



African Development Bank



**Federal
Democratic
Republic of
Ethiopia**

PROJECT COMPLETION REPORT (PCR)

**BASIC SERVICES TRANSFORMATION PROGRAM (BSTP)
AND BASIC SERVICES TRANSFORMATION PROGRAM –
SUPPLEMENTARY FINANCING (BSTP – SF) IN ETHIOPIA
October 2020**

I BASIC DATA

A Report data

Report date	Date of report:	October 2020
	Mission date:	October 2020 (Desk Review and virtual KILLS)

B Responsible Bank staff

Positions	At approval	At completion
Regional Director/Director General	Gabriel NEGATU	Nnenna NWABUFO
Country Manager	Josephine NGURE	Abdul KAMARA
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 consultant		Abebe Alebachew
PCR Team Members		Mulumebet MERHATSIDK, Admit ZERIHUN

C Project data

Project name: BASIC SERVICES TRANSFORMATION PROGRAM (BSTP) AND BASIC SERVICES TRANSFORMATION PROGRAM – SUPPLEMENTARY FINANCING (BSTP – SF) IN ETHIOPIA		
Project codes: P-ET-IZ0-002 (BSTP) P-ET-K00-015 BSTP – SF	Instrument number: ADF Loan # 2100150034395 (BSTP) ADF Grant # 2100155038469 (BSTP – SF)	
Project type: General Budget support	Sector: Social	
Countries: Ethiopia	Environmental categorization (1-3): 3	
Processing milestones – Bank approved financing only (add/delete rows depending on the number of financing sources)	Key Events (Bank approved financing only)	Disbursement and closing dates (Bank approved financing only)
Financing source/ Instrument 1:		Financing source/ Instrument 1:
Date approved: 17 December 2015 (BSTP) 14 November 2018 (BSTP-SF)	Design and approval of the BSTP - SF	Original disbursement deadline: 31 December 2018 (BSTP) 31 July 2020 (BSTP-SF)
Date signed: 3 February 2016 (BSTP) 22 November 2018 (BSTP-SF)		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)		Revised disbursement deadline: NA
Date effective for 1 st disbursement: 24/05/2016 (BSTP) 22 November 2018 (BSTP-SF)		Revised (if applicable) closing date: NA
Date of actual 1st disbursement: 9 June 2016 (BSTP)		

21 May 21 2019 (BSTP-SF)				
Financing source/instrument (add/delete rows depending on the number of financing sources):	Disbursed amount (amount, UA):	Percentage disbursed (%):	Undisbursed amount (UA):	Percentage undisbursed (%):
Financing source/ instrument 1: ADF Loan # 2100150034395 (BSTP)	180 million	100%	0	0%
Financing source/ instrument 2: ADF Grant # 2100155038469 (BSTP – SF)	88.66 Million	100%	0	0%
TOTAL	268.66	100%	0	0%
Executing and implementing agency (ies): Ministry of Finance (MoF), Ministry of Health, Ministry of Education, Ministry of Water, Irrigation and Energy				

D Management review and comments

Report reviewed by	Name	Date reviewed	Comments
Sector Manager	Tapera MUZIRA		
Country Manager	Abdul KAMARA		
Regional Director (as chair of Country Team)	Nnenna NWABUFO		
Sector Director	Martha PHIRI		

Abbreviations

ABE	Alternative Basic Education
AfDB	Africa Development Bank
BSDG	Basic Service Delivery Group
BSTP	Basic Service Transformation Programme
BSTP SF	Basic Service Transformation Program-Supplementary Funding
CBHI	Community Based Health Insurance Scheme
COPPD	Channel One Coordination and programming Directorate
DLI	Disbursement Linked Indicators
DPs	Development Partners
DRM	Domestic Resource mobilization
DRS	Developing regional states
EFY	Ethiopian Fiscal Year
EMCP	Expenditure Management and Control programme
ESAP	Ethiopia Social Accountability Programme
ESDP	Education Sector Development Programme
FTA	Financial transparency and accountability
GRM	Grievance Redress Mechanism
GTP	Growth and Transformation Plan
HDA	Health development Army
HEP/W	Health Extension Program/worker
HSTP	Health Sector Transformation Plan
JAPs	Joint Action Plans
JRIS	joint Review and Implementation Support
MOF	Ministry of Finance
PBS	Promoting Basing Services
PEFA	Public Expenditure and financial Accountability
PFM	Public Financial Management
PMO	Prime Minister's Office
PPP	Public private partnership
RBF	Result Based Financing
SA	Social Accountability
WaSHCO	Water, Sanitation and Hygiene Committee

II PROJECT PERFORMANCE ASSESSMENT

A Relevance

1. Relevance of project development objective

Rating*	Narrative assessment (max 250 words)
4	<p>The Bank has been supporting the Protecting/Promoting Basic Services (PBS) using a budget support approach (PBO) with an overarching objective of increasing access to basic services and strengthening accountability at decentralized level since 2006 alongside other Development Partners, including the World Bank, DFID, EU, Austria and Italy.</p> <p>The Basic Service transformation Program (BSTP) was a successor programme to PBS III. The BSTP was a 3 year programmatic Sector Budget Support with a budget of UA 180 million which was disbursed in three tranches of equal amount of UA 60 million over three fiscal year time frame (FY2015/16 to 2017/18) (FY2012/13 -2014/15). The programme outcomes included: (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.</p> <p>Based on Government's request for a continuation of the BSTP through a supplementary finding than a design of a new one, the Basic Service Transformation Program-Supplementary Funding (BSTP-SF) was designed in 2019. BSTP – SF, as a continuation of BSTP, maintained the programme objectives and outcomes of the original BSTP. Building on the achievements and lessons learned of BSTP, it sought to address quality and geographic inequalities in access to basic services in health, education, and water and sanitation and enhancing citizen engagement. The design of the BSTP – SF recognized that amidst the progress made in improving overall access to basic services, spatial inequalities and variances in quality of basic services persist particularly in the underserved regions of Afar, Ethiopia-Somali, Benishangul-Gumuz and Gambella. The BSTP-SF was a 2-year sector budget support with a budget of UA88.66 million grant which was disbursed in two tranches of UA60 million in FY2018/19 and UA28.66 million in FY2019/20.</p> <p>Both BSTP and BSTP-SF used policy-based financing approach, and were anchored on similar overall government macro-economic and sector strategies. Both programs were designed with in the Growth and Transformation Plan (GTP) II period and thus were guided by the same sector strategic documents. BSTP-SF refined the focus of its programmatic outputs based on the performance of the BSTP.</p> <p>The programs were 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. The BSTP/BSTP-SF were also fully 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).</p> <p>The rating for relevance of project development objective is Highly Satisfactory.</p>

2. Relevance of project design

Rating*	Narrative assessment (max 250 words)
4	<p>The design of BSTP and BSTP-SF followed the PBS approach with adjustment of using disbursement conditions, and was fully cognizant of the success and challenges of the PBS. The main challenge identified was lack of adequate progress in the human development index ranking of the country and specifically in some pastoral and undeserved regions. These had a negative impact on the quality and equity of basic services provided to the Ethiopian people. Addressing these challenges made the program relevant to the community needs on the ground.</p> <p>The BSTP-SF design was informed by the identified challenges with a focus of addressing the access and quality gaps in education, health and water sectors in these underserved regions. The key element of the operation was to promote supplementary results in regions with lowland areas or in the woredas that were identified on the least of the bottom 20% performing for health and education. These were</p>

