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IMPLEMENTATION COMPLETION AND RESULTS REPORT

TF0A3949

ON A

SMALL GRANT
IN THE AMOUNT OF USD 0.375 MILLION

TO THE

Ministry of Finance and Economic Cooperation

FOR

Ethiopia EITI (Grant II) (P159798)

August 29, 2019

Energy & Extractives Global Practice
Africa Region

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ABBREVIATIONS AND ACRONYMS

CPS	Country Partnership Strategy
CSO	Civil Society Organization
EITI	Extractive Industries Transparency Initiative
EEITI	Ethiopian Extractive Industries Transparency Initiative
EGPS	Extractives Global Programmatic Support
GTP	Growth and Transformation Plan
FM	Financial Management
IA	Independent Administrator
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
MDTF	Multi-Donor Trust Fund
NSC	National Steering Committee
PCN	Project Concept Note
PDO	Project Development Objective
TA	Technical Assistance

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DATA SHEET

BASIC INFORMATION

Product Information

Project ID	Project Name
P159798	Ethiopia EITI (Grant II)
Country	Financing Instrument
Ethiopia	Investment Project Financing
Original EA Category	Revised EA Category
Not Required (C)	

Organizations

Borrower	Implementing Agency
Ministry of Finance and Economic Cooperation	Ministry of Mines and Petroleum (EITI National Secretariat)

Project Development Objective (PDO)

Original PDO

The development objective of the grant is to support the effective implementation of the Extractive Industries Transparency Initiative in Ethiopia.

FINANCING

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
Donor Financing			
TF-A3949	375,000	375,000	253,595
Total	375,000	375,000	253,595
Total Project Cost	375,000	375,000	253,595

KEY DATES

Approval	Effectiveness	Original Closing	Actual Closing
01-Dec-2016	13-Dec-2016	30-Jun-2019	30-Jun-2019

RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Amount Disbursed (US\$M)	Key Revisions
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KEY RATINGS

Outcome	Bank Performance	M&E Quality
Moderately Satisfactory	Satisfactory	Substantial

RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	14-Jun-2017	Moderately Satisfactory	Moderately Satisfactory	0.00
02	29-Jun-2018	Moderately Unsatisfactory	Moderately Unsatisfactory	0.04

ADM STAFF

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I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

Context

- 1. At the time of project design, economic growth in Ethiopia had been very strong over the past decade.** Ethiopia's growth acceleration had been accompanied by a substantial decline in poverty. As mentioned in the World Bank's Country Partnership Framework (CPF) for Ethiopia (FY 18- FY 22), real GDP growth averaged 10.5 percent between 2003/04 and 2015/16, according to official data. Growth was driven mainly by services and agriculture on the supply side, and private consumption and investment on the demand side. The services sector had overtaken agriculture as the largest, in terms of output, since 2010/11. Investment rates had increased substantially since the mid-1990s with a commensurate decline in public consumption. This was in line with the developmental state model which Ethiopia has adapted from the East Asian experience. Ethiopia was also experiencing a significant trade deficit during the time of project design. During the years 2011- 2014, the total contribution of exports to the GDP had ranged from 16.7% (2011) to 11.6% (2014), while total expenditure on imports ranged from 31.5% (2011) to 29.1% (2014) of the GDP
- 2. The extractives sector was a significant factor impacting Ethiopia's balance of trade at the time of project design.** Minerals contributed significantly to Ethiopia's exports, with gold and gemstones being Ethiopia's main exported mineral commodities. Mineral exports made up around 14% of Ethiopia's exports in Ethiopia's FY 2015/2016. Imports of fossil fuels, the value of which varies with the fluctuating international commodity prices, had fallen to 9.93% of total imports of goods in 2016, down from 17.3% in 2014. It is to be noted that the year 2016 witnessed the lowest global oil prices in more than a decade, with the average *Brent Crude Index* price per barrel of oil prices falling to less than half of the 2014 average price.
- 3. The extractives sector had been developing at a brisk pace in Ethiopia.** Exploration for oil and natural gas had been taking place in parts of the Ogaden Basin, Afar, Southern Rift Basin, and Main Ethiopian Rift Basin regions. Foreign firms had acquired licenses to explore in more than 40 blocks in Ethiopia over the past four years, mostly in the southeast near Somalia. The Government of Ethiopia had also established a State-owned oil and gas company for further exploration and production, especially of natural gas. During the time of project implementation, these explorations had led to significant discoveries, which when combined, amounted to more than 6 trillion cubic feet (TCF) of natural gas in the Ogaden basin. In terms of minerals, Ethiopia has reserves of copper, potash and coltan, in addition to gold. On a global scale, Ethiopia was also one of the five largest producers of Tantalum in the world. Artisanal mining was a large source of employment in Ethiopia, employing an estimated 300,000 to 350,000 people directly, with 5-7 million people being dependent upon it for their livelihood, according to the *Strategic Mining Sector Assessment of Ethiopia* study conducted by the World Bank and other development partners (published in 2014).
- 4. The extractives sector has been a priority sector identified by the Government of Ethiopia for spurring the country's economic growth and development,** in both the Growth and Transformation Plan (GTP) (2010/11-2014/15), and GTP II (2015/16-2019/20)- Ethiopia's *Growth and Transformation* plans. The objectives for the sector under the GTP were (i) to create an enabling environment for extractive resource exploration and development by private investors; (ii) to establish a comprehensive policy, regulatory and institutional framework conducive for sector development; and (iii) to collect, analyze and interpret geo-data for potential investors. The development objectives for the sector under the ongoing GTP II are as follows: (i) enhancing the implementation capacity of the sector by improving policy, legal frameworks, regulatory and



