

Ethiopia: Promotion of Basic Services Phase III (PBS 3) Project**SUMMARY OF DISCUSSION*****Meeting of the Executive Directors****September 25, 2012**

Executive Directors approved the Promoting Basic Services (PBS) Phase III Project in the amount of US\$600 million on the payment terms and conditions set out in the President's Memorandum. The minutes will reflect that Mr. Solomon, Mr. Studart and Mr. Treffers wished to be recorded as abstaining (IDA/R2012-0219).

Directors noted the successes of the earlier phases of the PBS program in providing resources for local recurrent expenditures for basic services and promoting local transparency and social accountability. Directors urged further consideration to ensure that the Bank is contributing to socially and environmentally sustainable development; and to ensure the application of a socially and environmentally sustainable development framework during implementation and hence strengthened monitoring and reporting. Directors noted that a complaint has been received by the Inspection Panel. Directors underscored the importance of working with development partners on addressing fiduciary and safeguard risks and urged continued strengthening of financial, procurement, safeguards and monitoring and evaluation capacity as well as grievance mechanisms. Directors welcomed the innovation in the program to support results-based approaches in Ethiopia and the important development results that this project aims to achieve.

*This summary is not an approved record.