	<p>also high priorities of government and the aspiration of the Ethiopian people. The prior actions and disbursement conditions were relevant and the program was pro-poor in its design and implementation. The policy dialogue, undertaken through the regular review processes, enabled tracking of impact on inclusive basic service delivery. The use of budget support financing instrument enabled equitable funds transfer as block grants to the regions using the country system..</p> <p>The design process was participatory. Sectors representatives reported that they were engaged during the selection of outcome and output indicators and all of them were within their priorities. The engagement of the top sector management during the design and negotiation of the project was mainly on the conditions for disbursement.</p>
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3. Lessons learned related to relevance

Key issues	Lessons learned	Target audience
1. The use of national targets	The program was fully aligned with government sector policies and strategies and used the targets set in these plans. This has assisted in ensuring national ownership and commitment to the program and tracking progress.	MOF and Bank
2. Engagement of sector stakeholders during design and negotiation	Sector Ministries were engaged in the technical design and negotiation of the program, along with MoF. However, the involvement of the senior management in the sectors was minimal. The negotiation should be jointly done by sector leaders (Sector State Ministers levels with the leadership of the MOF) to ensure their commitment towards meeting results, triggers and disbursement conditions.	MOF, the Bank and Sectors
3. Financing mechanism and instrument to adequately influence decentralized level decision making	there is a need for clear mechanism of resource transfer mechanisms (through block grants transfer) that provides the necessary resources to finance priority interventions at decentralized levels. This is due to limited fiscal space at lower levels and the use flexible allocation to other emerging priorities. The understanding of program priorities at the federal (ministerial) level was also not cascaded to and owned by some regions and woredas. The PBO approach may also be complemented by specific purpose grant or SDG grant can be considered to target sectors and low performing regions and woredas within regions to ensure that the target results are achieved.	MOF

B Effectiveness

1. Progress towards the project's development objective (project purpose)

Comments
<p><i>Provide a brief description of the Project (components) and the context in which it was designed and implemented. State the project development objective (usually the project purpose as set out in the PM) and assess progress. Unanticipated outcomes should also be accounted for, as well as specific reference of gender equality in the project. The consistency of the assumptions that link the different levels of the results chain in the PM should also be considered. Indicative max length: 400 words.</i></p>
<p>Ethiopia has been implementing protecting/promoting basic services (PBS) since 2006. This approach was a multi-partner financed program whose resources has been channeled through government block grant system to regions. 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. It sought to further deepen the provision of basic services through targeted reforms particularly in health, education and water and sanitation, with a focus on enhancing quality and equity, and strengthening accountability systems and citizens engagement at the decentralized levels. This was planned to be achieved by enhancing budgetary resource allocation and utilization at decentralized level, leading to improved education, health and water and sanitation outcomes; establishing democratic and developmental good governance and enhancing capacity through citizen's engagement and strengthened PFM system. Ultimately, these were expected to contribute to accelerating human capital development thereby enhancing productivity and promoting rapid industrialization, which is critical to attaining a middle income country status by 2025.</p>

The assumptions in the project's result chain have remained valid and program has contributed to a number of development gains, including:

- 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
- Predictability of resource transfers to lower levels has increased; transparency and inclusiveness in planning and budgeting processes in decentralized basic services delivery has improved Key policy reforms were implemented;

The program's focus on social and geographic inclusion in basic service delivery has contributed to improving women's and girls' access to basic services. The program's progress review process has consistently tracked and highlighted gender disparities in access to basic services and policy dialogue opportunities used to promote equitable access.

2. Outcome Reporting

Outcome indicators (as per PM)	Baseline value (2017/18)	Most recent value (A) 2019/20	End target B (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per outcome)	Core Sector Indicator (Yes/No)
Expanded and enhanced quality of basic services at the local (Woreda) level						
<p>BSTP: The percent of deliveries attended by skilled health workers increased from 60 to 71 percent although the target of 78% was not met. The proportion of qualified primary school teachers were also increased from 70.2 to 73 percent but not met its 84% target. The primary school completion rate increased from 47 to 54%, much lower than the 75% target set. The percent of people accessing Rural water supply within 1 km radius increased from 59% to 74%, still lower than the 85% targets set. The overall performance of BSTP in this regard was very satisfactory as clearly documented in the BSTP-SP AR. The BSTP-SF aims at building on these gains and enhance equity by enhancing performance of developing regional states. The outcome of BSTP-SF are outlined below. The investment contributed towards increasing access and quality of basic services in education, health and water sectors in Ethiopia. It also contributed to the implementation of policy reforms including increasing the predictability of budgets and enhancing transparency and inclusion in basic service delivery governance.</p>						
BSTP-SF Outcome Summaries (2017-18-2019/20)						
% Deliveries by skilled attendants					Health sector performance review revealed that while there has been steady improvements in maternal health service delivery performance rate across all indicators in the early GTP II period, there has been a stagnation and even decline in the last 2-3 years due to many reasons and thus the ambitious HSTP targets were not met. Deliveries through skilled birth attendant improved from 60% to 63.6% during BSTP and BSTP-SF, post-natal care coverage declined from 77% to 74%. Improvements were recorded in Gambella, Somali regions. In both cases the targets were not met. The major reason for not meeting the targets was the improvement in data quality and inadequate readiness of facilities to provide service. Only 40% of health facilities were fully functioning EmONC facilities in and, only 14% of expected deliveries took place in functioning EmONC facilities.	Yes
National	71%	63.6%	90%	71%		
Afar	37%	29.7%	57%	52%		
Somali	32%	37.3%	58%	71%		
Benishangul Gumuz	53%	43%	82%	52%		
Gambella	31%	40.3%	48%	64%		
Proportion of qualified primary school teachers (M/F):						Yes

Outcome indicators (as per PM)	Baseline value (2017/18)	Most recent value (A) 2019/20	End target B (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per outcome)	Core Sector Indicator (Yes/No)
National	73% (68% -F)	92.6% (86% F)	84% (79%F)	110%	The percent of qualified primary school teachers increased from 70% to 92.6 % during BSTP/BSTP-SF. Performance during the SF was much better. The Performance met the target set.	
Afar	37%	M 87.1% F 35%				
Somali	2%	F 27%.				
Rural Primary completion rate (grade 8) (M/F)					Although the national target isn't met, performance is higher than baselines at national and in all three regions. 86% performance level is good achievement. Overall the completion rate increased from 47% to 64% during BSTP/BSTP-SF.	Yes
National	54% (52%)	64% (60%)	74% (74%)	86%		
Afar	19% (16%- F)	24% (21% F)				
Somali	27% (23%F)	33% (29%)				
Benishangul G	57% (48% F)	67% (59% F)				
Rural water supply coverage within 1 km radius					Although the BSTP/BST-SF target are not met, performance is higher than baselines at national level and in three regions. The overall performance is satisfactory at the performance rate is 93% of the target. During BSTP/BSTP SF coverage rate increased from 59% to 78.7%.	Yes
National	74%	78.7%	85%	93%		
Afar	54%	59.10%				
Somali	77%	--				
Benishangul Gumuz	66%	67%				
Gambella	75%	79.4				
Strengthened accountability and transparency in service delivery¹						
Public access to key fiscal information – National average (PEFA)	C	D	B		The baseline used 2011 PEFA framework while the result used 2016 PEFA framework. There is a significant change in the quality of PFM levels required by the two frameworks. The change standards and framework of PEFA is reported to have caused the decline in rating.	Yes
Scope, nature and follow-up of external audit – National average (PEFA)	B	C+	A			
Financial information provided by donors for budgeting and reporting (PEFA)	D	NA	C			
Enhanced citizens' engagement in service delivery						
Citizens who report that Woreda officials have actively sought views of people in their Kebele on improving quality of basic services.	55%	NA	60%		The committees are established in 2019/20 at woreda level to inform planning and budgeting process. Institutionalization of Joint Action Plans (JAPs) in the annual planning and budgeting process has been initiated. The performance level for project end is not yet available during this PCR reporting. The source of	Yes

¹ PEFA indicators are rates not in percentages but in ranking. PEFA rating and ranking is provided using independent review of the public expenditure and financial management system. Full justification is provided for ranking different components from A to D. Refer to the Ethiopian 2019 PEFA report for details of ranking.

