

PCR EVALUATION NOTE FOR PUBLIC SECTOR OPERATIONS

1. BASIC INFORMATION			
a. Basic project data			
Project title: ETHIOPIA BASIC SERVICE TRANSFORMATION PROGRAM			
Project code: P-ET-IZ0-002 P-ET-K00-015 BSTP – SF)	Instrument number(s): ADF Loan # 2100150034395 (BSTP) ADF Grant # 2100155038469 (BSTP – SF)		
Project type: General Budget support	Sector: Social		
Country: Ethiopia	Environmental categorization (1-3) : 3		
Processing Milestones	Key Events	Disbursement and Closing date	
Date approved: 17 December 2015 (BSTP) 14 November 2018 (BSTP-SF)	Cancelled amount:	Original disbursement deadline: 31 December 2018 (BSTP) 31 July 2020 (BSTP-SF)	
Date signed: 3 February 2016 (BSTP) 22 November 2018 (BSTP-SF)	Supplementary financing:	Original closing date: 31 December 2018 (BSTP) 31 July 2020 (BSTP-SF)	
Date of entry into force : 10 May 2016 (BSTP) 22 November 2018 (BSTP-SF)	Restructuring:	Revised disbursement deadline: NA	
Date effective for 1st disbursement: 24 May 2016 (BSTP) 22 November 2018 (BSTP-SF)	Extensions (specify dates):	Revised closing date: NA	
Date of actual 1st disbursement: 9 June 2016 (BSTP) 21 May 21 2019 (BSTP-SF)			
b. Financing sources			
Financing source/ instrument (MUA)	Approved amount (MUA) :	Disbursed amount (MUA) :	Percentage disbursed (%) :
Loan: ADF Loan # 2100150034395 (BSTP)	180 million	180 million	100%
Grant: ADF Grant # 2100155038469 (BSTP – SF)	88.66 Million	88.66 Million	100%
Government:			
Other (ex. Co-financiers):			
TOTAL :	268.66	268.66	100%
Co-financiers and other external partners:			
Execution and implementation agencies: Ministry of Finance (MoF), Ministry of Health, Ministry of Education, Ministry of Water, Irrigation and Energy			
c. Responsible Bank staff			
Position	At approval	At completion	
Regional Director	Gabriel NEGATU	Nnenna NWABUFO	

Sector Director	Sunita PITAMBER/ Oley DIBBA-WADDA, Jacob MUKETE	Martha PHIRI
Sector Manager	Justin MURARA, Wilfrid ABIOLA /Joseph Coompson	Tapera MUZIRA
Task Manager	Mulle CHIKOKO	Mulumebet MERHATSIDK, Senior Socio-Economist
Alternate Task Manager	Baboucarr KOMA,	Mulle CHIKOKO, Chief Socio-Economist
PCR Team Leader		Abebe Alebachew
PCR Team Members		Mulumebet MERHATSIDK, Admit ZERIHUN
d. Report data		
PCR Date : October 2020		
PCR Mission Date:	From: October 2020	To:
PCR-EN Date: 11 April 2021		
Evaluator/consultant : TESFAYE T.		Peer Reviewer/Task Manager: Judith OFORI

2. PROJECT DESCRIPTION

The African Development Bank approved the financing of the Ethiopia Basic Services Transformation Programme (BSTP) in December 2015. The Government of Ethiopia and the Bank signed the loan protocol in February 2016, and committed to implement over a three-year period (2015/16 -2017/18). The purpose of the budget support program was to expand and deepen the provision of basic services with a focus on enhancing quality and equity mainly in health, education and water and sanitation; and enhance citizen engagement in basic service delivery.

The African Development Bank approved the supplementary financing for the Ethiopia Basic Services Transformation Programme (BSTP-SF) in November 2018. The Government of Ethiopia and the Bank signed the grant protocol in November 2018, and committed to implement over a two-year period (2018/19 -2019/2020). The purpose of the budget support program was similar to its predecessor (BSTP) but focused on expansion and deepening of the provision of basic services, and enhancement of citizen engagement in pastoral and underserved regions.

a. Rationale and expected impacts:

Since 2006, the Bank has been supporting Ethiopia's decentralised basic services through the Protection of Basic Services (PBS) Programme I and II (2006-2011) and Promoting Basic Services III (PBS III - 2012-2014). While national averages in basic service show improvement, shortfalls in service delivery were still significant. The BSTP (2015/16-2017-18) aim to expand and deepen provision of basic services with a focus on improving quality and enhancing equity.

The Basic Services Transformation Programme Supplementary Financing (BSTP-SF) is a continuation of BSTP but prioritizes addressing quality and geographic inequalities in access to basic services in health, education, and water and sanitation. Specifically, the supplementary financing will allow the government to expand basic services mainly in the pastoral and underserved regions with emphasis on improving quality and equity for inclusive transformation, and strengthening accountability and citizens' engagement in basic service delivery.

Expected impacts: Improved living standards and reduced poverty

b. Objectives/Expected Outcomes:

The overall goal of BSTP is to contribute to poverty reduction and improved standards of living of Ethiopians.

