

Implementation Status & Results
Ethiopia
Public Sector Capacity Building Program Support Project (P074020)

Operation Name: **Public Sector Capacity Building Program Support Project (P074020)** Project Stage: **Implementation** Seq.No: **15** Status: **ARCHIVED** Archive Date: **29-Dec-2012**

Product Line: **IBRD/IDA** Country: **Ethiopia** Approval FY: **2004**
 Region: **AFRICA** Lending Instrument: **Specific Investment Loan**
 Implementing Agency(ies):

Key Dates

Board Approval Date **11-May-2004** Original Closing Date **07-Jul-2009** Planned Mid Term Review Date Last Archived ISR Date **21-Aug-2012**
 Effectiveness Date **22-Nov-2004** Revised Closing Date **31-Dec-2012** Actual Mid Term Review Date **19-Mar-2008**

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The objective of the Project is to support the Borrower implement the Program, including: (a) improving the scale, efficiency and responsiveness of public service delivery at the Federal, Regional and local levels; (b) empowering its citizens to participate more effectively in shaping their own development; and (c) promoting good governance and accountability in its public sector.

Has the Project Development Objective been changed since Board Approval of the Project?

Yes No

Component(s)

Component Name	Component Cost
FEDERAL PSCAP	30.00
REGIONAL PSCAP	120.00

Overall Ratings

	Previous Rating	Current Rating
Progress towards achievement of PDO	Satisfactory	Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Satisfactory
Overall Risk Rating		

Implementation Status Overview

IDA's support to the project is expected to be closed on December 31, 2012. Government will continue the program using funding from treasury and other development partners.

Relevance: The development objectives of the project maintained their relevance throughout the years of implementation. They are aligned to and support the public sector capacity building and governance pillars in the Government's Poverty Reduction Strategies (2003-present), the World Bank Strategy for Africa (2011) as well as the Country Assistance

Strategies for Ethiopia (2003-present). The pillars are meant to address systemic constraints in human and institutional capacity as well as inadequate accountability and transparency in order to provide better public service, empower citizens to participate in matters affecting their lives and promote transparency and accountability in the public sector. Similarly the design features and implementation arrangements largely worked quite well during implementation of the project.

Efficiency: The reforms supported by the project were able to achieve a lot more than the activities indicated in the original five year action plan. The integration of the core public sector reforms into one program and centralizing prototype development at federal level significantly reduced duplication of efforts by different sub-programs and different tiers of government. Similarly, the use of in-house training of trainers, the learning by doing approach instead of fully depending on external consultants has also made significant savings and strengthened local institutional capacity and ownership in a sustainable and efficient manner. In civil service, a comprehensive business process review that looked into the strategy of institutions, staffing, structures, and style of management replaced the limited quick wins approach and covered a lot more offices than was originally anticipated. In decentralization, the good governance package attempted to streamline all principles of good governance (accountability, transparency, efficiency, effectiveness, rule of law, participation and consensus building etc) rather than addressing only participation of citizens. It also helped to institutionalize the Kebeles (village) level administration in service delivery and decision making process. In doing this, decentralization has helped to provide services to the population in an efficient way. The urban component managed to more than double the target of masters' level urban graduates from a planned target of 1000 to 2621 of which 2102 (80.2%) came from regions. Expenditure management and control introduced program budgeting, fixed asset management systems, etc. in addition to rolling out the reforms initiated earlier. The Tax system reform initiated biometric system to organize tax payers' information and interfaced it with the existing tax identification number. Justice supported new initiatives like asset registration and disclosure and reforms in legal education. Furthermore, based on the previous IFR, the operational cost for the project is 9.04% of the disbursed amount.

The project is targeted to meet its PDO: The project has substantially achieved the outputs and outcomes necessary for meeting the development objectives by the end of the project. It has led to, inter alia, considerable improvement in government capabilities to: (i) raise and manage public resources more effectively, (ii) deliver improved public services, and (iii) become more inclusive, transparent and accountable.

The capacity to raise and manage public funds more effectively has improved. The adequacy and predictability of financing is being assured by the increase in revenue collection and improvements made in budget planning, execution and reporting systems. Tax collection has increased nominally from 12.4 in 2005 to 70.7 billion Ethiopian Birr in 2011/12 which is double in real terms. The tax to GDP ratio has improved from 11.6% in 2005 to 12.4% in 2012. The low GDP ratio is largely explained by a lightly-taxed agricultural sector that account for a big chunk of the GDP and significant number of Large State-Owned Enterprises (SOEs) that heavily contribute to public investment but are also not heavily taxed. Some estimates indicate that revenue relative to non-agricultural GDP could be close to 20 percent. The Public Expenditure and Financial Accountability (PEFA) assessments conducted in 2007 and 2010 showed improvement in 50% of the 28 indicators. The Woreda and City Benchmarking Supply Side Survey also confirmed that the percentage of local jurisdictions that has shown efficiency and comprehensiveness of accounting and auditing procedures increased from 30% in 2005 to 85% in 2011 survey. In addition, budget proclamations and expenditure reports also show narrowing in regional and local fiscal gaps through increased unconditional transfers and own revenues. Furthermore, the variation between budgeted and actual expenditures has been reduced from 14% to 4% between 2005 and 2012.

