## 1. Project Data

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<th>Group</th>
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<tr>
<td>Hjalte S. A. Sederlof</td>
<td>Judyth L. Twigg</td>
<td>Joy Behrens</td>
<td>IEGHC (Unit 2)</td>
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## Project ID P129534

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**2. Project Objectives and Components**

**a. Objectives**

The Project Development Objective (PDO) of the Promoting Basic Services Phase 3 (PBS 3) as set out in the Financing Agreement (page 4) was to contribute to the higher-level objective of expanding access and improving the quality of basic services, by funding block grants that ensure adequate staffing and operations, and by strengthening the capacity, transparency, accountability and financial management of government at the Regional and Local Authorities levels.

Two prior phases – PBS 1 and 2 – had similar objectives.

The PDO includes inputs as well as outputs and outcomes. Therefore achievement of the PDO will be assessed on the basis of improved access and quality of basic services, i.e. the outcome, as the result of two sets of outputs: (i) adequate staffing and operations; and (ii) strengthened capacity, transparency, accountability and financial management of sub-national governments. Block grants are defined as inputs that finance the first set of outputs (i.e. recurrent spending on service provision). The second set of outputs is financed from investment funds.

**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

The project had the following components:

**A. Block grants for basic services** (estimated cost at appraisal US$6.2 billion, IDA US$0.56 billion; actual cost US$11.03 billion, IDA US$0.51 billion). The component was to contribute to the financing of recurrent expenditures in the five basic sectors (education, health, agriculture, water and sanitation, and rural roads),
by transferring basic service block grants from the federal level to sub-national regions and districts (woredas). The grants were allocated on a formula basis. The use of the grants was discretionary at the sub-national level, as each woreda decided how to allocate the transferred funds between the five basic sectors in accordance with their perceived priorities. The block grants account for 80-90 percent of woreda spending. There are national policy level guidelines about priorities, but in practice woredas decide how to allocate the moneys.

B. Strengthening accountability and transparency of service delivery systems at the sub-national level (estimated cost at appraisal US$114.6 million, IDA US$40.0 million; actual cost US$117 million, IDA US$10.5 million). The component was to achieve this by raising citizens’ engagement, strengthening local public financial management and procurement, and management for results, and by providing incentives for innovation through a Results Enhancement Fund.

B.1. Citizens’ engagement focused on three areas

1. Financial Transparency and Accountability. This sub-component was to deepen citizens’ understanding of public budget processes, including by budget literacy training, improved quality of budget information, and wider disclosure of such information.

2. Social Accountability. A social accountability program was to help woreda-level public service providers deliver better basic services in response to feedback from communities and citizen groups. It was to include Community Score Cards, Citizen Report Cards, and Participatory Budgeting.

3. Grievance Redress Mechanisms. Existing regional and woreda level grievance redress offices were to be strengthened: (i) a common standard for grievance redress procedures was to be introduced; (ii) capacity development and training for grievance officers was to be undertaken; and (iii) information and public education on grievance procedures was to target the citizenry.

B.2. Local Public Financial Management and Procurement. To ensure a robust financial management system that allows public resources to flow reliably from the federal treasury to woreda-level and front-line basic service providers, the component was to strengthen woreda-level public financial management systems. Its main activity was to develop standardized training materials, institutionalize delivery of training, disseminate standardized manuals in cash management, procurement, internal audit as well as systems for external audit, and commitment control. It was also to support roll-out of automated financial management software to woredas.

B.3. Managing for Results. The component was to enhance program effectiveness by ensuring that data, systems, and analytic capacity were strengthened to deliver results throughout the project implementation period. It was to (a) monitor PBS program results, (b) strengthen the multi-sectoral, decentralized system for credible, timely and available data, and (c) undertake targeted surveys and studies that fill crucial gaps in the government’s and development partners’ understanding of how PBS results can be sustainably achieved.

B.4. Results Enhancement Fund (REF). The REF, financed solely by the UK Department for International Development (DFID), was to provide incentives for innovation and development in a yearly prize for performance, providing resources to three sub-national administrations that made the most progress to improve performance. The detailed arrangements for the component were to be finalized during project implementation.
**Significant Changes During Implementation**

The project underwent the following Level 2 revisions during implementation:

Sub-component B.4 – the REF – was cancelled in March, 2014, when DFID withdrew from the project due to a shift in its program focus. It was replaced by a new sub-component B.4. – Risk and Safeguard Management Capacity -- that was to build capacity to develop and implement a nationwide Environment and Social Safeguards action plan for woreda governments (see Section 10a - Safeguards).

e. **Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Project cost and financing.** At appraisal, the total cost of the project was estimated at US$5,535.2 million, with US$1,248.1 in World Bank (IDA US$600 million, Trust Fund US$648 million) financing. The remainder was to be provided by the Borrower (US$3,170.8 million) and development partners (US$1,116.3 million). Participating development partners were the African Development Bank, the European Union, Austria, Germany, Ireland, Italy, Sweden, and the United Kingdom.