The purpose of both the Basic Services Transformation Programme (BSTP) and the Basic Services Transformation Programme Supplementary Financing (BSTP-SF) is to expand and deepen the provision of basic services with a focus on enhancing quality and equity mainly in health, education and water and sanitation; and enhance citizen engagement in basic service delivery.

Expected outcomes: (i) expanded and enhanced quality of basic services at the woreda level; (ii) strengthened accountability and transparency in service delivery; and (iii) enhanced citizen's engagement in service delivery.

Intended beneficiaries: the whole population of Ethiopia, particularly the rural population

c. Outputs and intended beneficiaries:

Component 1: Enhanced quality and equity to basic services

The expected outputs under component 1 comprise: (i) increased budget predictability for the Woredas for basic services through block grants; (ii) improved quality of basic services in health, education and water and sanitation at Woreda level and (iii) enhanced equity in delivery of basic services in health, education and water and sanitation at Woreda level.

- Increased budget predictability to Woredas for basic services through block grants
- Improved quality of basic services in health, education and water and sanitation at Woreda level
- Enhanced equity in delivery of basic services (alternative basic education standards for Grade 1-6 revised, % of Woredas with established community-based health insurance scheme)

Component 2: Strengthen accountability, transparency and citizen's Engagement

The expected outputs under component 2 comprise

- Enhanced transparency and accountability through citizen engagement
- Improved performance in public financial and procurement management

The activities under citizens' engagement are designed to enhance citizens' voices and strengthen demand-side accountability in the delivery of better basic services from the providers (health facilities, schools, Woreda administration).

d. Principal activities/Components:

Component 1: Enhanced quality and equity to basic services

Component 2: Strengthen accountability, transparency and citizen's Engagement

The programme components for the supplementary financing will remain unchanged i.e.: (i) enhancing quality and equity in basic services; and (ii) strengthening accountability, transparency and citizen's engagement.

3. PROJECT PERFORMANCE ASSESSMENT

RELEVANCE

a. Relevance of the project development objective:

PCR rates relevance of the project DO highly satisfactory (4). PCR rates satisfactory (3)

To reiterate, the overall goal of the BSTP and BSTP-SF was to contribute to the reduction of poverty and improvement of the standard of living of Ethiopians. The specific objective was to expand and deepen the provision of basic services with a focus on enhancing quality and equity mainly in health, education and water and sanitation; and enhance citizen engagement in basic service delivery.

The objective of both BSTP and BSTP-SF was aligned to the Ethiopian Government's medium term framework, the second Growth and Transformation Plan (GTP II 2015/16-2019/2020) as well as sector strategies (health sector transformation plan 2014/15-2019/20, education development program (2015/16-2019/20) and water sector development program (2015/16 – 2019/20).

Both programs were also aligned with the Bank's different strategies: the Bank's Ten-Year Strategy (TYS) 2013 – 2022, Human Capital Strategy-2014-2020; Governance Strategic Framework and Action Plan (2014-2018), AfDB's Country Strategic Paper (CSP) for Ethiopia (2016-2020), and the Bank Group Policy of Programme Based Operations (PBO) and related Guidelines.

b. Relevance of project design (from approval to completion):

PCR rates design relevance highly satisfactory (4). PCR rates satisfactory (3)

The APRs for both the BSTP and BSTP-SF (which are alike) adequately cover the key design elements of the program-based budget support: (i) the origin/rationale of the budget support operations; (ii) the program objective and its connection to the problems/issues that necessitated the program; (iii) the key inputs of the budget support (mainly augmenting government budget framework combined with policy dialogue) channeled through two program components (enhancing quality and equity in basic services, and strengthening accountability and transparency and citizens' engagement); (iv) the results chain linking the inputs to a range of expected results (outputs, outcomes and development impact); (v) key risks and mitigation measures that would affect the expected results; (vi) programmatic and based on tranches with the aim of improving predictability; and (vii) M&E system and its implementation plan.

EFFECTIVENESS

c. Effectiveness in delivering outputs:

PCR rates effectiveness in delivering outputs satisfactory (3). PCREN agrees.

The expected output include:

- (i) Increased budget predictability to woredas for basic service through block grants;
 - % of block grant allocated to regions from total federal government budget
 - (ii) Improved quality of basic services in health, education and water and sanitation at woreda level
 - Proportion of health extension workers qualified to level 4 standards increased
 - No of Health HDA leaders tested for level 1 Health Extension Programme (HEP) competency
 - Roll-out teachers licensing based on new guidelines and teachers licensed (M/F)
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- Curriculum Research Institute established and operational
 - Proportion of health facilities with water and sanitation services
 - Percentage of OPD staff trained on Primary Health Care Unit (PHCU) new guidelines
 - Establishment of National Regulatory Board for Service Delivery in Water
 - (iii) Enhanced equity in delivery of basic services in health, education and water and sanitation at woreda level
 - Alternative Basic Education Standards for Grade 1-6 revised (syllabus & text books) and approved
 - Number of woredas with established community based health insurance schemes (CBHI)
 - Health Extension Programme for Pastoralist areas revised
 - (iv) Enhanced transparency and accountability through citizen engagement
 - Government framework on citizens' engagement developed and approved
 - Social accountability programme/ initiative expanded to new woredas
 - Federal budgetary organizations implementing FTA directive" increased
 - Roll out of guidelines on citizen's score card in health sector
 - Number of regions that adopt standardized procedure manuals for GRM
 - Number of regions legalizing water supply, sanitation and hygiene committee (WaSHCOs)
 - (v) Improved performance in financial management at woreda level
 - Assessment of Procurement Systems (MAPS-II) undertaken
 - Procurement KPIs rolled out to federal institutions involved in basic services