Outcome indicators (as per PM)	Baseline value (2017/18)	Most recent value (A) 2019/20	End target B (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per outcome)	Core Sector Indicator (Yes/No)
					data indicated in the PAR) is scheduled for 2021.	
Rating	Narrative assessment (indicative max length: 250 words)					
2	<p>The outcome targets of BSTP-SF are national sector targets reflected in the respective sector strategies. Due to operational issues in the participating sectors which affected the national progress towards the achievement of these national targets, many of the outcome targets the program was designed to contribute to were not met. In the education sector, the target for enhancing the proportion of qualified primary school teachers was met. Targets for increasing the completions rate of grade 8 and increasing water supply coverages have increased from their baselines but didn't meet their set targets. On the other hand, the performance of targets for health were not met and also their performance were below their respective baselines, and hence unsatisfactory.</p> <p>The low performance were reported to be caused by factors including, but not limited to, ambitious targets, disruption in service delivery due to recent security challenges of the country, change of political leadership at all levels; displacement of population, and poor quality of data. The other challenge in health was inadequate functionality and readiness of health facilities (e.g., availability of electricity and water, sanitation and hygiene amenities. Health emergencies in different parts of the country in the past three years, including in many of the woredas where basic services are expected to catch up to national average, also contributed. Woredas have the right to allocate the resources they received as block grants from the regional governments to address their priorities and even by reducing allocation from targeted sectors. Given the fungibility of resources at woreda level, they are likely to be shifted from basic services towards addressing the emerging and immediate challenges described above. Therefore, the prioritization of investment in basic services at decentralized level has not been consistent across regions and years.</p> <p>Citizens' engagement supported by Ethiopia Social Accountability Programme (ESAP) progressed towards the institutionalization of social accountability through the establishment of committees at the woreda level, linking Joint Action Plans (JAPs) with the woreda planning process and the recruitment of regional coordinators to guide the process. The achievement of target could not be established as the survey (planned to be financed by Development partners) had to be postponed.</p> <p>The overall rating for Outcomes is unsatisfactory</p>					

3. Output reporting

Output indicators (as per PM)	Baseline value (Y207/18)	Most recent value (A) 2019/20	End target (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per outcome)	Core Sector Indicator (Yes/No)
Increased budget predictability to woredas for basic services through block grants						
Summary of outcomes during BSTP: The share of block grant allocation to regions increased from 28.9% of the total government expenditures to 39.1% in 2017/18. The BSTP-SP is planning to build on this achievement through sustaining the government resource transfers to regions and woredas.						
BSTP-SF						
% of block grant allocated to regions from total federal government budget	39% (135.6) BETB	35.1% (145.95) BETB	40%	88%	Government allocation to block grants increased steadily from ETB 62 billion in 2014/15 to 136.6 B during BSTP. While the absolute amount of the transfer has increased, the targeted % has not been reached, due to the increase in the total government	Yes

					budget due to the influx of COVID response resources this Fiscal year.	
Action Plan on implementation of recommendation of the Domestic Resource Mobilization (DRM) study developed and approved	None	Approved	Approved	100%	The DRM action was developed based on the DRM assessment study conducted.	Yes
Improved quality of basic services in health, education and water and sanitation at woreda level						
Most of the policy reforms planned are implemented or being worked out. Sector strategies for health, education, water and sanitation were developed, their mid-term reviews were carried out. In the health sector, primary health care unit guideline and public private partnership strategy were developed; the pastoral health extension program was scaled up in the pastoralist areas. In the education sector assessment and legal framework to re-establish the Curriculum Development Institute were carried out and approved; and National Council for Pastoralist Education was also established. In the water sector, draft bill to establishment of National Regulatory Board for Service Delivery was developed and submitted to Council of Ministers, and is yet to get its approval. The BSTP-SF built on these achievements and the set targets and performance of basic service delivery is shown below.						
BSTP-SP						
Proportion of health extension workers qualified to level 4 standards increased						
National	21% (7,644) (100%-F)	42,566 HEWs (Level3=17018 (Level4=25548)	37,000 (100%-F)	115%	The number of HEWs qualified to level 4 increased from 4000 to 10,000 during BSTP. The progress during BSTP-SF (25,548) is also satisfactory.	Yes
Afar	18%	(37%)				
Somali	0	12%				
Benishangul Gumuz	26%	19%				
Gambella	22%	80%				
No of Health HDA leaders tested for level 1 Health Extension Programme (HEP) competency	3234	335,257	600,000	24%		
PPP Strategy in Health aligned to PPP law and operationalized	Draft PPP strategy exist	Sector specific PPP strategy jointly developed with MoF and Operationalized.	PPP strategy aligned with PPP law	100%	The health sector PPP strategy was developed, with active participation of the private sector during BSTP but the alignment of this strategy with the national PPP law and undertaking the feasibility studies (with MOF) to engage different private sector actors started in BSTP SF. Three PPP projects (laboratory, imaging, and pathology) prepared and on different appraisal and approval stages.	Yes
Roll-out teachers licensing based on new guidelines	2%	24%	38%	63%	Teachers licensing guidelines were rolled out and about 1170 were licensed during BSTP. The performance of BSTP SF is	Yes