Actual project costs at completion were US$11,602.6 million, with World Bank financing of US$1,078.8 million (IDA US$593.4 million; Trust Funds US$485.4 million); Borrower financing at US$9,766.4 million; and development partners US$757.4 million. The increase in actual costs reflected an increase in block grants and measures to strengthen citizens’ engagement. These increases were met by increasing government financing.

**Dates.** The project was approved on September 25, 2012. It became effective on December 20, 2012. The original closing date of January 7, 2018, was extended once from December 12, 2014, to January 7, 2019, to allow time for coordinating activities between PBS 3 and a follow-up project (Enhancing Shared Prosperity for Equitable Services, ESPES).

### 3. Relevance of Objectives

**Rationale**

The objectives of PBS 3 were aligned with World Bank strategy and government policy, as also had been the case with the two preceding projects in the series, PBS 1 and 2. All three supported expanding delivery of basic services, applying Ethiopia’s federal system of decentralized decision-making, with resource distribution to sub-national entities (regions and woredas) determined by a needs-based formula, and accompanied by capacity building and strengthening of social accountability and citizen engagement at the woreda level (the latter activities a key ingredient for successful federal systems of decentralized decision-making). With their focus on basic services, the projects contributed to the implementation of the government’s Growth and Transformation Plan (GTP) with its objective of achieving the Millennium Development Goals (MDGs) by 2015 and middle-income status for Ethiopia by 2023. (Ethiopia has made significant progress towards achieving these goals, albeit without yet attaining them.) The World Bank Group’s Country Partnership Framework (CPF) for FY2018 to FY2020 confirms the continued relevance of
the PBS approach, and subsequent projects (ESPES and ESPES Additional Financing) that built on the foundation put in place under the PBS series.

**Rating**

High

4. Achievement of Objectives (Efficacy)

**OBJECTIVE 1**

**Objective**

To expand access to and quality of basic services

**Rationale**

Improved access to and quality of basic services was to be promoted by funding block grants that finance the recurrent costs of staffing and operations for delivery of basic services (education, health, agriculture, water supply and sanitation, rural roads); and by investment moneys to strengthen the capacity, transparency, accountability, and financial management of government at the level of regions and woredas to facilitate citizens’ engagement (through improved financial transparency and accountability; social accountability; and grievance redress mechanisms); better M&E systems to measure results; and improved local public financial management and procurement.

One initiative that was included in the original project, aimed at providing regional and local authorities with incentives for innovation and performance, was dropped when the donor agency, DFID, dropped out of the project. The activity was replaced with one aimed at enhancing national capacity to address risks and safeguard issues (see Section 10b on Fiduciary Compliance).

1. Ensuring adequate staffing and operations

a. Education

In education, the aim was to raise upper primary (grades 5-8) education enrollment rates, and increase the number of qualified teachers as well as access to textbooks and supplies. Over the period 2012/13-2017/18, 56 percent of block grant transfers were allocated to education.

**Outputs**

Over the 2012-2018 period, the number of qualified primary school teachers increased from 142,000 to 401,000, exceeding the target of 300,000.
Outcomes

Over the 2012-2018 period:

- The proportion of qualified primary school teachers increased from 53 percent to 83 percent against a target of 97 percent (quality).
- The number of students in Grades 5-8 increased from 5.5 million to 6.4 million, and the average number of textbooks per student increased from 1 to 3.8 (access).
- Net primary enrollment rates in Grades 5-8 increased from 47 to 57 percent, showing progress towards the national goal of 80 percent (access).
- The student-teacher ratio for grades 5-8 rose from 51 to 35, not fully meeting the target ratio of 30 (quality).

Moreover:

- The gender parity index in Grades 5-8 on a net enrollment basis reached 0.98 percent in 2018 (access).

b. Health

In health, the aim was to improve basic maternal and child health indicators, and improve the control of communicable diseases. Over the 2012-2018 period, 19 percent of woreda spending on basic services went to health.

