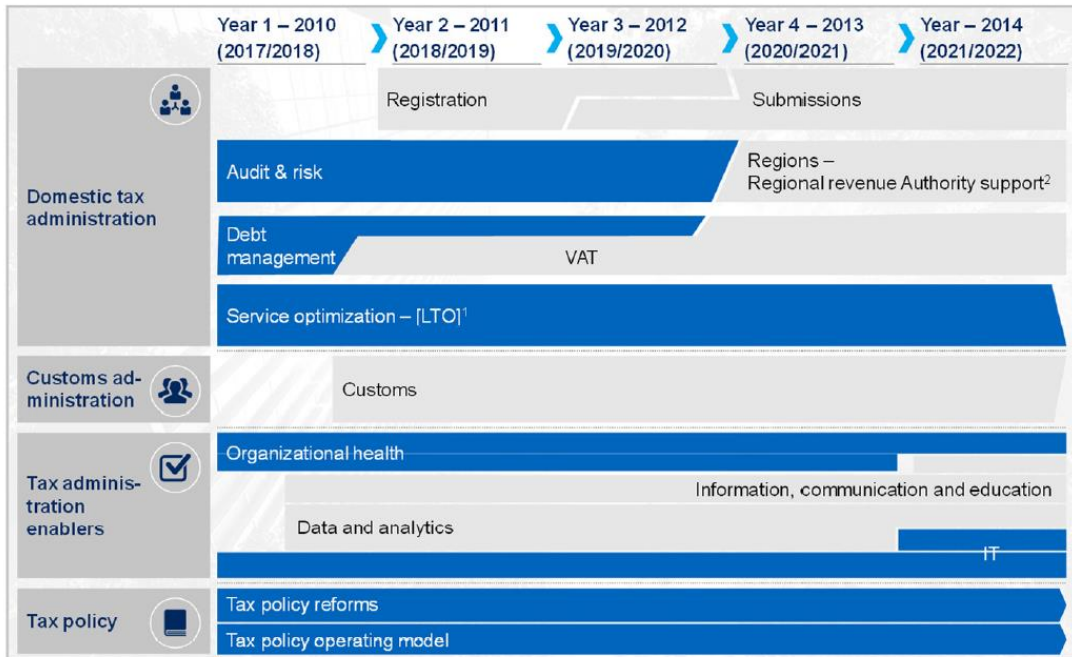
In 2016 The GoE, with personal leadership from the then PM Hailemariam, requested UK support to help transform the country’s tax system. GoE is committed to tax transformation as both a political and economic imperative to deliver economic growth, jobs, and services. This is also in the UK’s interest: as Ethiopia is able to secure more tax revenue, it creates an “exit” for development partners from resource heavy aid programmes. As Ethiopia industrialises, the country needs an effective tax system in order to both foster and reap the benefits of sustained growth, trade and investment. UK support will enable a whole economy approach to tax reform that is currently beyond the capacity of GoE. TSTP aims to institutionalise evidence based, data driven policy making which will enable GoE to equitably and responsibly reduce non-compliance and steadily broaden the tax base.

The Tax Systems Transformation Programme (TSTP) is a 5 year £35m technical assistance (TA) programme. Around half of UK funds will be spent on two fully staffed delivery units; a Tax Transformation Office (TTO) established in the Ethiopian Customs and Revenue Authority (ERCA) and a Tax Delivery Unit (PMDU), sitting between ERCA and the Ministry of Finance and Economic Cooperation (MoFEC). Remaining funds will be spent on international tax expertise (including long term HMRC support) channelled through the TTO. The programme is expected to deliver: additional annual tax revenues of at least 8.9b ETB (£295 million) by programme end; reduced tax compliance costs; and improved certainty and fairness for the private sector.



An updated 5 year roadmap to deliver transformation

■ Launched in 2010 ■ Not yet launched



Annex 1: Country Risk Assessment

Location: Ethiopia

Date of assessment: 18th September 2017

Assessing official: Robbie Packer

This is a general risk assessment for the whole of Ethiopia. Although the vast majority of TSTP be activities will take place in Addis Ababa, risk does vary by region and the supplier should take this into account when planning travel.

Theme	DFID Risk score
OVERALL RATING	2.07
FCO travel advice	3
Host nation travel advice	N/A
Transportation	4
Security	2
Civil unrest	2
Violence/crime	3
Espionage	2
Terrorism	2
War	1
Hurricane	1
Earthquake	1
Flood	2
Medical Services	4
Nature of Project/Intervention	1

1 Very Low risk	2 Low risk	3 Med risk	4 High risk	5 Very High risk
			SIGNIFICANTLY GREATER THAN NORMAL RISK	

Theme	DFID Risk score
OVERALL RATING	2 Low Risk
FCO travel advice	There are no travel restrictions to the majority of the country, however the FCO advises against all travel to large parts of the Somali region, border areas, and parts of Gambella region. The FCO advises against all but essential travel to North Gonder and parts of Gambella region.
Host nation travel advice	Not available

Transportation	<p>Driving standards are poor, and traffic accidents are common and often fatal. Visitors should be very careful when travelling by car. Drivers should also be aware that under Ethiopian laws, drivers involved in car accidents can face severe punishments, including custodial sentences and fines.</p> <p>Traffic accidents are a regular occurrence in Ethiopia and Addis Ababa specifically. You should avoid driving after dark in rural areas: vehicles often have no lights and livestock may be roaming the roads.</p>
Security	<p>The security situation in the country as a whole is rated as moderate, however there are pockets of insecurity. Since September 2014, there have been reports of ethnic conflict between communities in the Gambella region. There is local instability, lawlessness, military activity and a general risk of banditry in the Somali region, especially bordering Oromia. There are cross-border tensions in the Tigray and Afar regions. There is banditry in the areas bordering Sudan, South Sudan and Kenya. This is reflected in the FCO travel advice. This said, the security situation in Addis Ababa (where programme activities will take place) is stable, hence the low risk rating.</p>
Civil unrest	<p>Protests and demonstrations sometimes take place in Addis Ababa and other cities. In the past, some of these have become violent. You should avoid any protests or demonstrations.</p>
Violence/crime	<p>Petty theft and mugging is common and on the rise. Take particular care when visiting crowded public places, especially at night. Be aware of the risk of pick-pocketing, and bag and jewellery snatching including from vehicles stopped at traffic lights in Addis Ababa. Incidents involving parked and unattended cars are on the increase. Levels of violent crime are low.</p> <p>There has been violence, inter-tribal clashes and armed attacks in the Gambella region.</p>
Espionage	<p>The threat of espionage is considered to be low.</p>
Terrorism	<p>There is a threat from terrorism, although historically this has been low. Attacks could be indiscriminate including in places frequented by foreigners. The terrorist group Al-Shabaab, although based in Somalia, poses a threat across the East Africa region. There are credible reports that Al Shabaab plan, and have the capability, to attack targets in Ethiopia, particularly in Addis Ababa, Jijiga and Dolo Odo.</p>
War	<p>The Ethiopia-Eritrea border remains closed. Several security incidents have taken place along the border. The risk of cross-border tensions remains.</p>

Hurricane	No identified risk
Earthquake	No identified risk
Flood	Seasonal and localized floods cause temporary displacements and damages to roads.
Medical Services	There are a number of hospitals in Addis Ababa but only private hospitals offer a reasonable standard of basic care for minor health problems. Elsewhere, medical facilities (including dentistry) are extremely poor.
Nature of Project/Intervention	It is envisaged that the project will mainly be operating in Addis Ababa. Work will be mainly office based and therefore is not deemed to have heightened levels of risk in any area.

CB129 (February 2007)