and teachers licensed (M/F)					impressive as 418,417 teachers and school leaders were licensed.	
Curriculum Research Institute established and operational	Draft bill available	The bill was approved by the Council of Ministers.	Established and council members appointed	90%	The operationalization of the Council is reflected in the education policy.	Yes
Proportion of health facilities with water and sanitation services	14%	52% have access to clean water supply and 66% have sanitation facilities	56% of facilities have access to sanitation and water services	93%	To improve quality of service at primary health care level, 467 health centers and 1109 health posts were equipped with energy from solar sources in the last 5 years. Regarding water, 500 health centers were supplied with safe water supply. 93% of the target has been achieved. Given the investment required to fully meet the targets, the achievement is satisfactory	Yes
Percentage of OPD staff trained on Primary Health Care Unit (PHCU) new guidelines (M/F)	PHCU guidelines developed	Of the 3000 OPD staff in regions, 246 OPD staffs trained	50% of OPD staff trained	16%	As part of the health sector transformation, a lot of guidelines were developed. The sensitization/training of staff in these guidelines has not caught up yet.	Not part of priority sector indicators
Establishment of National Regulatory Board for Service Delivery in Water	Draft bill pending Council of Minister's approval	The draft bill is reviewed but not yet approved;	Approval of bill by Council of Ministers	25%	The Council of Ministers reviewed and provided feedback. The sector is in the process of hiring a consultant firm to produce the required documentation.	Yes
Enhanced equity in delivery of basic services in health, and education at woreda level						
Alternative Basic Education Standards for Grade 1-6 revised (syllabus & text books) and approved	Standards not developed	A Standard for upgrading Alternative Basic Education Levels (1-4) and (1-6) has been revised and developed.	Standards developed	100%		Yes
Number of woredas with established community based health insurance schemes (CBHI):						
National	--	827		100%	827 woredas (more than the target) established CBHI schemes, of which 743 schemes started providing service. All regions have now started establishing CBHI schemes.	Yes
Afar	0	1				
Somali	0	1				
Benishangul Gumuz	0	7				
Gambella	0	3				
Health Extension Programme for Pastoralist areas revised		Strategy for Pastoralist HEP developed and implementation manual cascaded to the pastoralist regions	Programme revised	100%	The HEP road map (2020/21-2034/35) clearly planned to develop a comprehensive strategy for delivery of HEP services in pastoralist settings and is part of health sector transformation plan II.	Yes
Enhanced transparency and accountability through citizen engagement						
BSTP performance: One of the main output was to issue a directive on pre-budget discussion by MOF and this was achieved and about 37% of Woredas conducted pre- budget discussions. While the rollout plan for social accountability was developed and approved, its actual implementation was planned during the BSTP-SF. Guideline for implementing Financial Transparency Accountability (FTA)-Social Accountability (SA) linkages was developed and is operational. The State of Health Inequality in Ethiopia have been published annually since FY2015/16 and informed the sectors'						

Equity Strategy. Furthermore, guidelines for the introduction of citizen's scorecard in health was developed, approved and have become operational. Expenditure Management and Control Programme (EMCP) Action Plan was approved and operational guidelines for PFM Woreda Benchmarking Rating was also developed. The following outputs for this component in BSTP-SP is described below:

BSTP-SP						
Government framework on citizens' engagement developed and approved	Not available	Framework on citizens' engagement developed and approved	Developed and approved	100%	The key entry points for SA interventions for citizen engagement is now shifted to Woredas from kebeles; JAPs are being used to provide input into woreda budgeting process. Effort is being made to strengthening on deepening rather than scaling up SA too fast and without having the basic mechanisms, particularly in terms of M&E, in place.	Yes
Social accountability programme/ initiative expanded to new woredas	223 woredas	317 woredas	300 woredas	106%	The Rollout plan for Social Accountability (SA) was approved by Steering Committee during the BSTP but its roll out was delayed due to protracted consultation process among stakeholders. The rollout was achieved during BSTP SF but there is a gap in Participatory Planning and Budgeting functionality in the current 317 woredas; efforts were initiated towards fostering pragmatic alignments of JAPs with woreda level budgeting processes by establishing committees at woreda level.	Yes
Guidelines for implementing Financial Transparency Accountability (FTA) –Social Accountability (SA) –Grievance Redress Mechanism (GRM) linkages developed and adopted	None	Not yet developed	Guidelines developed	Not rated	8 regions established Grievance Redress Mechanism (GRM) structures and standard regulation. The BSTP-SF aims at linking these structures with social accountability structures. Currently, a task force composed of the respective stakeholders has already been established to develop the mechanism. Investing in technology and institutionalization need to be considered in future programming.	Yes
Federal Budgetary organizations implementing FTA directive" increased.	27	75	50	150%	The Federal FTA directive/ guideline, issued and is being implemented with its budget notification, audit report, and procurement process.	Yes
Roll out of guidelines on citizen's score card in health sector	122 woredas	605 woreda	600 woredas	101%	605 woredas are now implementing the citizen score cards in the health sector that is introduced as part of improving responsiveness of care.	Yes
Number of regions that adopt standardized procedure manuals for GRM	4	10	11	91%	The only region that is yet to adopt GRM Procedural Manual is Afar	Yes
Number of regions legalizing	3	5	11	45%	The BSTP managed to roll out WASHCOs to three regions, but	Yes

water supply, sanitation and hygiene committee (WaSHCOs)					scaling up was challenged by lengthy legal and administrative processes. BSTP-SF managed to increase number of regions only by 2. Currently, five regions have legalized WaSHCOs.	
Improved performance in public financial and procurement management						
PEFA 2018 conducted	Not available	Conducted and report available	Report available	100%		Yes
Assessment of Procurement Systems (MAPS-II) undertaken	Not available	MAPS – II is finalized	MAPS-II Report available	100%	The study informed the revision of the procurement law under, which us under revision	Yes
Procurement KPIs rolled out to federal institutions involved in basic services	0	7	3	233%	FPPPA has rolled out procurement KPIs to MoA, MoE, MoH, MoWIE, ERA, PFSA and PPPDS.	Yes
Rating* (see IPR methodology)	Narrative assessment (on BSTP-SF)					
3	<p>Most of the output targets have been met or there was progress towards the realization of most of the output targets. The performance of 14 outputs was 100% or above. The performance of another 3 outputs is greater than 85% of their respective targets. This clearly documented that the performance on most of the outputs was satisfactory. The program performed particularly well on supporting the improved performance in public financial and procurement management. The main 6 outputs whose performance were not close to their targets were: (i) undertaking of level 1 competency test for HDA leaders; (ii) roll-out teachers licensing based on new guidelines and teachers; (iii) Percentage of OPD staff trained on Primary Health Care Unit (PHCU) new guidelines; (iv) establishment of National Regulatory Board for Service Delivery in Water; (v) development of Guidelines for implementing Financial Transparency Accountability (FTA) – Social Accountability (SA) – Grievance Redress Mechanism (GRM) linkages; and (vi) number of regions legalizing water supply, sanitation and hygiene committee (WaSHCOs). The influence of the challenges the country faced (security, change of political leadership at all levels, displacement and health emergencies) negatively influenced the realization of outcomes Improvement of data quality and the efforts made to reduce over reporting of the past has also contributed to the shortfall in some of the indicators.</p>					

4. Development Objective (DO) rating (only on BSTP-SF)

DO rating (derived from updated IPR)*	Narrative assessment (indicative max length: 250 words)				
3	<p>Most of the output targets have been met. Due to the performance of the sectors, some of the national targets the program was designed to contribute to at outcome level were not met. target for enhancing the proportion of qualified primary school teachers was met. Targets for increasing the completions rate of grade 8 and increasing water supply coverage increased their baselines, but didn't meet their set targets. The targets for health were not met and their performance was below their respective baselines. The absolute amount of total block grant allocation to regions increased over time, its share from the total federal budget declined from 39.1% in 2011 (2018/19) to 37% in 2013 EFY (2020/21).</p> <p>The challenges faced include ambitious targets, disruption in service delivery due to recent security challenges of the country, change of political leadership at all levels; displacement of population, and poor quality of data. Low level of engagement from sector ministries in budget support operations which channel fund to the treasury was a factor. Due to the high staff turnover, institutional memory</p>				
		HS (4)	S (3)	U (2)	HU (1)
	Outcomes	2	1		2
	Outputs	14	2	2	3
	Total	16	3	3	5

<p>is low and awareness about the programs disbursement conditions and triggers at Regional and Woreda levels was inadequate.</p> <p>JRIS reports and aide-memoires documented the need for more concrete actions on the lagging indicators across all sectors. Revitalizing JRIS platform with high level sectoral participation (both at ministerial and regional level) and strong performance rating (naming and shaming of ministries and regions) could enhance ownership and commitment of sectors and hence program effectiveness.</p>
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5. Beneficiaries

Planned (A)	Actual (B)	Progress towards target (% realized) (A/B)		
<p>Expanding access to and improving quality in basic service delivery to:</p> <ul style="list-style-type: none"> • about 80% of the population living in rural areas and women who constitute about 50% of the population. • The underserved regions, like the pastoralist areas, and the rural poor and women 	<p>The program through the block grant provided funding for all the woredas in the country. These include all the undeserved regions and woredas based on national and regional resource allocation criteria.</p>	<p>The program was focused on underserved regions and population groups (including women and girls)</p>		

6. Unanticipated or additional outcomes

Description	Type (e.g. gender, climate change, social, other)	Positive or negative	Impact on project (High, Medium, Low)
No unanticipated outcome is reported/observed.			