Note the the performance scores are not adequately defined and organized. The reliability of the data generated is unknown.

d. Effectiveness in realizing outcomes:

PCR rates unsatisfactory (2). PCREN rates satisfactory (3) particularly the performance in outcomes associated with provision of basic social services

Expanded and enhanced quality of basic services at the local (Woreda) level

The percent of deliveries attended by skilled health workers increased from 60 to 63.6% during BSTP (2015/16-2017/18) and BSTP-SF (2018/19-2019/20).

The primary school completion rate increased from 47 to 54% during BSTP and to 64% during BSTP-SF.

The percent of people accessing rural water supply within 1 km radius increased from 59% to 74% during BSTP and to 78.7% during BSTP-SF.

The overall performance of these selective social services indicators during BSTP and BSTP-SF periods was satisfactory as reported in the PCR. The performance at regional level is mixed.

Note that the PCR concludes the budget support operations contributed towards increasing access and quality of basic services in education, health and water sectors in Ethiopia. The PCREN cannot confirm such causality between the budget support program and the outcomes.

e. Project development outcome:

PCR rates satisfactory (3). PCREN confirms

The PCREN rating of satisfactory (3) is consistent with the Staff Guidance Note, i.e. the combination of satisfactory outcome (3) and satisfactory output (3) suggests satisfactory development outcome (3).

There were signs of development gains during the implementation of the budget support: “Quality of health, education and water and sanitation has improved due to the increased number of qualified staff and the development and operationalization of service standards; although there are still efforts required, some gains are made to reduce geographic inequalities, especially in pastoralist areas” (PCR)

The PCREN cannot confirm the implied causality between the budget support program and the development impacts.

f. Beneficiaries:

Using evidence, the evaluator should provide an assessment of the relevance of the total number of beneficiaries by categories and disaggregated by sex.

Non reported by beneficiary category

g. Unanticipated additional outcomes (positive or negative, not taken into consideration in the project logical framework):

This includes gender, climate change, as well as social and socio-economic- related issues. Provide an assessment of the extent to which intended or unanticipated additional and important outcomes have been taken into consideration by the PCR. The assessment should also look at the manner the PCR accounted for these outcomes.

None reported

EFFICIENCY

h. Timeliness:

PCR rates highly satisfactory (4). PCREN agrees

Funding for the budget support program by definition is quick disbursing. Both BSTP (2015/16-2017/18) and BSTP-SF (2018/19-2019/20) were completed within the planned timeframe. The Borrower met all the conditions and the Bank disbursed all the resources in the planned period.

i. Resource use efficiency:

This criterion would normally not apply to PBOs, as there is often no direct link between the outputs and the amount of contribution (in which case the rater would indicate N/A).

NA

j. Cost-benefit analysis:

NA

k. Implementation progress:

The assessment of the Implementation Progress (IP) on the PCR is derived from the updated IPR and takes into account all applicable IP criteria assessed under the three categories : i) Compliance with covenants (project covenants, environmental and social safeguards and audit compliance), ii) Compliance with project systems and procedures (procurement, financial management and monitoring and evaluation), and iii) Compliance with project execution and financing (disbursement, budget commitments, counterpart funding and co-financing).

PCR's rating is not reported in the PCR. PCREN rates implementation progress satisfactory (3) on basis of the series of IP reports since 2016 (IPR 2016, 2019 and 2020).

SUSTAINABILITY

l. Financial sustainability:

For PBOs, the assessment should focus on financial sustainability of reforms, as well as the Bank's policy dialogue to promote financial sustainability of the reforms.

PCR rates financial sustainability satisfactory (3). PCREN rates unsatisfactory (2)

The relevant question is whether the provision of basic services is sustainable through grant subsidy to the regions? If not, what alternative strategy was in place at the end of the budget support program?

As the discussion in the PCR underscores, addressing the pressing financing challenges will require supplementary financing from Development Partners, while longer term and more sustainable measures comprise increasing public revenue mobilization.

m. Institutional sustainability and strengthening of capacities:

For PBOs, this should include an assessment on the contributions made to building the capacity to lead and manage the policy reform process; the extent to which the political economy of decision-making was conducive to reform; the Government's commitment to reform; and how the design reinforced national ownership.