working systems; (ii) increasing export revenues through promotion of mining-value creation activities; (iii) producing minerals inputs for import substitution and manufacturing development; (iv) enabling the mining sector to meet national and international environmental standards and regulations; (v) expanding the geo-data coverage of the country both in terms of quality and accessibility; (vi) saving fuel costs through use of bio-fuel and gas-oil in line with the green economy development strategy of the country; and (vii) reducing wastage and environmental impacts of mining.

5. **A key requirement for achieving the desired development goals for the extractives sector is increased transparency and accountability in sector governance.** This is particularly important, given that misconceptions and lack of accurate data about the economic contribution, environmental and social impacts of the sector can often fuel conflict. The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes transparency and accountability in the extractives sector. The requirements and procedures to be followed by countries implementing EITI are set out in the *EITI Standard, 2016*, one of which is that such countries on an annual basis disclose information about their extractive industry operations through an EITI Report. The EITI Reports are compiled by an Independent Administrator (IA) that is hired by the implementing country. The IA reconciles the revenue data submitted by the government, and payment data submitted by companies for accuracy and integrity, while preparing the EITI Report. The EITI Report also contains other sector-related information such as disclosures pertaining to the legal framework and fiscal regime, contracts, licensing practices, state-owned companies, data on production and exports, etc. These reports, as well as the other aspects of EITI implementation, are subject to periodic ‘validation’ commissioned by the International EITI Secretariat (Oslo), subsequent to which the implementing country’s compliance under the EITI Standard is determined by the EITI Board.
6. **The Ethiopian Extractive Industries Transparency Initiative (EEITI) reporting process is implemented under the oversight of the EEITI National Steering Committee with administrative support of the EEITI National Secretariat.** The EEITI National Steering Committee (NSC) is a multi-stakeholder group, comprising of representatives from the government, industry and civil society. It, *inter-alia*, determines the objectives of EEITI, and scope of data to be reported, in accordance with the national priorities as well as the 2016 EITI Standard. The EEITI National Secretariat supports this process by providing administrative leadership for EITI implementation, by coordinating the activities of stakeholders, and by ensuring continuous monitoring of the reporting process. During project design, Ethiopia had already published its first EEITI Report, and the country’s first EITI ‘validation’ was scheduled to commence in April, 2018.
7. **The World Bank has provided Technical Assistance for the implementation of EEITI since 2010.** . Support has been provided through two recipient-executed, and three bank-executed projects, funded by the Extractives Global Programmatic Support Trust Fund (EGPS) (P151586) and the EITI Multi-Donor Trust Fund (EITI-MDTF)(P116455). Thus far, total allocation to the National EEITI Secretariat, the implementing agency housed within the Ministry of Mines, Petroleum and Natural Gas (MoMP), through the various recipient-executed grants amounts to USD 0.98 million.¹ The recipient-executed grants have supported the publication of three EEITI Reports, several studies relating to data reporting for the sector, provided capacity support to the EEITI National Secretariat, supported training and capacity building for EEITI NSC, and supported active stakeholder engagement and dissemination of the EEITI Reports and findings at the grassroots. The Bank-executed projects enabled Ethiopia to fulfill the requirements to sign-up to EITI, and become an ‘EITI Candidate’ country. They also supported capacity building for Civil Society Organizations (CSOs) on EEITI, and