Government's capacity to deliver efficient, responsive and transparent service to citizens has improved: This is mainly due to the rapid implementation of district level decentralization and other reforms that addressed outdated legal and policy frameworks, unwieldy structures, cumbersome work processes and systems as well as shortage of important skills in the public sector. The scaling up of district level decentralization from four regions to all regions has improved access to and responsiveness of the public services by bringing them closer to citizens. The decentralization is supported by enabling legal framework (Constitutions, Proclamations) and restructuring of lower administrative units. According to the 2010/11 Woreda (District) and City Benchmarking Survey, 88% of the local jurisdictions are providing basic services compared to only 25% in 2005. Similarly, the business process re-engineering has simplified cumbersome work processes, set service delivery standards, created one-stop shops for related services, introduced open work place designs and established complaint handling mechanisms in 145 federal, 404 regional and over 19,600 district offices. The organizational and individual performance appraisal system known as the Balanced Score Card (BSC) is being introduced in more and more number of institutions at different administrative levels. Processing time for tax collection decreased on the average from over 4 hours to average of 15 minutes, opening files in courts from one day to 24 minutes and clearance rate for courts nationwide increased from 60% to 98% during the project years. Congestion rate improved from more than 1:3.6 in 2005 to 1:1.5 in 2012.

Improved citizen's satisfaction with services: The Woreda and City Benchmarking Survey confirmed satisfaction of citizens with basic services. For example, citizens using government health facilities have increased from 50% in 2008 to 84% in 2011 in urban areas and from 77% to 94% in rural areas, respectively. Overall satisfaction with health services increased from 62% to 70% while households satisfied with waiting times, attitudes of the medical staff, and availability of drugs increased from 66%, 66%, 53% in 2008 to 81%, 74% and 54% in 2011 respectively. II) The overall satisfaction with primary education services increased from 84% to 94%, with solid waste management from 70% to 74%,

and with agricultural extension services from 90% to 94% over the same period. The only sector where satisfaction has not improved is water supply, where satisfaction was dropped from 61% in 2008 to 58% in 2011. However, there has been a 16% fall (from 26% to 10%) in the proportion of the population reliant on unprotected water sources over the past three years.

Increased public participation and engagement: Reforms supported by the project promoted participation of citizens in the preparation and monitoring of plans. Various participatory structures have been established including Councils, development committees, public meetings, and social shengos /mediators. These are complemented by operationalizing manuals on public participation, integrated development plan, local development plan, capital investment plan etc. Membership of Kebele/Village Councils has been increased to 300 to ensure wider representation in the grassroots assemblies in most regions and 70-80 in pastoral regions. Over 16,663 Kebele level government/CSO inspection committees consisting of seven to nine members have been formed to ensure citizens' participation and accountability of executives through formally established voluntary bi-annual public meetings.

Transparency and accountability has been enhanced through establishment of information or complaint handling officers at federal, regional and woreda offices as well as recruitment of over 15,415 Kebele Managers. More and more people have begun to demand their rights although this is still at its infancy. This is complemented by increasingly opening up Woreda Council meetings to the public, posting budgets, use of service delivery formats and information technologies such as toll-free call centers (used by over 1000 users daily), portals, and websites. This was also confirmed by the Woreda and City Benchmarking Survey by increased number of respondents who know public service information. Based on the Woreda and City Benchmarking Survey, citizens who know what taxes and fees they are legally required to pay increased from 60% in 2008 to 81% in 2011. Those who know their woreda budget and strategic plan increased from 13% and 17% in 2008 to 20% and 19% in 2011 respectively. Citizens who know council meetings are open to the public increased from 11% in 2008 to 32% in 2011 while those who are personally consulted on development issues increased from 17% to 20% over the same period.