Outputs

- The number of qualified health workers increased from a baseline of 30,900 to 36,660 over the 2012-2018 period, against a target of 40,000.

Outcomes

Over the 2011 - 16 period,

- The population per health worker decreased from 1:2,578 to 1:2,570 against a target of 1:2,500 (access/quality).
- The contraceptive prevalence rate for women age 15-49 rose from 19.6 to 25.3 percent. Skilled birth attendance rose from 10 to 28 percent. Women receiving ante-natal care rose from 34 to 62 percent. Children with a full set of vaccinations increased from 85 to 96 percent (access/quality).
- As a result, infant mortality dropped from 59 to 48 per 1,000 live births. The child mortality rate decreased from 88 to 67 per 1,000 live births. (Note that these trends in health outcomes draw on the Demographic and Health Surveys (DHS) for 2011 and 2016, and include other influences beyond the increase in health workers.)

c. Agriculture
In agriculture, access and quality were to be improved by emphasizing professional training and retention of extension staff, and improvements in agricultural data. Woreda spending on these activities from block grants equaled 18 percent of total woreda spending over the 2012-2018 period.

**Outputs**

- The number of farmers benefiting from extension services rose from a baseline of 9.4 million to 17 million in 2018, against a target of 14.9 million.

**Outcomes**

- Per hectare productivity of major food crops increased from 17 to 24 quintals over the 2012-2018 period (quality), although this outcome may not be fully attributed to the project.
- A remedial action plan was undertaken to improve the Agricultural Management Information System through system development, training, and technical assistance. The plan also included strengthening methodologies for agricultural sample surveys and a subsequent agricultural census (quality).

d. Water supply and sanitation

In water supply and sanitation, the aim was to increase access to complementary inputs and choice of appropriate technology, build capacity to implement and sustain the functionality of systems, and address the lack of a well-functioning M&E system. Woreda spending from block grants on water supply and sanitation was 4 percent of total woreda spending over the period 2012-2018.

**Outputs**

- Non-functioning water supply schemes due to underfunded repair and maintenance were reduced from a baseline of 26 percent in 2011 to 9 percent in 2018, compared to a target of 10 percent.

**Outcomes**

- Access to improved sources of drinking water increased from 42 to 57 percent of rural households between 2011 and 2018 (access/quality). Improved sanitation facilities among rural households rose from 9 percent in 2011 to 44 percent in 2018 (access/quality). Rural water access within a 1.5 kilometer radius (standard) increased from 41 percent to 81 percent over the same period of time (access).

e. Rural roads

To sustain an expanding rural roads network, additional local government staff and resources for road maintenance were needed. Woreda spending on rural roads from block grants was 3 percent of total woreda spending over the period 2012-2018.

**Outputs**
- The number of woreda road desks with appropriate staffing increased from 155 to 842, exceeding the target of 650.

### Outcomes

- The share of roads in good or fair condition increased from 82 to 93 percent, exceeding the goal of 88 percent (quality).
- The average time to the nearest all-weather road decreased from 3.5 to 1.4 hours (access/quality).

### 2. Strengthening capacity, transparency, accountability and financial management

Intended as a means to achieve expanded access and improved quality of basic services, the strengthening of capacity, transparency, accountability and financial management were to be achieved by promoting measures to facilitate citizens’ engagement (through improved financial transparency and accountability; social accountability; and grievance redress mechanisms); better M&E systems to measure results; and improved local public financial management and procurement. These activities cost US$117 million.

### Outputs

- **Financial transparency and accountability measures**
  - 87 percent of woredas post a simplified budget and expenditure template compared to a baseline of 70 percent and a target of 100 percent. 62 percent of basic service units do the same, compared to a baseline of 25 percent and a target of 70 percent.
  - 223 woredas have developed joint action plans for quality improvements in basic services in collaboration with civil society organizations, against a baseline of zero and a target of 400 woredas.
  - 10 regions have prepared and adopted guidelines for grievance redress against a baseline of 3 and a target of 11 regions. 9 of the regions have functioning grievance redress mechanisms consistent with best international practice against a baseline of 2 and a target of 11 regions.

- **M&E systems**
  - New management information systems were rolled out in education (1,000 woredas against a target of 900), community health (100 woredas against a target of 100 and a baseline of 72), water and sanitation (450 woredas against a target of 900 and a baseline of 50). Development of management information systems for agriculture and roads was underway at project closing.
  - The Central Statistics Agency undertakes quality assessments in each of the basic service sectors.