7. Lessons learned related to effectiveness

Key issues	Lessons learned	Target audience
1. Linking equity outcomes and financing	Given resource constraints, underserved areas will have difficulties in narrowing gaps in outcome and outputs targets. There is thus a need to explore a blended approach that will continue with a block grant approach, but be complemented by additional special purpose grant to reach low performing regions and woredas with additional direct investments, with due emphasis on sustainability. There is also a need for a stronger focus on gender for enhanced equity outcome.	MOF
2. Multisector engagement	There is a need for concrete cross – sectoral mechanisms to enhance effective horizontal and vertical communication between MoF, the implementing sectors (within each one and among sectors) both at regional and federal levels. This will assist in developing a mechanism for multi-sectoral planning, coordination and M&E process for optimal delivering on the targeted results.	MOF and sectors
3. Need for realistic targets	As a budget support program with a nationwide application, the program results were predictably anchored on ambitious government targets. While this enhanced ownership and commitment to the realization of the set targets, meeting them were difficult and resulted in lower than expected performance across some outcome indicators. There is a need to calibrate program targets through negotiation with the government during project design.	MOF and the Bank

Key issues	Lessons learned	Target audience
4. Effective policy influencing mechanism	The existence of common framework by development partners to engage the government on policy dialogue helped for effective realization of some of the processes. These include: PPP Strategy in Health, establishment of Curriculum Research Institute council, development and approval of Government framework on citizens' engagement; development of guidelines for implementing Financial Transparency Accountability, and roll-out of procurement KPIs to federal institutions. These best practices need to be scaled up in the upcoming programming. In this regard, policy and strategic directions of sector Ministries that requires commitment by MOF and Council of Ministers (e.g. endorsement of revised health policy and revised health financing strategy in health) be mapped out and included as part of the next programming priorities for strategic engagement.	The Bank, DPs and sector Ministries

C Efficiency

1. Timeliness

Planned project duration – years (A) (as per PAR)	Actual implementation time – years (B) (from effectiveness for 1st disbursement)	Ratio of planned and actual implementation time (A/B)	Rating*
BSTP - 3 years	3 years	1	
BSTP SF ADF/BD/WP/2018/167 - 2 years	2 years	1	4
Narrative assessment (indicative max length: 250 words)			
The program has been completed within the planned timeframe. The borrowers met all the conditions and the Bank disbursed all the resources in the planned period. All the tranche(s) were released within the planned timeframe. The implementation of the program therefore was effective in terms of its timeliness.			

2. Resource Use Efficiency

Planned at appraisal	Results at completion	Ratio	Rating*
No applicable	No applicable	No applicable	No applicable
Narrative assessment (indicative max length: 250 words)			
The program is budget support and there is no direct linkage between expenditures and results. Most of the block grants provided to regions and woredas are largely allocated to recurrent budget, especially salaries. The program appraisal report does not highlight the cost of the program and efficiency issues that need to be focused and hence this report cannot analyze the efficiency of resource use.			

3. Cost Benefit Analysis

Economic Rate of Return (at appraisal)	Updated Economic Rate of Return (at completion)	Rating*
Not applicable	Not applicable	Not applicable
Narrative assessment (indicative max length: 250 words)		

D Sustainability

1. Financial Sustainability

Rating*	Narrative assessment (indicative max length: 250 words)
3	The program supported the financial sustainability of basic service delivery mechanisms and reforms in many respects. Through its contribution to guaranteeing a non-decreasing share of block grants in the federal budget, the program's support for sustaining the delivery of basic services, particularly to the underserved regions, has been effective. The amount of funding to the regions as part of the block grants has been increasing steadily although the trend on the share from the federal budget varies from year to

year. Given the program support increased the amount of block grants, the completion of the program is likely to negatively impact on the amount of block grants to be disbursed to the regions. However, considering that more than 93% of the Block Grant is financed by the government and the recently approved UA 120 million AfDB budget support for COVID response, the gap is unlikely to be significant.

Sustainability of basic service delivery was also one of the key areas of strategic dialogue of the program. As such, the program supported interventions designed to enhance the sustainability of basic service delivery financing, including domestic resource mobilization study and the development of action plan, were undertaken successfully.

2. Institutional Sustainability and Strengthening of Capacities

Rating	Narrative assessment (indicative max length: 250 words)
4	<p>Both BSTP and BSTP-SF were implemented through the use of the country systems and were noted to have contributed to strengthening government systems. The program used the federal budget as well as the federal PFM institutions, systems, and procedures as the primary mechanism for its implementation. It adopted and used the country's own monitoring and evaluation frameworks to monitor outcomes and outputs. It used the country's Treasury to channel funds with the subsequent adoption of the national disbursement, procurement, financial reporting, external audit and oversight mechanisms. It contributed towards providing greater predictability to budgets, which has significant implications on budget implementation performance; and it supported the alignment of budgetary implementation and sector strategy objectives.</p> <p>Some of the major outputs of the programs were focused on increased predictability and level of basic service funding and the strengthening the PFM and accountability of government system. Interms of Procurement system strengthening, the program supported the assessment of Procurement Systems (MAPS-II) and the roll out of the Procurement KPIs to 7 (against the planned 3) federal institutions, including those involved in basic service. The study informed the revision of the procurement law. Thus, the program has definitely contributed to strengthening the government systems. As well, the number of federal institutions that implemented FTA has increased and the number of woredas implementing social accountability to citizen has increased to 317.</p>

3. Ownership and Sustainability of Partnerships

Rating*	Narrative assessment (indicative max length: 250 words)
3	<p>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 is which was conducted every six months. The Bank has been actively engaged in this coordination process and contributed to the JRIS findings and the implementation of its recommendations.. The JRIS brings all budget support financing stakeholders together and helped to push for policy dialogue with government guided by the agreed common framework. While the participation of sector stakeholders is reported to have been good, the high turnover of government sector leaders contributed to the lack of institutional memory for effective following up of program priorities by sectors.</p> <p>JRIS is a tool for enhancing ownership and sustainability of partnerships. A strong JRIS platform with high level sectoral participation (both at ministerial and regional level) and strong performance rating (naming and shaming of ministries and regions not attending at JRIS) could help cascade the agreed budget support priorities to regions and woredas, thereby enhancing ownership and commitment of sectors, which in turn will enhance its effectiveness.</p>

4. Environmental and Social Sustainability

Rating*	Narrative assessment (indicative max length: 250 words)
NA	<p>The Programme was classified as category 3 in the Bank's environmental classification. It is not expected to generate any negative impact on the environment and climate change, since it focuses on enhancing service delivery in basic social services in the health, education, and water and sanitation sectors, through social spending and policy reforms.</p>