PCR rated 4. PCREN rates satisfactory (3)

The governance component of the PBO (i.e. strengthening accountability, transparency and citizen's engagement) and its performance in key outputs (see section 3C above) indicate notable achievements in institution and capacity building and strengthening. The PCREN recognizes important progress had been made in institution and capacity building during the implementation period of the BSTP (2015/16-2017/18) and BSTP-SF (2018/19-2019/20).

Beyond establishing progress in strengthening accountability, transparency and citizen's engagement, however, the rating of sustainability calls for assessing threat to the continuity of these institutions and capacities after the project completion, and developing explicitly strategy for institutional sustainability. The PCR's highly satisfactory (4) is short in meeting these requirements.

n. Ownership and sustainability of partnerships:

For PBOs, the assessment should measure the extent to which the Government's capacity to conduct consultations during policy dialogue and the extent to which the Bank supported the Government in deepening the consultation processes.

PCR rates ownership and sustainability of partnership. PCREN agrees.

The drive to enhanced citizens' engagement in service delivery such as strengthened accountability and transparency in service delivery, development of government framework on citizens' engagement and roll out of guidelines on citizen's score card are important indicators of progress in enhancing citizens' voices and strengthening demand-side accountability in the delivery of better basic services from the providers (health facilities, schools, Woreda administration), and consequently promoting a sense of ownership amongst the beneficiaries of the BSTP and BSTP-SF.

In the area of promoting partnership, the Bank's support to decentralized delivery of basic services is harmonized with the other development partners (DPs) within the Basic Services Donor Group (BSDG) through the Common Framework developed jointly to guide strategic engagement in basic service delivery. The Joint Review and Implementation Support (JRIS) is the major monitoring instrument that involved all stakeholders (MOF, sector Ministries, regions, selected woredas, CSOs and development partners) to create effective partnership. The JRIS

brings all budget support financing stakeholders together and helped to push for policy dialogue with government guided by the agreed common framework.

The PCREN rates ownership and sustainability of partnership satisfactory (3) since it was effective at involving most stakeholders and promoting a sense of ownership among the beneficiaries. In addition, partnership with relevant stakeholders had been put in place.

o. Environmental and social sustainability:

Not applicable for category 3 classification.

4. PERFORMANCE OF STAKEHOLDERS

a. Bank performance:

PCR rates Bank performance highly satisfactory (4). PCREN rates satisfactory (3)

Following the GoE request for financing support, the Bank engaged in identification, preparation and appraisal mission consultations. BSTP was jointly designed with the Government in consultation with Development Partners (DPs) and Civil Society Organizations (CSOs). The BSTP-SF was also prepared in response to the government's request for additional financing to expand access and quality of basic services under the BSTP. The Bank ensured compliance with loan/grant covenants.

The Bank's support to decentralized delivery of basic services was harmonized with the other development partners (DPs) within the Basic Services Donor Group (BSDG). The Joint Review and Implementation Support (JRIS) served as the major monitoring instrument that involved all stakeholders (MOF, sector Ministries, regions, selected woredas, CSOs and development partners). The JRIS, in addition, brought all budget support financing stakeholders together and helped to push for policy dialogue with government guided by the agreed common framework.

b. Borrower performance:

PCR rates Borrower performance satisfactory (3). PCREN agrees.

The Government of Ethiopia (GoE) submitted request for external financing, and participated in formulation the budget support program. The government signed on the loan agreement for BSTP and grant agreement for BSTP-SF, and committed to fulfill the loan and grant conditions. The Borrower performed satisfactorily in complying with covenants. Audit compliance was delayed but met within agreed time frame.

The Government has demonstrated strong commitment to the budget support programs. For instance, implementation of the program was coordinated by the Ministry of Finance and Economic Cooperation (Ministry of Finance and Economy), which worked closely with pertinent sector ministries to ensure that all BSTP supported policy reform measures were implemented as jointly agreed with the Bank Group.

The Joint Review and Implementation Support (JRIS) platform was instrumental for joint monitoring of implementation progress and identifying solutions to implementation challenges under Ministry of Finance and Economy's leadership. The Borrower was responsive to the JRIS findings and recommendations.

c. Performance of other stakeholders:

PCR rates performance of other stakeholders satisfactory (3). PCREN concurs.

5. SUMMARY OF OVERALL PROJECT PERFORMANCE

a. Overall assessment:

The PCREN rates the overall performance of the budget support programs satisfactory (3).

Relevance in objective and design was satisfactory. Progress towards achieving the project's development objective was satisfactory. Efficiency in terms of timeliness was highly satisfactory. The performance in sustainability was mixed; unsatisfactory in financial sustainability and satisfactory in institutional and capacity sustainability and strengthening ownership.

b. Design, implementation and utilization of the M&E:

PCREN rates the design, implementation and utilization of the M&E system satisfactory (3)

In short, the M&E focus has been on monitoring I/O indicators. The data gathered has been partial. And information generated is often used to prepare reports on procurement and financial performance, and project inputs and outputs. Information contained in these reports is presumed to have influenced decisions affecting project operation and result.