¹ A sum of USD 0.60 million was allocated, and completely disbursed, through the *Ethiopia: Extractive Industries Transparency Initiative Implementation* (P116455) project, and a sum of USD 0.375 million has been allocated through the current project.



facilitated their organization into an informal CSO network on EEITI.² The said network, now consisting of more than 43 organizations, provides a good base from which the CSOs elect their representatives to the EEITI NSC, and also engages on widely disseminating the outputs of the EEITI process, including the annual EEITI Reports. The current grant was built upon this foundation.

8. **This project, which provided support to the implementation of EEITI, resonated not only with GTP I and II, but also the World Bank's CPS for Ethiopia (FY 13-16).** Enhancing transparency and accountability of sector governance through implementation of EEITI, supports the Government of Ethiopia in its efforts to achieve the sector objectives under GTP I and II. Support to implementation of EEITI also resonated with the World Bank's CPS for Ethiopia (FY 13-16). The increased transparency in the extractives sector arising from implementing EITI supported pillar one of the CPS, i.e. 'fostering competitiveness and employment' by making the sector more competitive and attractive for investment. Pillar two of the CPS, i.e. 'enhancing resilience and reducing vulnerabilities', was supported through the tripartite dialogue between the industry, citizens, and government on sector issues through the EEITI institutional structure. The tripartite dialogue process actively supported stakeholder efforts towards mitigating any risks associated with the operation of extractive industries.

Project Development Objectives (PDOs)

9. The development objective of the project was to support the effective implementation of the Extractive Industries Transparency Initiative in Ethiopia. The PDO remained unchanged through the lifetime of the project.

II. Key Expected Outcomes and Outcome Indicators

10. The PDO level outcome indicators, as well as the intermediate level results indicators of the project, which have remained unchanged during the lifetime of the project, were all successfully achieved. These are more fully described in Section II (Outcome) below.
11. The PCN had noted that progress in achieving the PDO would be measured by the following key results indicators: (a) Publication of EITI Reports on time and in compliance with the EITI Standard; and (b) EITI Report recommendations addressed by the NSC. As reflected in the first Implementation Status Report (ISR) dated June 14, 2017, and the second and final ISR dated June 7, 2018, the indicators for measuring the achievement of the PDO were retained, but re-classified following changes to the internal World Bank operational systems. These were now re-classified into PDO-level indicators, PDO-level sub-indicators, and intermediate result indicators as follows:
 - (i) PDO level indicator: Publication of EITI Reports on time and in compliance with the EITI Standard (Yes/No)
 - (a) PDO-level sub-indicator: Beneficial ownership roadmap published (Yes/No, Custom Breakdown)
 - (ii) Intermediate Result Indicator: EITI Report recommendations addressed by the NSC (Yes/No)
12. At the time of project closing, all the above project indicators were achieved. Ethiopia successfully underwent its first validation under the EITI with support from the project, and was declared to be compliant with EITI, having made 'meaningful progress' in implementing EITI. The final validation report, ratified by the

² These bank-executed projects were as follows: (i) *Ethiopia Extractive Industries Transparency Initiative* (P127362), (ii) *Ethiopia: CSO Support* (P151586), and (iii) *Support to CSOs in Ethiopia* (Phase II) (P154209).