Other achievements: Ethiopia's ranking for on-line service improved from 126 to 80 and for e-participation from 170 to 19 from a total of 174 countries on the UN E-Government Index done between 2005 and 2011 following the expansion of both infrastructure and applications that enhance service delivery and transparency. Skills were strengthened through on the job training, study tours and short and long-term distance training at Diploma, BA, MA, and PhD level. Some examples include the 2621 urban management graduates at Masters' level and 2 at PhD level, over a 565 at MA and BA in taxation and customs, as well as over 10,600 graduates MA, BA and diploma level in a range of subjects including leadership, accounting, public administration, law etc. The long term training has significantly increased the number of qualified civil servants and leaders at sub-national level. A huge number of short term training courses and sensitization workshops have also been delivered by each sub-program on new laws, directives, working systems and reforms as well as to citizens and taxpayers. For instance, the CSRCP delivered training to over 736,207; the DLDP to over 7,743,404 ; (over in 2 million in Oromiya region alone); the JSRP to over 159,297; the UMCBP to over 216,246; the ICT to over 140,456; the TSRP to over 307,082 (excluding tax payer education using different media) and the EMCP to over 45,505. In an assessment made on training aspects of PSCAP, 87% of the responses were positive and speak well of the usefulness of the training courses they had taken. With regard to the urban sub-program, currently about 700 cities have their own active master plans prepared by regions. This is a tremendous achievement compared to the 120 cities that used to have master plan in the country when the only institute was the National Urban Planning Institute in its 10 years of life. This is a result of establishing and capacitating the regional planning institute. Similarly many cities have prepared land grading and benchmark pricing to implement the lease policy.

Notwithstanding the above achievements, the public sector is still not strong in attracting, motivating and retaining sound professionals. It is noted that a number of human resources management and development initiatives such as the development of job evaluation and grading, the introduction of balanced score card performance management system, the development of a human resources management information system, and development of a code of conduct for the civil service are underway in the last two years. These are all encouraging signs. However, it remains to be seen whether these initiatives will result in greater motivation and productivity. Similarly, although civil service salaries increased on average by 15% in 2005, 23% in 2008, and 38% in 2011, these adjustments in pay have only partially compensated public servants for the loss of purchasing power. On the other hand, the proportion of citizens reporting paying extra money to get public service increased from 4.3% in 2005 to 6.5% in 2011, (according to the Woreda and City Benchmarking Survey), which suggests an increase in petty corruption. However, in the absence of the reform program, it is probable that petty corruption would have been much higher. Finally, the capacity of communities and the established institutional focal points for participation have to be strengthened continuously for effective and meaningful engagement in matters affecting their lives.

**Note on the Woreda and City Benchmarking Survey: The public Sector Capacity Building Program Support Project finances six core sub-programs that are directly linked to the outcomes. One or more sub-programs may contribute for each of the outcomes. One of the binding agreements in the project is to initiate woreda/district and city level benchmarking as one of the main monitoring tools. The Woreda and City Benchmarking Survey helped in creating the baselines and to measure progress over the years. The first survey was conducted in 2005/6 in limited number of local governments and covered the supply side survey only. Starting the second survey conducted in 2008, it incorporated the

demand side survey. Supply Side Survey: The supply-side survey collects and analyzes the data from officials in local jurisdictions on aspects like financial autonomy, institutional capacity and coordination, service delivery, practice of participation, and openness of the local government affairs to citizens. Demand Side Survey: The demand side survey collects and analyzes the views, opinions and perceptions of citizens with regard to service delivery, openness of the local governments including access to government information, participation and accountability. The demand side survey uses three tools (citizens' Report Card using household survey), Focus Group Discussion with citizens representatives and Key Informant Interviews with civil society organizations). Coverage of the survey: The first round of the Woreda and City Benchmarking was carried out in 2005/6 and established a baseline in a limited number of jurisdictions (10%). In the subsequent three rounds the sample size increased to 38%, 50%, and 33% respectively including the initial (10%) jurisdiction which are used for time series comparison. In addition the demand side of the survey covers more than 11,000 households in every round. The survey result indicates a confidence interval of +/- 3 % at 95% confidence interval.

Locations

Country	First Administrative Division	Location	Planned	Actual
Ethiopia	Not Entered	Federal Democratic Republic of Ethiopia		

Results

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
1.1) Reduced budget variance	<input type="checkbox"/>	Percentage	Value	14.00	4.00	10.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	Reduced budget variance contributes to increased predictability and adequacy of financial resources flows.		The variation between budgeted and actual expenditure has narrowed down and target is met
1.2) Reduced fed-regional and regional-local fiscal gaps	<input type="checkbox"/>	Text	Value	1.2a) Federal- regional transfer indicated in budget proclamation is 6.4 billion birr in 2004/05. Similarly, regional to woreda transfer from treasury source is 4.8 billion birr in 2005/06 1.2b) Regional own revenue is 3.6 billion birr in 2004/05 AdditionalNote: Ethiopia's scoring for predictability of funds for	1.2a) The proclaimed federal-regional transfer for 12/13 is 36.6 billion birr which is 97% of the target (37.6 billion birr) on the(11/12 MEFF). Similarly, regional to woreda transfer from treasury source is 17.6 billion birr in 2011/12 with an annual average increment of 24%. 1.2b) Regional own revenue is 20.1 billion birr in 2011/12 with an annual average increment of 26%. Additional Note:	1.2a) The target federal-regional transfer for 12/13 is 37.6 billion birr (MEFF 11/12) 1.2b) Annual average increment of own revenue by 20%.