6. EVALUATION OF KEY LESSONS LEARNED AND RECOMMENDATIONS

a. Lessons learned:

Provide a brief description of any agreement/disagreement with all or part of the lessons learned from the PCR after analysis of the project performance with regards each of the key components of the evaluation (Relevance, Effectiveness, Efficiency, and Sustainability). List the main PCR and/or reformulated pertinent lessons learned for each of the above four components. It is recommended that no more than five lessons learned are discussed. Key questions and targeted audience must also be specified for each lesson learned.

<u>Original</u>	The program's use of budget support financing, government systems and strategies contributed to the strengthening of country systems and ensured sustainability of gains. This is seen as an example of best practice. On the other hand, the use of ambitious national targets in program result framework has resulted in low performance in some outcome indicators. The effective engagement of top management/decision makers in the design of program enhances strategic commitment.	<u>Validation</u> Write-Off
<u>Reformulation (If applicable)</u>		
<u>Reviewer Comment</u>	This is a finding, not a lesson	

<u>Original</u>	The high level of ownership of and commitment that exists at federal level to basic service delivery in general needs to be operationalized at decentralized levels. Accordingly, there is a need to (i) devise a mechanism to ensure that program targets are reflected woreda level performance measures to enhance future	<u>Validation</u> Write-Off
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	effectiveness; and (ii) strengthen the capacity MOF to lead, coordinate and systematically monitor the performance of results as well as disbursement conditions across sectors.	
<u>Reformulation (If applicable)</u>		
<u>Reviewer Comment</u>	Moved to the recommendation section	

<u>Original</u>	The use of federal level process outcomes as disbursement conditions has been effective to push through some of the reform agendas and this needs to be scaled up. There is a need to explore mechanisms to complement the PBO approach with special purpose grants mechanism in future programming for a more responsive financing.	<u>Validation</u> Write-Off
<u>Reformulation (If applicable)</u>		
<u>Reviewer Comment</u>	Recommendation	

<u>Original</u>	The development of common framework and the establishment of Basic Service Delivery Group (BSDG) has assisted partners to work together and this needs to be strengthened. The JRIS process is the only policy dialogue forum that brings together partners, sectors, MOF and regions on basic services, and thus requires revitalization.	<u>Validation</u> Write-Off
<u>Reformulation (If applicable)</u>		
<u>Reviewer Comment</u>	This is a finding, not a lesson	

<u>New lesson</u>	
<u>Reviewer comment</u>	

b. Recommendations:

Provide a brief description of any agreement/ disagreement with all or part of the recommendations from the PCR. List the main PCR and/or reformulated recommendations (required actions by the Borrower and/or the Bank).

<u>Original</u>	<ol style="list-style-type: none"> 1. Use realistic sector targets to define future programme outcome with higher level engagement during design and negotiations 2. Explore the use of blended financing model through a mechanism that increases allocation to basic services to woredas and relatively rural areas through special purpose grant. 3. Map-out high-level policy and strategic sector constraints (e.g. increasing financing for basic services at all levels and strengthening PEFA) processes and make them future disbursement conditions to fast track system reforms; 	<u>Validation</u> <p style="text-align: center;">Write-Off</p>
<u>Reformulation (If applicable)</u>		
<u>Recipient(s)</u>	Bank and Beneficiary	
<u>Reviewer Comment</u>	unable to map to the program's experience (is it like finding solution to a non-existential problem?)	
<u>Original</u>	The high level of ownership of and commitment that exists at federal level to basic service delivery in general needs to be operationalized at decentralized levels. Accordingly, there is a need to (i) devise a mechanism to ensure that program targets are reflected woreda level performance measures to enhance future effectiveness; and (ii) strengthen the capacity MOF to lead, coordinate and systematically monitor the performance of results as well as disbursement conditions across sectors.	<u>Validation</u> <p style="text-align: center;">Sign-Off</p>
<u>Reformulation (If applicable)</u>		
<u>Reviewer Comment</u>		
<u>Original</u>	<p>Establish a high-level steering committee led by the state minister of Finance and sector state ministers or directors as members that set annual targets, monitor performance and lead the policy dialogue forum; and MOF to develop and implement a regular reporting schedule to help the production of timely and comprehensive report; institutionalize program outcomes and output targets into sectors' and regions' respective annual planning and M&E process performance measurement.</p> <p>Revitalize the JRIS platform by ensuring high level sectoral participation (both at ministerial and regional level) and institutionalizing strong performance rating</p>	<u>Validation</u> <p style="text-align: center;">Write-Off</p>

	of programmatic results and conditions of disbursement (use of dash board for naming and shaming of ministries and regions and DPs) and following up of actions taken based on previous decision.	
<u>Reformulation (If applicable)</u>		
<u>Recipient(s)</u>	Beneficiary	
<u>Reviewer Comment</u>	These recommendations are not borne out of the program's experience	