- **Local public financial management and procurement**
  - Automated financial management software was rolled out to all woredas, with 87 percent of woredas and 62 percent of basic service units using it to post budget and spending information.
  - Public financial management training was provided at the federal (1,300 staff), regional (6,900 staff), and woreda council (2,200 staff) levels.
  - Federal and regional level authorities are audited. In both cases, coverage is 100 percent, compared to targets of 60 percent and 100 percent.
  - The number of woredas staffed with procurement specialists with regional procurement training total 500, meeting the target, and compared to a baseline of 5.
• 590 woredas post all procurement award decisions compared to a target of 900 and a baseline of 5.
• Local capacity to manage environmental and social risks
  o An operational manual for an environmental and social management system (ESMS) was developed and introduced in all 11 regions, and is currently being rolled out at the woreda level.
  o 4,800 woreda-based staff were trained in applying the manual against a target of 100. This result was driven by the findings of the Inspection Panel (Section 10a) that showed weak safeguard implementation at local levels; it led to an ambitious upgrading of relevant staff at woreda levels.

Outcomes

Drawing on administrative data, Demographic and Health Surveys, and Impact Assessments, the following outcomes were reported in the ICR:

• 42 percent of citizens surveyed reported they are informed about the woreda budget, against a baseline of 19 percent and a target of 25 percent.
• 55 percent of citizens report that woreda officials have actively sought their views on ways to improve basic services, equal to the target, and against a baseline of zero.
• Citizen dissatisfaction with services provided by woredas has declined from 67 percent in 2013 to 11 percent in 2017.
• 69 percent of citizens indicated that their understanding of the local budget process had grown, compared to 29 percent in 2013.
• 63 percent of citizens indicated that they took part in budget meetings in the previous 12 months, compared to 30 percent in 2013.
• At project closing, training on environmental and social management had been delivered in 872 woredas.

Rating
Substantial

OVERALL EFFICACY

Rationale
The project achieved most of its targets. With the increase in service providers, access to relevant services was improved, often beyond the targets. Improvements in quality do not appear to have been explicitly monitored; instead, the project relied on professional standards set by the administration, and their application in training and practice. Quality is moreover positively influenced by such indicators as student-teacher ratios, health worker contacts in key areas (such as vaccinations and ante-natal care), and improved
sanitation and water. Based on these considerations, and the *substantial* ratings for both sub-objectives, overall efficacy is rated *substantial*.

**Overall Efficacy Rating**

Substantial

### 5. Efficiency

The ICR applied three measures of efficiency: using government systems to achieve value for money, cost effectiveness analysis, and social cost-benefit analysis. In the first instance, the ICR made a plausible argument for using existing government systems: use of existing systems avoids the transaction costs that arise in setting up parallel systems for donor financing; the project benefits from existing infrastructure to transfer and account for funds at the local level; and only a relatively small investment in capacity building is needed to secure the transfer mechanism.

Cost effectiveness was assessed by DFID, focusing on gains from implementing the local service delivery component. Potential benefits in each of the five sectors was examined from several angles: for instance, in health, monetized benefits from additional productive years due to increased life expectancy and reduced time spent being ill were considered; in education, grade completion effects on lifetime earnings, and so forth. A benefit cost ratio of 1.43 and an internal rate of return of 23.1 percent were estimated. The Bank undertook a Poverty and Social Impact Analysis in 2014, focusing on education, health, and agriculture, accounting for 97 percent of woreda spending. All showed a positive and significant relationship with spending. Implementation efficiency was somewhat moderated by unforeseen difficulties in the application of social and environmental safeguard policies (see Section 10a) that contributed to the one-year extension of the closing date.

**Efficiency Rating**

Substantial

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a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

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* Refers to percent of total project cost for which ERR/FRR was calculated.
6. Outcome

The project’s objectives addressed significant development challenges that were recognized by the government and the Bank, and their relevance is rated **high**. Efficacy is rated **substantial**, reflecting the ratings under the two sub-objectives, under which most targets were fully achieved and some partly achieved. Efficiency is rated **substantial**. Taken together these ratings indicate only minor shortcomings in the project preparation and implementation, and Outcome is therefore rated **Satisfactory**.

a. Outcome Rating
   Satisfactory

7. Risk to Development Outcome

The ICR (page 28) reports that the current government is committed to the initiatives that have gradually been introduced over the three projects focused on basic services, including in particular the third one, which has institutionalized many of the mechanisms supporting inter-governmental fiscal transfers. This is further confirmed by the project objectives being maintained in repeated iterations of the GTP. Continued Bank support, including through a follow-up IDA operation approved in 2015 and topped up through Additional Financing in 2017, and focusing on results-based mechanisms, does provide stability in moving forward. The main risk may be found in the fiscal outlook: the GTP is ambitious, and even with donor support is mainly dependent on government resources and fiscal flows.