international EITI Board in February, 2019, showed that Ethiopia had made either ‘meaningful’ or ‘satisfactory’ progress on 32 of the 33 assessment indicators.³

13. The EITI Board also commended Ethiopia’s focus on reconciliation of sector revenues and payments, and declaration of beneficial ownership in its extractive industries. The only indicator on which ‘inadequate progress’ was assessed in the final validation report was regarding data reporting on State Owned Enterprises- this being Ethiopia’s State-Owned Mining enterprise. The EITI Board decision also encouraged Ethiopia to open up its civic space for engagement on EITI related issues. This had been a major impediment to Ethiopia achieving ‘satisfactory progress’ under EITI, and several of the corrective actions recommended were concerning the need for improved stakeholder engagement. A number of positive measures have occurred since then, which will further enable improved validation outcomes for Ethiopia in its next EITI validation. Primary among these has been the successful repeal and replacement of the CSO proclamation, in a process led by CSOs in the country. The move, which has institutionalized Ethiopia’s changed approach towards engaging with civil society, from one of ‘monitoring and control’ to ‘enablement and support’, will go a long way in enabling EEITI to address a number of process related corrective actions that have been recommended from Ethiopia’s first EEITI validation.

COMPONENTS

The project originally envisioned the following components in the during the time of project approval:

14. **Component I: Capacity building and Training**
 - (i) This component supported organizing of training activities for key stakeholders to increase their understanding of the EITI, and to encourage their participation in the implementation of the Initiative. These included representatives of the EEITI NSC, especially from civil society, and broader civil society organizations outside the EEITI NSC (at the local/municipal and national levels) that were engaging on transparency and extractive industry related issues. It also involved organizing knowledge exchanges with other EITI implementing countries, particularly in Africa.
 - (ii) Specific deliverables envisaged were capacity building workshops for EITI stakeholders to facilitate:
 - (i) publishing of a roadmap for declaring beneficial ownership in extractive industries;
 - (ii) improving stakeholder participation on EEITI;
 - (iii) reporting on contributions of Artisanal and Small-Scale Mining (ASM) to the sector;
 - (iv) Increasing reporting disclosures along the gold-buying value chain for ASM.
15. **Component II: Preparation of Reports**
 - (i) This component provided technical support and financing for the publication of EEITI reports, including for the creation of EEITI Reporting Templates, and initial scoping studies. Other reports relating to EEITI were supported, such as annual EEITI activity plans, the publication of a roadmap for declaration of beneficial ownership in extractive industries, and diagnostic studies required for improved data reporting under EEITI.
 - (ii) Specific deliverables envisaged under this component were: (i) the publication of three annual EEITI Reports; (ii) the publication of three annual activity reports; and (iii) the publication of a beneficial ownership disclosure roadmap for the sector.
16. **Component III: Awareness-raising / Communication**

³ See: <https://eiti.org/ethiopia>



- (i) This component supported the enhancement and implementation of an EEITI Communications strategy, the establishment of a website for EEITI, and the use of other communications tools to effectively communicate the findings of EEITI Reports and enhance stakeholder engagement in the EEITI process especially in the regions and municipalities.
- (ii) Specific deliverables under this component were: (i) establishment and maintenance of an EEITI website; (ii) implementation of the EEITI communications strategy; and (iii) wide dissemination of EEITI reports and stakeholder engagement using various media, events, or workshops as envisioned in the EEITI communications plan, including at a sub-national level.

17. **Component IV: Operational Support**

- (i) This component provided operational support to the EEITI National Secretariat, including for the procurement of consultants and the purchase of office equipment. It allowed for the EEITI NSC, should it so decide, to provide financial support to its civil society members to cover transportation and accommodation costs for in-city EEITI NSC meetings. It also financed the costs of workshops and dissemination events relating to EEITI.