<u>Original</u>	Review existing disbursement mechanisms and consider assigning a certain proportion of funding for each of the disbursement conditions and disburse as per agreed proportions for smooth implementation; Consider using additional special purpose grant support instrument to support building of the skills and capacities of program stakeholders', strengthening government strategic, technical and programmatic capacity to lead, guide and coordinate sector and regional governments including learning from other country's experiences.	<u>Validation</u> Write-Off
<u>Reformulation (If applicable)</u>		
<u>Recipient(s)</u>	Bank	
<u>Reviewer Comment</u>	These recommendations are not borne out of the program's experience	

<u>New recommendation</u>	
<u>Recipient(s)</u>	Bank and Beneficiary
<u>Reviewer comment</u>	The need to identify and finance ESWs to support policy dialogue under such budget support programs is crucial for the effective use of this financing instrument

7. COMMENTS ON PCR QUALITY AND TIMELINESS

The overall PCR quality rating is based on the criteria presented in the annexe and other: The quality of the PCR is rated as highly satisfactory (HS) (4), satisfactory (S) (3), unsatisfactory (US) (2), and highly unsatisfactory (HUS) (1). The timeliness of the PCR is rated as on time (4) or late (1). The participation of the Borrower, co-financier, and the bank's external office(s) are rated as follows: HS (4), S (3), US (2), HUS (1).

Overall PCR quality unsatisfactory (2): Satisfactory in coverage of evaluation dimensions but unsatisfactory in data generation and access, and quality of analysis and lessons learned.

8. SUMMARY OF THE EVALUATION

This is a summary of both the PCR and IDEV ratings with justification for deviations. Appropriate section of the PCR Evaluation should be indicated in the last column in order to avoid detailed comments. If the evaluator is unable to validate a PCR rating on one of the four evaluation criteria, s/he must provide an appropriate explanation for this.

Criteria	PCR	PCREN	Reason for disagreement/ Comments
RELEVANCE	4	3	
Relevance of project development objective	4	3	The PCR claims the program was fully aligned with government sector policies and strategies and used the targets set in these plans. The PCREN could not yet confirm. Instead, it rates provisionally satisfactory, i.e. the objective of the program was largely aligned with the country's development strategies and the Bank's CSP throughout the project cycle.
Relevance of project design	4	3	Sound design but the test is the extent of adjustment in scope during the implementation period.
EFFECTIVENESS		3	
Delivery of outputs	3	3	
Realization of outcomes	2	3	Notable improvements in key outcomes associated with improved deliveries of basic services during the program's implementation period
Development objective (DO)	3	3	
EFFICIENCY			
Timeliness	4	4	
Resource use efficiency			not applicable to PBOs
Cost-benefit analysis			not applicable to PBOs
Implementation progress (Compliance with (i) with covenants; (ii) project systems and procedures; (iii) project execution and financing)	3	3	
SUSTAINABILITY			
Financial sustainability	3	2	No explicit financial sustainability strategy at exit.
Institutional sustainability and strengthening of capacities	4	3	Noted progress in institution building and capacity strengthening but no explicit strategy. And the questions relevant for developing institutional sustainability strategy were not addressed.
Ownership and sustainability of partnerships	3	3	
Environmental and social sustainability			Not applicable to category 3
OVERALL PROJECT COMPLETION RATING		3	
Bank performance:	4	3	As per the scoring of the seven criteria suggested in the PCR evaluation guidance

			(see also section 4 (a) above as well as the scores in the annex.
Borrower performance:	3	3	
Performance of other stakeholders:	3	3	
Overall PCR quality:		2	Satisfactory in coverage of evaluation dimensions but unsatisfactory in data generation and access, and quality of analysis and lessons learned.

9. PRIORITY FOR FUTURE EVALUATIVE WORK: PROJECT FOR PERFORMANCE EVALUATION REPORT, IMPACT EVALUATION, COUNTRY/SECTOR REVIEWS OR THEMATIC EVALUATION STUDIES:

- Project is part of a series and suitable for cluster evaluation
- Project is a success story
- High priority for impact evaluation
- Performance evaluation is required to sector/country review
- High priority for thematic or special evaluation studies (Country)
- PPER is required because of incomplete validation rating

Major areas of focus for future evaluation work:

- a) Performance evaluation is required for sector/ country review
- b) Cluster evaluation (institutional support)
- c) Sector evaluation (budgetary support or public finance management reforms)

Follow up action by IDEV:

Identify same cluster or sector operations; organize appropriate work or consultation mission to facilitate a), b) and/or c).