8. Assessment of Bank Performance

a. Quality-at-Entry

   The project was strategically relevant, focusing on interventions that aimed at expanding and raising the quality of basic services. The results framework embodied a reasonably robust causal chain linking activities to expected outcomes. M&E design developed key indicators that were measurable and relevant to outcomes. That said, greater attention should have been paid to the formulation of the PDO, and notably in making a clear distinction between the project’s inputs (in this case, the block grants), its outputs (adequate staffing and operations, and improved capacity, etc.), and the objective, i.e. what the project was to achieve, in this case improved access and quality of services.

   The project continued the direction of two prior projects aimed at protecting and promoting basic services, and applied lessons learned in implementing those projects. Such lessons included basing the intervention on country systems (in this case federal-fiscal decentralization), and applying a coordinated client-donor approach through a PBS Secretariat, and similar structures at regional and local levels. The project was ambitious, as “basic services” cover a broad selection of sectors, and project completion had to be extended by a year. While project complexity was a factor, events outside the control of the Bank and the government also contributed. Political unrest in parts of the country, and related internal displacement, are likely also to have influenced the environment for basic service delivery and project
results, and risk analysis at appraisal was arguably not adequate. Safeguard issues, also partially outside the control of the Bank, would lead to the elimination of the REF and the withdrawal of DFID from the project, and the component being replaced by a risk and safeguard management capacity component.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision
Supervision was mainly field-based, facilitating continuous monitoring of project implementation; it also occurred through semi-annual joint review and implementation support (JRIS) missions. While both were useful considering the breadth of the project, the former was particularly so for the social accountability and financial transparency components, both of which would turn out to require close collaboration between donors and client. The existence of the PBS Secretariat appears to have served as an effective clearing-house for addressing implementation challenges, when they were within the control of donors and government. With the withdrawal of DFID and the elimination of the DFID-financed component, the Bank and the government were able to correct shortcomings in the environmental and social safeguards framework.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
A detailed results framework defined the objectives of the project and links between outputs and outcomes. The project’s results focus, as reflected in its Managing for Results component, drew on existing monitoring mechanisms rather than identifying additional indicators that would require creation of separate monitoring mechanisms. Instead, the Managing for Results component was to strengthen existing mechanisms to ensure that data were credible, timely, and available.

b. M&E Implementation
With the stated focus of PBS 3 on results, the project channeled significant resources to M&E. The project component "Managing for Results" included a US$27 million budget, and results reporting occurred every six months as part of joint review and implementation support missions, with results data disaggregated by region and gender. In addition to this routine monitoring, several assessments were
undertaken, in particular on capacity building in financial transparency, social accountability, and public financial management.

c. M&E Utilization
M&E data was consistently used to inform decision-making and the effects of capacity building on local service delivery. Joint review and supervision missions drew on such data in assessing progress and adjusting implementation. The M&E results also informed subsequent interventions.

M&E Quality Rating
Substantial

10. Other Issues

a. Safeguards
The initial safeguard assessment determined that World Bank safeguard policies were not triggered, with an Environmental Assessment category C applied. In July 2013, the Board authorized an Inspection Panel investigation following claims that PBS 3 was linked to human rights abuses that allegedly occurred under the government’s Commune Development Program (CDP) of population resettlement in the Gambella Region. The Panel’s Investigation Report, dated November 21, 2014, concluded that the alleged harm could not be attributed to PBS 3. However, considering the magnitude of the operation, the nature of block grant financing, and the overlapping implementation area between PBS 3 and CDP, the Panel found that Management (and staff) did not carry out the required full risk analysis, nor were its mitigation measures adequate to manage the concurrent roll-out of the village program in four PBS 3 regions. In response, the Management Report found that staff had followed applicable safeguard and operational policies, with the findings accepted by the Bank’s Board of Directors. A Management Action Plan was approved on February 27, 2015 to address concerns with regard to environmental and social risk assessment and financial management. The Action Plan was completed and an Operations Screening Tool and an ESMS Operational Manual were developed, and training provided to woreda staff. A Safeguard Technical Working Group was established, chaired by the Environment, Forestry and Climate Change Commission. In addition, the World Bank carried out an Enhanced Social Assessment and Consultation for PBS 3 in 2015 with results used to address the area of indigenous peoples and vulnerable groups.