III. OUTCOME

Assessment of Achievement of Each Objective/Outcome

18. The development objective of the project was to support the effective implementation of the Extractive Industries Transparency Initiative in Ethiopia. This was reflected in the PDO level outcome indicator, sub-indicator, and intermediate result indicator of the project, which were all successfully achieved as follows:
- (i) **PDO level indicator:** Publication of EITI Reports on time and in compliance with the EITI Standard
 - (a) Ethiopia has published two annual EEITI Reports; these being the second and third reports respectively since the country joined EITI. The second EEITI report, published in January 2018, disclosed extractives sector data for the calendar year 2014-15. The third EEITI Report, published in March 2018, disclosed extractives sector data for the calendar year 2015-16. Of the 33 indicators contained in Ethiopia's validation report, Ethiopia was found to have made 'satisfactory progress' on 12 indicators, and 'meaningful progress' on 20 indicators.
 - (b) Corrective actions were recommended following Ethiopia's EITI validation, according to the global EITI process, for the country to make 'satisfactory' progress under all of the validation indicators. These are being effectively addressed by the EEITI NSC on an ongoing basis as Ethiopia continues to implement EEITI.
 - (ii) **PDO-level sub-indicator:** Beneficial ownership roadmap published
 - (a) Ethiopia has successfully published its roadmap for disclosure of beneficial ownership in extractive industries. Ethiopia's systematic efforts in disclosing beneficial ownership, comprising of an initial scoping study followed by the roadmap, have followed global good practices in this regard.
 - (b) Moving forward, Ethiopia is required by the EITI Standard to disclose actual details of beneficial owners in extractive industries, in accordance with its published roadmap, by January 2020.



- (iii) **Intermediate Result Indicator:** EITI Report recommendations addressed by the NSC
- (a) Ethiopia's EITI validation found the country to have made 'satisfactory progress', the highest compliance level possible, in addressing EITI Report Recommendations.
 - (b) Improving transparency and accountability in extractives sector governance is an ongoing process. The EITI process, during its implementation, yields recommendations through (i) annual EITI reports of the country; and (ii) corrective actions arising from the country's validation under EITI. These recommendations are to be addressed by the EITI multi-stakeholder group of the implementing country in an ongoing manner. The more effectively they are addressed, the better the results from future EITI validations.
 - (c) With support from this project, the EEITI multi-stakeholder group (EEITI NSC) has effectively addressed several of the recommendations arising from each annual EEITI report through formulation and implementation of strategic annual action plans. As a result, and as also highlighted in Ethiopia's official EITI validation report, civil society engagement through EITI, and effective dissemination of EEITI reports, has improved consistently with each subsequent EEITI Report. Stakeholder engagement on transparency has also benefitted from recent legislative reforms which have enhanced civic space in Ethiopia. Corrective actions have been recommended as of February, 2019, following Ethiopia's EITI validation, which will also be addressed by the EEITI NSC on an ongoing basis through their forthcoming annual action plans.
- (iv) The project activities were linked to the achievement of each of the above indicators as follows:
- (a) **Component I: Capacity Building and Training:** The capacity built in the EEITI NSC, and stakeholders through the above-mentioned activities of this component directly facilitated the publication of EEITI Reports on time and in compliance with the EITI Standard (*PDO indicator*), publication of the beneficial ownership roadmap (*PDO sub-indicator*), and enabled the EEITI NSC to address EEITI Report recommendations effectively (process ongoing).
 - (b) **Component II: Preparation of reports:** The activities under this component directly resulted in the publication of EEITI Reports on time and in compliance with the EITI Standard (*PDO indicator*), publication of the beneficial ownership roadmap (*PDO sub-indicator*). This component is also linked to the intermediate results indicator, as it enabled the EEITI NSC to showcase their remedial actions, through improved data quality in each subsequent EEITI Report, and the documenting of the remedial actions in associated reports such as the annual progress report.
 - (c) **Component III: Awareness-raising / Communication:** The activities under this component supported the dissemination of the various reports and activities of EEITI, thereby reinforcing the PDO level indicator, sub-indicator, as well as intermediate results indicator. Dissemination and outreach is also an important criterion on which Ethiopia was evaluated during its EITI validation, and was found to be compliant. Evaluation of awareness raising and communication functions are closely related to the EITI validation criterion on 'public debate', on which Ethiopia made 'satisfactory progress'- the highest possible compliance level under EITI.