Division Manager clearance

Director signing off

Data source for validation:

- Task Manager/ Responsible bank staff interviewed/contacted (in person, by telephone or email)
- Documents/ Database reports

Attachment:

- PCR evaluation note validation sheet of performance ratings
- List of references

Annex

PROJECT COMPLETION REPORT EVALUATION NOTE

Validation of PCR performance ratings

PCR rating scale:

Score	Description (see PCR preparation guidelines for details)
4	Highly Satisfactory (HS)
3	Satisfactory (S)
2	Unsatisfactory (US)
1	Highly Unsatisfactory (HUS)
UTS	Unable to score/rate
NA	Non Applicable

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments
RELEVANCE	Relevance of the project development objective (DO) during implementation	4	3	Largely aligned with the country's development strategies and the Bank's CSP throughout the project cycle.
	Relevance of project design (from approval to completion)	4	3	Adequately articulated the intervention logic with few ambiguities in the results chain.
OVERALL RELEVANCE SCORE		4	3	
EFFECTIVENESS*	Effectiveness in delivering outcomes			
	Deliveries attended by skilled health workers, 71% towards target at national level		2	
	Primary school completion rate, 86% towards target at national level		3	
	People with access to rural water supply, 93% at national level		3	
	Overall outcome rating	2	3	Satisfactory progress in access to health facilities, and access to primary school and potable water during the project's implementation cycle
	Effectiveness in delivering output			
	Block grant allocated to regions from total federal government		3	

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments
	budget, 88% towards target			
	Proportion of health extension workers qualified to level 4 standards increased, 115%		4	
	No of Health HDA leaders tested for level 1 Health Extension Programme (HEP) competency, 24%		1	
	PPP Strategy in Health aligned to PPP law and operationalized, 100%		4	
	Roll-out teachers licensing based on new guidelines and teachers licensed, 63%		2	
	Curriculum Research Institute established and operational, 90%		3	
	Proportion of health facilities with water and sanitation services, 93%		3	
	Percentage of OPD staff trained on Primary Health Care Unit (PHCU) new guidelines, 16%		1	
	Alternative Basic Education Standards for Grade 1-6 revised (syllabus & text books) and approved, 100%		4	
	Number of woredas with established community based health insurance schemes (CBHI), 100%		4	
	Health Extension Programme for Pastoralist areas revised, 100%		4	
	Government framework on citizens' engagement developed and approved, 100%		4	
	Social accountability programme/ initiative expanded to new woredas, 106%		4	

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments	
	Federal Budgetary organizations implementing FTA directive increased, 150%		4		
	Roll out of guidelines on citizen's score card in health sector, 101%		4		
	Number of regions that adopt standardized procedure manuals for GRM, 91%		3		
	Number of regions legalizing water supply, sanitation and hygiene committee (WaSHCOs), 45%		2		
	Assessment of Procurement Systems (MAPS-II) undertaken, 100%		4		
	Procurement KPIs rolled out to federal institutions involved in basic services, 233%		4		
	Overall output rating	3	3	The project attained at least 70% execution rate in most of the key outputs (or, the majority of the above individual ratings are either 3 or 4).	
	Development objective (DO)				
	Development objective rating	3	3		
	Beneficiaries				
	Beneficiary				No specific beneficiary category
	Beneficiary				No specific beneficiary category
	Unanticipated outcomes (positive or negative not considered in the project logical framework) and their level of impact on the project (high, moderate, low)				
	Institutional development				none as unanticipated outcome
	Gender				Limited reporting by gender
	Environment & climate change				not applicable
	Poverty reduction				no specific data on poverty reduction
Private sector development				no specific data	
Regional integration				no specific data	
Other (specify)					

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments
EFFECTIVENESS OVERALL SCORE			3	
EFFICIENCY	Timeliness (based on the initial closing date)	4	4	
	Resource used efficiency			not applicable
	Cost-benefit analysis			not applicable
	Implementation progress (from the IPR)	3	3	
	Other (specify)			
OVERALL EFFICIENCY SCORE		4	4	
SUSTAINABILITY	Financial sustainability	3	2	No explicit financial sustainability strategy at exit. And the questions relevant for developing financial sustainability strategy were not addressed.
	Institutional sustainability and strengthening of capacities	4	3	Noted progress in institution building and capacity strengthening but no explicit strategy. And the questions relevant for developing institutional sustainability strategy were not addressed.
	Ownership and sustainability of partnerships	3	3	
	Environmental and social sustainability			not applicable
<p>*The rating of the effectiveness component is obtained from the development objective (DO) rating in the latest IPR of the project (see Guidance Note on the IPR).</p> <p>The ratings for outputs and outcomes are determined based on the project's progress towards realizing its targets, and the overall development objective of the project (DO) is obtained by combining the ratings obtained for outputs and outcomes following the method defined in the IPR Guidance Note. The following method is applied: Highly satisfactory (4), Satisfactory (3), Unsatisfactory (2) and Highly unsatisfactory (1).</p>				