5. Lessons learned related to sustainability

Key issues	Lessons learned	Target audience
Predictability and Financial sustainability	The use of government budgeting process enhanced budget predictability and is considered as one of the successes. However, government should review the block grant allocation criteria with the objective of ensuring additional resources are allocated to regions to enhance their effort towards equity and set a rule that sets the share of regional block grants from the federal expenditure (e.g., rule based that focuses on bottom-up approach and not less than 40%).	MOF and higher government authorities
	Develop and work towards a common framework to support the sustainability of basic services through complementing the budget support with special purpose grant that aims at shifting regional and woreda allocation from input to result based financing - using government systems	MOF and development partners
Institutional sustainability and capacity building	Build on gains made in strengthening processes, procedures and capacities at federal, regional and woreda levels by mapping out capacity strengths and gaps, especially at regional and woreda levels	MOF and Bank
	Define effective sector engagement criteria that ensures the inclusion of program outcomes and output targets in sectors' respective annual planning and M&E process, get approval at higher government level and undertake six monthly sector performance review using performance dashboards during JRIS.	MOF and PMO
	Strengthen MOF strategic, technical and programmatic capacity to lead and guide sector engagements and strategic prioritization	MOF and the bank

III

PERFORMANCE OF STAKEHOLDERS

1. Bank performance

Rating*	Narrative assessment by the Borrower on the Bank's performance, as well as any other aspects of the project (both quantitative and qualitative). (indicative max length: 250 words)
4	<p>The total amount planned to be disbursed by AfDB for the basic services during the implementation period was estimated at UA 268.88 million (BSTP UA 180 million and BSTP- SF UA 88.66 million), equivalent to USD 377 million. 100% of the amount planned budget was disbursed in five tranches from EFY 2008 to 2012. The flexibility in adjusting the outcomes that triggers disbursement by the Bank led to full and timely disbursement rate.</p> <p>AfDB is acknowledged by the government as one of the development partners that provided flexible support using government preferred channels – budget support in order to enhance basic services. The Bank is reported to be effective in following and monitoring government performance and flexibility in addressing emerging issues. The responsiveness of the Bank as evidenced by the quick processing of the modification of loan condition under BSTP is well appreciated. The current management system and team was reported to be more effective compared to other partners.</p>
Lessons learned	
<p>Linking of disbursement indicators with federal level process outcomes helped to facilitate the implementation of the program and future programming need to use similar approaches. Future programs need to map out critical sectors' process challenges that need to be addressed at higher policy levels (council of ministers and parliament) and make them disbursement triggers to fast-track government processes and procedures. The Bank may also consider:</p> <ol style="list-style-type: none"> Using a financing instrument that can assign a certain proportion of funding for each of the disbursement conditions and disburse as per agreed proportions rather than waiting for all condition to be met; Build the skills and capacities of program stakeholders', including learning from other country's experiences. 	

2. Borrower performance

Rating*	Narrative assessment on the Borrower performance to be inserted by the Bank (both quantitative and qualitative, depending on available information). (indicative max length: 250 words)	
3	<p>The GOE met all the conditions for the release of the all the tranches timely. The Government has also led the bi-annual pre-JRIS field visit and JRIS forum and used it for tracking sector and program level impact and facilitate inclusive policy dialogue on prioritized basic service delivery agendas.</p> <p>Performance monitoring of results and reporting is quite weak by the sectors which compromised the quality and timeliness of the quarterly performance reporting for BSTP/BSTP-SF. The participation of government stakeholders in program related processes was mainly driven by technical level representation and less by top management. The bi-annual pre-JRIS field visit and JRIS forum has been sustained although with declining participation of top government leadership.</p>	
Key issues (related to Borrower performance, max 5)	Lessons learned	
Declining resource allocation to basic services and PEFA outcomes	The setting up of the disbursement conditions to results whose performance can largely be influenced by the federal level performance has helped the GOE and the Bank to disburse the funding. Such process oriented disbursement conditions should be explored further to include basic service equity and quality processes to influence government actions. Increasing financing for basic services at all levels and strengthening PEFA processes and outcomes should be explored as a disbursement condition to enhance commitment and ownership from government.	
Revitalize the JRIS and coordination mechanisms	Undertake a review of the functionality and effectiveness of policy dialogue and JRIS forums and revitalize it, among others by: (i) regularly monitoring the performance of outcome and output indicators in addition to thematic area assessments; (ii) ensuring high level MOF and sector leaders and DP heads participation; (iii) implement a performance dashboard for sector, MOF and donors that is going to be reviewed in JRIS sessions.	

3. Performance of other Stakeholders

Rating*	Narrative assessment on the performance of other stakeholders, including co-financiers, contractors and service providers. (indicative max length: 250 words)		
3	<p>Basic services at decentralized level is supported by several development partners including World Bank, EU, DFID, Austria and Italy. These DPs are coordinating their support through the Basic Service Donor Group (BSDG) and a Service Delivery Secretariat (SD). As well, the DPs in the delivery of decentralized services use the Joint Review and Implementation Support (JRIS) as a joint monitoring mechanism. The joint use of the budget support approach has facilitated program congruence and harmonization.</p> <p>The move by development partners to develop individual programs in 2015, replacing the joint programming (with a unified result framework) of the PBS era, has resulted in a certain level of challenge to continued donors harmonization and alignment. This has also resulted in additional transaction costs to the government. Currently, many of these partners have their own disbursement conditions, with individual reporting requirement. Effort has been made to link the respective result areas/indicators to enhance complementarity</p>		
Key issues (related to performance of other stakeholders)	Lessons learned (max 5)	Target audience	
Existence of common framework	Existence of common framework for the Basic Service Delivery Group (BSDG) has reduced fragmented approach on strategic direction and policy dialogue with the government. This approach need to be explored further to define more coherent conditions and strategic prioritization that can work for all partners.	GOE and Partners	

Enhancing the effectiveness of policy dialogue mechanism	The JRIS has been a key joint program monitoring instrument and a mechanism for policy dialogue between government and development partners on basic service delivery issues. It is inclusive as it brings together MOF, sectors, regions and woredas. Thus critical to revitalize the functioning of this coordination mechanism, especially sectors participation in future programming. Engaging sectors and regions more actively and taking note of their perspectives and opinions is likely to enhance their buy-in and ownership and hence bring more effective programme implementation.	GOE and partners
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IV SUMMARY OF KEY LESSONS LEARNED AND RECOMMENDATIONS

1. Key lessons learned

Key issues	Lessons learned	Target audience
Program Design	1. 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.	Government and The Bank
Effectiveness, Ownership and sustainability	2. 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.	The Bank and MOF
Performance of the Bank	3. 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.	The Bank
Policy dialogue and coordination with other partners	4. 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.	MOF and DPs

2. Key Recommendations

Key issue (max 10)	Key recommendation	Responsible
Design of future programming	<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; 	<p>GOE and the Bank</p> <p>GOE The Bank</p> <p>MOF and the Bank</p>
Implementation of future programming	4. 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	MOF, sectors and regions

Key issue (max 10)	Key recommendation	Responsible
	and comprehensive report; institutionalize program outcomes and output targets into sectors' and regions' respective annual planning and M&E process performance measurement. 5. Revitalize the JRIS platform by ensuring high level sectoral participation (both at ministerial and regional level) and institutionalizing strong performance rating 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.	MOF, sectors and regions
Performance of the Bank	6. 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.	The Bank

V Overall PCR rating

Dimensions and criteria	Rating*
DIMENSION A: RELEVANCE	4
Relevance of project development objective (II.A.1)	4
Relevance of project design (II.A.2)	4
DIMENSION B: EFFECTIVENESS	3
Development Objective (DO) (II.B.4)	3
DIMENSION C: EFFICIENCY	4
Timeliness (II.C.1)	4
Resource use efficiency (II.C.2)	N/A
Cost-benefit analysis (II.C.3)	N/A
DIMENSION D: SUSTAINABILITY	3.5
Financial sustainability (II.D.1)	3
Institutional sustainability and strengthening of capacities (II.D.2)	4
Ownership and sustainability of partnerships (II.D.3)	3
Environmental and social sustainability (II.D.4)	N/A
OVERALL PROJECT COMPLETION RATING	3.5

Overall Projection completion rate is **satisfactory**.