Overall Outcome Rating

19. Overall Project outcome is rated as 'Moderately Satisfactory'. All the PDO level indicators, and intermediate result indicators were achieved satisfactorily. Ethiopia has successfully undergone its first validation under the EITI Standard and achieved a compliant evaluation of 'Meaningful Progress'. However, grant



disbursement at the time of project closure stood at 68% of the allocated grant. Project activities, including publication of the EEITI Reports, annual progress reports, and other related studies, were delayed due to two reasons (i) the intermittent declaration of State of Emergency in Ethiopia, and (ii) persistent capacity constraints in the EEITI National Secretariat, which have been consistently identified and detailed in the ISRs for addressing by the Government of Ethiopia. Particularly, the project witnessed delays with regards to procurement and FM functions- these being delayed procurements, and delays in submission of withdrawal applications for completed activities. The project team effectively engaged with the EEITI National Secretariat to overcome the implementation delays as far as possible.

20. Thus, while the project effectively achieved all the project indicators, a few planned project deliverables could not be delivered on time. In particular, these include (i) a proposed study on the environmental and social performance of extractive industries, and (ii) a study on economic contribution of the sector to Ethiopia's economy. The non-delivery of these studies meant that the achievement of the PDO, overall, was not as satisfactory as it would have been otherwise. Non-utilization of the amounts committed for these studies also meant that the grant utilization was not as efficient as expected.
21. Due to the above reasons, the project, while achieving all its project indicators satisfactorily, is rated as 'moderately satisfactory' for overall achievement of the PDO.

Other Outcomes and Impacts

22. The project, and the EEITI process in general, played a constructive role in increasing the civic space in Ethiopia. The timeline of project implementation witnessed contrasting scenarios with regards to engagement of CSOs in the country- moving from a state of emergency, to a repeal and replacement of the proclamation governing CSOs from a 'monitoring' to a 'supportive approach'. In this context, EEITI contributed, through its tripartite institutional structure, to enhancing governmental confidence towards civic engagement. Several of the CSOs involved in EEITI, both as members of the EEITI NSC as well as the EEITI CSO network, have played a substantive role in the drafting as well as adopting of the new proclamation on CSOs in Ethiopia. While the project, and previous projects of the World Bank in the sector, built capacity in CSOs to and engage on EEITI and sector related issues, their constructive involvement and engagement with the government on increasing the civic space in Ethiopia was an unintended and indirect positive contributing outcome of the project and earlier projects in the sector.

IV. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

23. Two key factors adversely impacted the project implementation and achievement of the development outcomes. These were (i) the intermittent declaration of State of Emergency in Ethiopia, and (ii) persistent capacity constraints in the EEITI National Secretariat. The delays in project implementation due to these factors meant that while all the project outcome indicators were met satisfactorily, the project development outcome was not as high as it could have been if all the planned project activities were completed. At the same time, a number of factors positively impacted project deliverables and outcomes, and while not specified under the project, the outcome of Ethiopia's successful EITI compliance. Primary among these was the increased civic space for CSOs in Ethiopia and subsequent effective



stakeholder engagement under EEITI. As aforementioned, the project indirectly contributed towards these positive outcomes.

V. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

- 25 Bank performance relating to the project is rated as 'Satisfactory'. The project team engaged with the EEITI National Secretariat effectively to address capacity constraints in procurement and FM as far as possible. Over the life of the project, the project team faced various challenges, including the declaration of a state of emergency, which impacted the stakeholder engagement processes under EEITI, and caused implementation delays. Ethiopia was subsequently suspended EITI between 4th September, 2017 till 24th January, 2018. The project team's proactive engagement, and technical inputs, were key factors in reversing the suspension of Ethiopia from EITI following the subsequent publication of good quality EEITI Reports. The efforts of the project team were also a vital factor in Ethiopia attaining 'meaningful progress' under EITI, a positive outcome following its first validation under the EITI Standard, 2016.
26. As part of project supervision, the project team also used embedded consultants to provide capacity support to the EEITI National Secretariat, especially for communications and outreach. The positive outcome of this approach was reflected in Ethiopia achieving 'satisfactory progress' for public debate in the EITI Validation report, and in successful completion of communications and outreach activities in an environment which was, at the time, restrictive.
27. Monitoring and evaluation and supervision by the project team was also satisfactory, including with regards to procurement and FM issues. This is evidenced by the successful identification, communication, and addressing of the following vital actions through project ISRs:
 - (i) An 'EEITI NSC Charter' and 'communications implementation plan' was adopted by EEITI;
 - (ii) The entire EEITI NSC membership was successfully refreshed, as required by the EITI Standard, 2016, during the project lifetime. This includes successful election of CSO representatives to the NSC by CSOs of Ethiopia; and
 - (iii) Civic space for CSO engagement on EEITI was considerably enhanced by the time of project closing.

VI. LESSONS LEARNED AND RECOMMENDATIONS

28. **Linking EITI to national priorities yields improved results, both in terms of EITI Validation, as well as in terms of sector transparency and accountability.** The project was focused on linking its support to EEITI implementation to Ethiopia's national priorities. These included increasing transparency in (i) the operation and contribution of the ASM sector, (ii) reconciliation of sector revenues and payments, and (iii) promoting governmental engagement with the citizens of Ethiopia within the frameworks of the applicable laws of the country. As a result, apart from supporting Ethiopia in attaining 'meaningful progress' in implementing EITI, the data disclosed, capacity built, and findings of studies, did directly benefit the broader governance agenda of the Ministry of Mines and Petroleum, Government of Ethiopia. Job creation and value addition through ASM, for example, is a prominent area of focus under GTP II. The data disclosed as a result of this project will, therefore, directly benefit and inform the associated activities in this regard under GTP II. Thus, it is recommended that future grants supporting implementation of EITI in countries, not only support the preparation of EITI related outputs in general, but also focus on the type of data and stakeholder engagement required, in accordance with national



priorities.

29. As stakeholder engagement is an important facet of EITI, contingency plans are required while operating in environments that are restrictive to civic engagement. During project implementation, the project team encountered increased restriction to stakeholder engagement following the declaration of a state of emergency. A valuable lesson learnt, and recommendation for future projects supporting EITI implementation in countries where there is a foreseeable likelihood of restriction of civic space, is that the project teams have a contingency plan which, while abiding by prevailing laws of the land, can maximize stakeholder engagement in the restricted context. This might realistically require modifying the scope, deliverables and development outcomes of the project through a project restructuring in order to address ground realities. In case of this project, such overarching changes were not required, although the project focus shifted following the increased restrictions, to addressing delays in project implementation.



ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

A. RESULTS INDICATORS

A.1 PDO Indicators

Objective/Outcome: Transparency in governance of Ethiopian extractives sector is enhanced

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Publication of EITI Reports on time and in compliance with the EITI Standard	Yes/No	N 16-Nov-2016	N 15-Dec-2016	Y 30-Jun-2018	Y 28-Jun-2019
Beneficial ownership roadmap published	Yes/No	N 01-Nov-2016	N 15-Dec-2016	Y 29-Jun-2018	Y 02-Jun-2017

Comments (achievements against targets):

Ethiopia, using support from the project, has published two annual EEITI Reports; these being the second and third reports respectively since the country joined EITI. The second EEITI report, published in January, 2018, disclosed extractives sector data for the calendar year 2014-15. The third EEITI Report, published in March, 2018, disclosed extractives sector data for the calendar year 2015-16. The reports, being of good quality, were instrumental in Ethiopia attaining compliance under EITI following its first validation under the global EITI Standard. Ethiopia was assessed as having attained 'meaningful progress' in implementing EITI.



EEITI has also published a number of studies, including a roadmap for disclosing beneficial ownership of extractive companies by January 1, 2020, an open data policy, studies on transparency in the artisanal and small-scale mining sector, etc.