Criteria	Sub-criteria	PCR Work score	IDEV review	Reasons for deviation/comments
BANK PERFORMANCE	Proactive identification and resolution of problems at different stage of the project cycle		3	
	Use of previous lessons learned from previous operations during design and implementation		3	
	Promotion of stakeholder participation to strengthen ownership		3	The program was jointly designed with the Government in consultation with Development Partners (DPs) and Civil Society Organizations (CSOs).
	Enforcement of safeguard and fiduciary requirements		3	The Bank ensured compliance with loan/grant covenants.
	Design and implementation of Monitoring & Evaluation system		3	The Joint Review and Implementation Support (JRIS) served as the major

				monitoring instrument that involved all stakeholders (MOF, sector Ministries, regions, selected woredas, CSOs and development partners).
	Quality of Bank supervision (mix of skills in supervisory teams, etc)		3	The JRIS brought all budget support financing stakeholders together and helped to push for policy dialogue with government guided by the agreed common framework.
	Timeliness of responses to requests		3	
OVERALL BANK PERFORMANCE SCORE			3	
BORROWER PERFORMANCE	Quality of preparation and implementation		3	GoE initiated and participated in design and implemented the budget support program satisfactorily albeit multiple challenges.
	Compliance with covenants, agreements and safeguards		3	The Borrower performed satisfactorily in complying with covenants.
	Provision of timely counterpart funding			not applicable
	Responsiveness to supervision recommendations		3	The Borrower was responsive to the JRIS findings and recommendations.
	Measures taken to establish basis for project sustainability		2	Limited
	Timeliness of preparing requests		UTS	Unable to score for lack of information
OVERALL BORROWER PERFORMANCE SCORE			3	
PERFORMANCE OF OTHER STAKEHOLDERS	Timeliness of disbursements by co-financiers		n.a	not applicable
	Functioning of collaborative agreements			
	Quality of policy dialogue with co-financiers (for PBOs only)		n.a.	
	Quality of work by service providers		n.d.	no data
	Responsiveness to client demands		n.d.	
OVERALL PERFORMANCE OF OTHER STAKEHOLDERS				
The overall rating is given: HS, S, US and HUS.				
(i) Highly satisfactory (HS) : 4				
(ii) Satisfactory (S) : 3				
(iii) Unsatisfactory (US) : 2				
(iv) Highly Unsatisfactory (HUS): 1				

DESIGN, IMPLEMENTATION AND UTILIZATION OF MONITORING AND EVALUATION (M&E)

Criteria	Sub-criteria	IDEV Score	Comments
M&E DESIGN	M&E system is in place, clear, appropriate and realistic	3	The M&E adopted was based on reasonably specified results based logical framework, and largely intended to monitor procurement

Criteria	Sub-criteria	IDEV Score	Comments
			performance, project activities and outputs, and financial performance.
	Monitoring indicators and monitoring plan were duly approved	3	The key design features of the project included identification of the main output and outcome indicators that are integral in the project's M&E system
	Existence of disaggregated gender indicator	3	Not certain how gender dimension was systematically captured in the M&E design and implementation
	Baseline data were available or collected during the design	none	
	Other, specify		
OVERALL M&E DESIGN SCORE		3	
M&E IMPLEMENTATION	The M&E function is adequately equipped and staffed	3	The project's M&E has adequately served the Joint Review and Implementation Support (JRIS)
OVERALL M&E IMPLEMENTATION SCORE			
M&E UTILIZATION	The borrower used the tracking information for decision	3	The project collected and analyzed data to monitor procurement performance, project activities and outputs, and financial performance. Fed into the Joint Review and Implementation Support (JRIS) platform to influence planning and budgeting at decentralize
OVERALL M&E UTILIZATION SCORE			
OVERALL M&E PERFORMANCE SCORE		3	satisfactory

PCR QUALITY EVALUATION

Criteria	PCR-EVN (1-4)	Comments
QUALITY OF PCR		
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections	3	Complete in covered evaluation dimensions
2. Extent of objectivity of PCR assessment score	3	Largely empirical based and objective, but uncertain data quality
3. Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies; (in various sections; between text and ratings; consistency of overall rating with individual component ratings)	3	Some gaps between the scoring and the text in the PCR evaluation guidance.
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive or negative) affecting design and implementation	2	Some influential factors were identified (internal and exogenous) but overall no systematic identification and analysis of factors explaining performance
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	3	Covered adequately
6. Extent of soundness of data generating and analysis process (including rates of returns) in support of PCR assessment	2	The principal data sources were administrative records, which are relatively sound and reliable. Less sound/certain were the data sources for assessment of outcome performance.
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	2	The more accessible data sources were the project's periodic reports.
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis)	2	Hard to map some of the lessons/recommendations to the PBO's experience.
9. Extent of overall clarity and completeness of the PCR	2	Unsatisfactory particularly in quality of data generation and analysis of performance
Other (specify)		
PCR QUALITY SCORE	2	Overall unsatisfactory: Satisfactory in coverage of evaluation dimensions but unsatisfactory in data generation and access, and quality of analysis and lessons learned.
PCR compliance with guidelines (PCR/OM ; IDEV)		
1. PCR Timeliness (On time = 4; Late= 1)	4	
2. Extent of participation of borrower, Co-financiers & field offices in PCR preparation***	3	Comment from the Borrower
3. Other aspect(s) (specify)		
PCR COMPLIANCE SCORE	4	
*** rated as Highly satisfactory (4), or Satisfactory (3), or Unsatisfactory (2), or Highly unsatisfactory (1)		

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African Development Bank. 2020. Ethiopia: Basic Services Transformation Program (BSTP) and Basic Services Transformation Program - Supplementary Financing (BSTP – SF). Project Completion Report.

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