Implementation Progress and Results Report (IPR)



A Report summary and proposed actions

Report data

ψ Report type:	Date of report: May 2020	Desk Review date : May 2020	
	Launching/field supervision/MTR/Desk/Review/ other (specify): Desk Review	From: January 2020	To: June 2020
ψ Prepared by:	Task Manager: Mulumbet MERHATSIDK	Alternate Task Manager: Mulle CHIKOKO	Division Manager: Joseph COOMPSON

Project data

Project code: P-ET-K00-015 Instrument number(s): 2100155038469	Project name: Basic Services Transformation Program – Supplementary Financing (BSTP – SF) Country: ETHIOPIA Sector: Human Development			
Processing milestones – Bank approved financing only	Key Events (Bank approved financing only)		Disbursement and closing dates (Bank approved financing only)	
Financing source/instrument 1: ADF-GRANT Date approved: 14/11/18 Date signed: 22/11/18 Date of entry into force: 22/11/18 Date effective for first disbursement: 22/11/18 Date of actual first disbursement: May 21, 2019	Financing source/instrument 1: ADF GRANT Cancelled amounts: NA Supplementary financing: NA Restructuring (specify date & amount involved): NA Extensions (specify dates): NA		Financing source/instrument 1: ADF GRANT Original disbursement deadline: July 31, 2020 Original closing date: July 31, 2020 Revised (if applicable) disbursement deadline: NA Revised(if applicable) closing date: NA	
Financing source/instrument	Foreign currency (UA):		Local currency (UA):	TOTAL (UA)
Financing source/instrument 1: ADF GRANT	88.66 Million		NA	
Financing source/instrument 2:				
TOTAL:	88.66 Million			
Financing source/instrument	Disbursed to date (amount, UA):	Disbursed to date (%):	Undisbursed to date (amount, UA):	Undisbursed to date (%):
Financing source/instrument 1: ADF GRANT	60,000,000	67%	28,660,000	33%
Financing source/instrument 2:				
TOTAL:				
Executing and implementing agency:				
MINISTRY OF FINANCE				
Co-financiers and other external partners: None				

None

Performance status

Progress towards development objective			
Rating on Development Objective (DO)	Performance rating		Summary of key findings
	3	N	
The progress towards meeting the development objective is on track.			
Implementation progress			
Rating on Implementation Progress (IP)	Performance rating		Summary of key findings
	Current	Previous	
4			
Implementation progress is satisfactory. To date the disbursement level is 67%.			
Overall project performance classification			
Overall Project Performance Classification (PP, PPP or NPPP)	Project status		Summary of key findings
	Current	Previous	
NPP	NPP		
Given that the DO (DO) and Implementation Progress (IP) rates are 3 and 4 respectively the project is neither PP nor PPP			

Issues, risks and actions for management consideration

Issues affecting project implementation				
<i>(Report major challenges to project implementation and proposed actions for management attention. Completed actions can be removed from future IPRs)</i>				
Key issues	Corrective actions	Responsible	Deadline	Status <i>(Completed, In Progress, Not yet initiated)</i>
<p>The disruption of services due to natural and human made disasters</p> <p>Disruption to education and regular health services due to COVID 19</p>	<p>Resilience in basic service delivery has been a recurring issues covered in the joint supervision missions since 2019. The May 2020 JRIS focused on the impact of COVID 19 on basic service delivery. All basic service delivery development partners, including AfDB, are preparing CPVID 19 impact mitigation support, particularly for the health sector.</p>	<p>Ministry of Finance, Basic service delivery Ministries,</p>	<p>NA</p>	<p>AfDB is designing a PBO geared towards Supporting Ethiopia's effort to mitigate the impact of COVID covering the health and social protection sectors.</p>

Main risks and mitigation

(Report major risks to project implementation and proposed actions for management attention)

Risks	Mitigation measures applied or proposed	Responsible	Deadline
NO	N/A	-	-

Management review and comments

Report reviewed by	Name	Date reviewed	Comments
Country Manager	Abdul KAMARA	<DD/MM/YYYY >	<ENTER HERE>
Ag. Regional Director	Nnenna NWABUFO	<DD/MM/YYYY >	<ENTER HERE>
Sector Manager	Joseph COOMPSON	<DD/MM/YYYY >	<ENTER HERE>
Sector Director	Martha PHIRI	<DD/MM/YYYY >	<ENTER HERE>

B Results reporting and assessment

Progress towards development objective (project purpose)

State the project development objective (usually the project purpose as set out in the Results-based Logframe) and assess progress

The objective of the project is to expand and deepen the quality and equity in the provision of basic services (health, education, and rural water and sanitation)

Outcome reporting

Outcome indicators (as specified in the RLF, add rows as needed)	Baseline value (a)	Most recent value (b)	End target (expected value at project completion) (c)	Progress towards end target (% realized) (b-a/c-a)	Assessment
Outcome 1.1 : % Deliveries by skilled attendants	71%	62%	90%		Off – track; this indicator has been affected by the disruption in service delivery due to population displacement and disruption in service delivery
Afar	-37%	32%			
Ethiopia-Somali	-32%	30%			
Benishangul Gumuz	-53%	44%			
Gambella	-31%	40%			

Outcome 1.2 : Proportion of qualified primary school teachers (M/F) Afar Ethiopia-Somali	73%(68% -F) 37% 2%	92.6% (86% F) 87%/353 % /27%	84% (79%-F)		Achieved
Outcome 1.3: Rural Primary completion rate (grade 8) (M/F) Afar Ethiopia-Somali Benishangul Gumuz	54% (52%) 9% (16%- F) 27% (23%F) 57% (48%)	64%/60% F) 26%/27% 36%/29% 75%/58%	74% (74%-F)		On-track
Outcome 1.4 Rural water supply coverage within 1 km radius On -track	74% - 54% - 77% - 66% - 75%	79% 59% - 67% 79%	85%		On-track
Outcome 2.1 PEFA: PI-10: Public access to key fiscal information – National average	C (PEFA 2014)	D	B		The lower than expected ratings are due to the revised and more stringent framework applied for assessment.
Outcome 2.2 PEFA PI-26: Scope, nature and follow-up of external audit – National average	B+ (PEFA 2014)	C+	A		Same as above
Outcome 2.3 EFA D2: Financial information provided by donors for budgeting and reporting	-D (PEFA 2014)	NA	C		Same as above
Outcome 3.1 Citizens who report that Woreda officials have actively sought views of people in their Kebele on improving quality of basic services	55%	NA	60% (60% F)		Impact assessment planned for 2020/21
Outcome rating					
Rating on project outcomes	This report	Previous report	Justification <i>(A rating of 2 or 1, along with proposed remedies, must be discussed in the Issues, Risks and Actions for Management section)</i>		
	3	NA	Rated satisfactory due to the good progress of the implementation of the project.		