A.2 Intermediate Results Indicators

Component: Capacity Building and Training

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
EITI Report recommendations addressed by the NSC	Yes/No	N 16-Nov-2016	N 15-Dec-2016	Y 30-Jun-2019	Y 04-Jun-2019

Comments (achievements against targets):

With support from this project, the EEITI multi-stakeholder group (EEITI NSC) has been effectively addressing the recommendations arising from each annual EEITI report through annual action plans. Section II of the ICR describes in detail how this intermediate indicator has been achieved, and its linkages with each of the project components.

Component: Preparation of Annual EEITI Reports

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
EITI Report recommendations	Yes/No	N	N	Y	Y



addressed by the NSC		16-Nov-2016	15-Dec-2016	30-Jun-2019	04-Jun-2019
<p>Comments (achievements against targets): With support from this project, the EEITI multi-stakeholder group (EEITI NSC) has been effectively addressing the recommendations arising from each annual EEITI report through annual action plans. Section II of the ICR describes in detail how this intermediate indicator has been achieved, and its linkages with each of the project components.</p>					

Component: Communication and Dissemination Activities

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
EITI Report recommendations addressed by the NSC	Yes/No	N 16-Nov-2016	N 15-Dec-2016	Y 30-Jun-2019	Y 04-Jun-2019
<p>Comments (achievements against targets): With support from this project, the EEITI multi-stakeholder group (EEITI NSC) has been effectively addressing the recommendations arising from each annual EEITI report through annual action plans. Section II of the ICR describes in detail how this intermediate indicator has been achieved, and its linkages with each of the project components.</p>					



A. ORGANIZATION OF THE ASSESSMENT OF THE PDO

Objective/Outcome: Transparency in governance of Ethiopian extractives sector is enhanced	
Outcome Indicators	1. Publication of EITI Reports on time and in compliance with the EITI Standard
Intermediate Results Indicators	1. EITI Report recommendations addressed by the NSC
Key Outputs by Component (linked to the achievement of the Objective/Outcome)	<p>1. Component 1: Capacity Building and Training: The capacity built in the EEITI NSC, and relevant stakeholders, through workshops and activities mentioned in Section II of the ICR, directly facilitated the publication of EEITI Reports on time and in compliance with the EITI Standard (<i>PDO indicator</i>), publication of the beneficial ownership roadmap (<i>PDO sub-indicator</i>) and enabled the EEITI NSC to address EEITI Report recommendations effectively (process ongoing).</p> <p>2. Component II: Preparation of reports: This component directly supported the publication of two EEITI Reports (covering data for the years 2014-15, and 2015-16) on time and in compliance with the EITI Standard (<i>PDO indicator</i>), and publication of the beneficial ownership roadmap (<i>PDO sub-indicator</i>). This component is also linked to the intermediate results indicator, as it enabled the EEITI NSC to showcase their remedial actions, through improved data quality in each subsequent EEITI Report, and the documenting of the remedial actions in associated reports such as the two annual EEITI progress reports published under the project.</p> <p>3. Component III: Awareness-raising / Communication: The activities under this component supported the dissemination of the various reports and activities of EEITI, thereby reinforcing the PDO level</p>



indicator, sub-indicator, as well as intermediate results indicator. Dissemination and outreach are also important criteria on which Ethiopia was evaluated during its EITI validation, and was found to be compliant. Evaluation of awareness raising and communication functions are closely related to the EITI validation criterion on 'public debate', on which Ethiopia made 'satisfactory progress'- the highest possible compliance level under EITI.



ANNEX 2. PROJECT COST BY COMPONENT

Components	Amount at Approval (US\$M)	Actual at Project Closing (US\$M)	Percentage of Approval (US\$M)
Capacity Building and Training	0.075	0.00	0%
Preparation of Reports	0.20	0.20	100%
Communication and Dissemination Campaign	0.06	0.01	17%
Operational Support for the Executive Secretariat	0.04	0.04	100%
Total	0.375	0.25	N.A.



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