While the allegations against PBS 3 ultimately did not derail the project, they did have some adverse consequences: according to the ICR (page 23), they were a factor in DFID withdrawing from the project, and other donors shifting their focus towards more limited interventions.

b. Fiduciary Compliance
Financial management and procurement. From a project financial management (FM) and procurement lens, fiduciary compliance was effectively monitored throughout implementation. Led by financial and procurement Bank staff in the Ethiopia Country Office, the Bank did comprehensive FM and procurement
supervision, quarterly reviews of interim financial reports, procurement reviews, and annual audit reports as well as participation in the multi-donor semi-annual JRIS missions. Fiduciary aspects of the project were rated as satisfactory or moderately satisfactory throughout the implementation of PBS 3. Issues identified during implementation largely centered on strengthening needed in internal audit procedures and procurement delays.

c. Unintended impacts (Positive or Negative)
None noted.

d. Other

Gender. PBS 3 had significant impacts on women and girls in several areas.

Improvements in the gender parity index for grades 5-8 reflect expanded education achievement for girls. Pregnant women receiving antenatal care rose from 34 percent in 2011 to 62 percent in 2016. PBS 3 developed better gender-disaggregated data, including expanding gender tracking on service delivery and project outputs. PBS 3 supported the publication "Gender-Disaggregated Development Data" by the Central Statistical Agency in 2015. Citizens’ engagement activities sought to bring women into the development process. Women’s participation in social accountability meetings varied from a high of 47 percent to an end-of-project level of 34 percent. Surveys found that the proportion of female respondents who had information about budget, strategic plan, agenda, and decisions made by their council was 56 percent, 43 percent, 39 percent, and 41 percent respectively. Access to woreda budget information by men and women was found to be relatively equal, with data showing that 63 percent of male respondents received information on the source of woreda budget versus 60 percent of women.

Institutional strengthening. The institutional impact of the project was extensive, including improvements in fiduciary management with a decentralized financial transfer system and related training; and the establishment of a procurement professionalization training program, improved audit coverage and procedures, and public financial management modules implemented in all woredas. PBS 3’s citizen engagement created permanent forms of productive interface between the public, woreda officials, and service providers, and supported the development of a culture of continued joint review and dialogue that brings together basic service stakeholders from across levels and sectors. Management information systems in ministries and standards issued for data quality, with monitoring to verify, have strengthened the ability to report on service delivery results. The development of an Ethiopian Data Quality Assessment Framework has created capacity to validate and improve data, reinforced by the establishment of a Directorate of Data Quality within the Central Statistics Agency. A positive result from the Inspection Panel process was the decision to more broadly use PBS 3’s local platform to mainstream simplified environmental and social screening expectations and tools applied to all woreda investments.

11. Ratings
12. Lessons

Lessons noted by IEG:

**A transparent interface between the general public and service providers can promote effective decentralized financial transfer systems.** In this project, donors, including the Bank, relied on existing transfer mechanisms to expand and raise the quality of basic services. This was backstopped by citizen oversight that was made possible due to increased transparency of public agencies at national and sub-national levels in reporting on results. This was made possible by strengthening local accountability and transparency systems that facilitated citizens' engagement, such as simplifying budget and service delivery information, providing budget literacy training, and using media and community organizations to transmit information. In financing basic services, be it through centralized or decentralized systems, teams need to ascertain that mechanisms to ensure accountability are in place.

**Mechanisms for facilitating collaboration between government agencies and donors can ensure better project outcomes even under difficult circumstances.** The political and economic risks need to be carefully assessed and project implementation arrangements designed accordingly. In Ethiopia, the project faced potentially severe political disruptions during implementation, and partly as a result of that, experienced delays in implementation, and gradually a shift in the form donor coordination would take, as DPs increasingly focused on more narrow interventions. Nonetheless, in no small part due to the collaborative arrangements under PBS 3 (and its predecessors) – shared results frameworks, monthly development partner meetings major adverse effects – were avoided beyond DFIDs withdrawal.

13. Assessment Recommended?

No

14. Comments on Quality of ICR
The ICR provided a thorough assessment of the project. It covered the relevant sections (relevance, efficacy, efficiency, Bank performance, and M&E) in sufficient detail, providing enough evidence-based information and analysis to allow the ICRR to be completed. It drew some good lessons, albeit not always sufficiently covered in the text itself. The document was internally consistent.

a. Quality of ICR Rating
   Substantial