Output reporting

Output indicators (as specified in the RLF, add rows as needed)	Most Recent Value	Annual Target (expected cumulative value at end of reporting year)	End Target (expected cumulative value at completion)	Progress towards annual target (% realized)	Progress towards end of project target (% realized)	Assessment
Total amount of block grants allocated to regions and Woredas per year	ETB 140.8 billion (36.4%)	NA	ETB157.59 Billion (40%)	NA	89%	On Track.
Action Plan on implementation of recommendations of the Domestic Resource Mobilisation (DRM) study developed and approve	Available and approved	NA	Available and approved	NA	100%	Achieved
Proportion of health extension workers qualified to level 4 standard increased. Afar Ethiopia-Somali Benishangul Gumuz Gambela	37,511 (100%F)	NA	37,000 (100%-F)	NA	88%	Achieved
Number of Health Development Army leaders tested for level 1 Health Extension Programme (HEP) competency	707,210	NA	600,000	NA	100%	Achieved
PPP Strategy in Health aligned to PPP law and operationalize	PPP strategy reviewed and drafted; pre-feasibility studies for 2 investments completed and under review	NA	Strategy aligned to PPP law and 1 project implemented	NA	60%	On track
Roll-out teachers licensing based on new guidelines and teachers licensed (M/F)	24% completing licensing	NA	38% (M/F)		63%	On track
Curriculum Development Institute established	Draft Bill approved by the Council of Ministers	NA	Draft bill approved	NA	100%	Achieved

Proportion of health facilities in with water and sanitation services	Water access 52% and sanitation 66%	NA	56	NA	93%	On track
Percentage of Out Patient Department (OPD) staff trained on Primary Health Care Unit (PHCU) new guidelines (M/F)	11%	NA	50% of OPD staff trained (M/F)	NA		On track
Establishment of National Regulatory Board for Service Delivery in Water	Draft Bill under review	NA	Draft bill approved	NA	50%	On track
Alternative Basic Education Standards for Grade 1-6 revised (syllabus & text books) and approved	Standards developed	NA	Standards developed	NA	100%	Achieved
Percentage of Woredas with established community-based health insurance scheme (CBHI) Afar Ethiopia-Somali Benishangul Gumuz Gambela	66%	NA	80%	NA	82%	On track
Optimization Strategy for Pastoralist Health Extension Programme implemented in 4 pastoral regions	The implementation of the strategy initiated in the 4 regions	NA	4 regions (Afar, Ethiopia Somali, Oromiya and SNNP)	NA	100%	Achieved
Government framework on citizens' engagement developed and approved	Framework development completed	NA	Developed and approved	NA	100%	Achieved
Social accountability programme/ initiative expanded to new Woredas	300 woredas	NA	300 woredas	NA	100%	Achieved
Guidelines for implementing Financial Transparency Accountability (FTA) –Social Accountability (SA) – Grievance Redress Mechanism (GRM) linkages developed and adopted	Guidelines developed and adopted	NA	Guidelines developed	NA	100%	Achieved
Federal Budgetary organizations implementing FTA directive increased	50	NA	50	NA	100%	Achieved

Roll out of guidelines on citizen's score card in health sector	440	NA	600 Woredas	NA	73%	On track
Number of regions that adopt standardized procedure manuals for GRM	10	NA	11	NA	90%	On track
Number of regions legalizing WaSHCOs	5	NA	11	NA	45%	On track
PEFA 2018 conducted	PEFA conducted; Report available	NA	Report available	NA	100%	Achieved
Assessment of Procurement Systems (MAPS-II) undertaken	Assessment under progress	NA	MAPS-II Report available	NA	75%	On track
Procurement KPIs rolled out to federal institutions involved in basic services	2	NA	3	NA	66%	On track
Output rating						
Rating on project outputs	This report	Previous report	Justification (A rating of 2 or 1, along with proposed remedies, must be discussed in the Issues, Risks and Actions for Management section)			
	3		The overall output rating is satisfactory since project implementation is progressing well. Some of the outputs are already 100% achieved			

Development objective (DO) rating

Development objective rating	This report	Previous report	Justification (A rating of 2 or 1, along with proposed remedies, must be discussed in the Issues, Risks and Actions for Management section)
	3	NA	Progress towards the achievement of project outcome and output is on track.

Additional and/or unanticipated outcomes/outputs (optional)

Indicator	Baseline	End target	Most recent value
1.NA	1.NA	1.NA	1.NA

C Project implementation progress reporting and assessment

Compliance with covenants

Criteria	Number/Percent of conditions complied with	Rating		Assessment <i>With explanation in particular (a) ratings of 2 or 1 and (b) ratings lower than in the previous report</i>
		This report	Previous report	
Compliance with project covenants (full report on compliance with covenants to be reported in Annex-2)	100% fulfilled	3	NA	Satisfactory. All covenants have been fulfilled in time.

Compliance with environmental and social safeguards (full report on compliance with covenants to be reported in Annex-3)	NA	NA	NA	NA
Audit compliance	1 Report due and work under process	3	3	Satisfactory – Audit Report for EFY 2011 (2018/19) is submitted to Parliament Committee and is expected to be approved by June 2020.

Project systems and procedures

Criteria	Rating		Assessment <i>With explanation in particular (a) ratings of 2 or 1 and (b) ratings lower than in the previous report</i>
	This report	Previous report	
Procurement	3	NA	BSTP – SF is a budget support program and did not undertake any project procurement. However, it is supporting national procurement system strengthening which is progressing.
Financial management	3	NA	The national PFM reforms being supported by BSTP – SF is on track.
Monitoring and evaluation	2	NA	Quality and timeliness of progress reporting needs improvement

Project execution and financing

Criteria	Total approved amount UA (a)	Cumulative amount to date (b)	Cumulative amount at beginning of the year (c)	Annual projection (expected cumulative amount at end of year) (d)	Progress towards annual projection (% realized) (b-c)/(d-c)	Progress towards total (% realized)	Rating	
							This report	Previous report
Disbursement (Bank approved financing only)	88.66 million	60 million	0	88.66 million	0%	67%	3 (conditions met; disbursement to be processed with in May 2020)	3
Budget commitments (Bank approved financing only)								
Counterpart funding disbursements	NA	NA	NA	NA	NA	NA	NA	NA
Co-Financing disbursements	NA	NA	NA	NA	NA	NA	NA	NA

DNA= Data Not Available, NA= Not Applicable

Criteria	Assessment <i>With explanation in particular for (a) ratings of 2 or 1 and (b) ratings lower than in the previous report</i>
Disbursement (Bank approved financing only)	3
Budget commitments (Bank approved financing only)	3
Counterpart funding disbursements	NA
Co-Financing disbursements	NA

Overall implementation

IP rating	This report	Previous report	Justification <i>(A rating of 2 or 1, along with proposed remedies, must be discussed in the Issues and Actions for Management section.)</i>
		3	NA

Lessons learned during implementation

Key issues (add rows as needed)	Lessons learned	Target audience

Use of ESW for policy dialogue issues	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	Management
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