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				commitment of expenditure is "D" (PEFA 2007)	Ethiopia's scoring for predictability of funds for commitment of expenditure improved to "B" (PEFA Assessment 2010) and Ethiopia's has also improved in 50% of the PEFA indicators overall in the 2010 assessment.	
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			the target for 1.2a is met by 97% and 1.2b is met by 120%
2.1) Participatory budgeting and public reporting on budgets	<input type="checkbox"/>	Text	Value	2.1) No formal participatory budgeting and reporting in place in 2004/05.	2.1) Voluntary bi-annual public meeting on preparation and monitoring of plan has become an established practice.	2.1) Participation of citizens is to be an established practice.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			2.1) Target is met.
2.2) Involvement of civil society in planning and review processes	<input type="checkbox"/>	Text	Value	2.2) No formal involvement of civil society in planning and review process Additional Note: At federal level, there was no forum for consultation between government and civil society organizations.	2.2) Civil society involvement in plan preparation and monitoring has become an established practice through their membership in Kebele level and inspection Team. In addition, the Kebele Council membership expanded to 300 to ensure wider representation in the grassroots assemblies. Moreover civil societies are made to participate in Council meeting which provides a space for reviewing plans. Communities are also managing community policing, small infrastructures, community tele-centers etc. Additional Note: At federal level, the Ministry of	2.2) Participation of civil society organizations is to be an established practice.

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					Civil Service established periodic consultations with civil society and private sector representatives on reforms and service delivery.	
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			2.2) Target is met.
3.1) Increased own revenues and unconditional transfers as a share of total expenditures	<input type="checkbox"/>	Percentage	Value	91.00	100.00	100.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	3.1) 91% of regional expenditure is covered by own revenues and unconditional transfer.		3.1) The regional expenditure is covered by own revenue and unconditional transfer. The target is met.
3.2) Increased tax effort	<input type="checkbox"/>	Percentage	Value	93.00	101.00	100.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	3.2) Nationwide tax collection target for 2004/05 was 13.4 billion birr and the actual tax collection was 12.4 billion birr which is 93% of the target	3.2) Nationwide tax collection target for 2011/12 was 70 billion birr and the actual is 70.7 which is 101% of the target	3.2) The target is met.
4.1) Average civil service salary	<input type="checkbox"/>	Text	Value	4.1) Weighted average civil service salary is 94% of the living wage in 2004/05	4.1) Weighted average civil service salary is 82% of the living wage in 2011/12.	4.1) Reduced gap between living wage and average civil service salary.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			The relevance of this indicator is questionable because there was no activity that is related to it in the civil service reform sub-program 5-year action plan.
4.2) Private-public wage comparison	<input type="checkbox"/>	Text	Value	4.2) The public- average private wage comparison for instance, for an Executive Secretary is 1:1.81 in 2004/5	4.2) The public- average private wage comparison for instance, for an Executive Secretary is 1 :1.82 in 2011/12	4.2) Reduced the gap between public and private wage.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			The relevance of this indicator is questionable because there was no activity that is related to it in the civil service reform

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						sub-program 5-year action plan.
4.3) Wage decompression ratios	<input type="checkbox"/>	Text	Value	4.3) Using the civil service base salary, wage decompression ratio is 1:9.8 in 2004/5.	4.3) Using the civil service base salary, wage decompression ratio is 1:32.6 in 2011/12 which shows salary scale for skilled professionals has improved relative to the non-skilled.	4.3) Improved salary scale for skilled professionals.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments		The ratio shows salary scale for skilled professionals has improved relative to the non-skilled.	The relevance of this indicator is questionable because there was no activity that is related to it in the civil service reform sub-program 5-year action plan.
5.1) Improved access, responsiveness and cost efficiency in priority sectors	<input type="checkbox"/>	Percentage	Value	25.00	88.00	85.00
			Date	23-Nov-2005	15-Nov-2012	31-Dec-2012
			Comments	5.1) 25% of the local jurisdictions surveyed in 2005 independent Woreda/District and City Benchmarking Survey are providing basic services. (Health, education, agriculture, water supply).	5.1) 88% of the local jurisdictions surveyed in 2011 independent Woreda/District and City Benchmarking Survey are providing basic services. (Health, education, agriculture, water supply).	5.1) The target is met.
5.2) Reduced unit costs and processing time in priority sectors	<input type="checkbox"/>	Text	Value	5.2.a) In 2004/05 -Unit recurrent cost per person for primary health is 2.8 birr and quality indicators like health officers, nurses & health extension workers to population ratios are (1:100,763), (1:4,037) and (1:7277) respectively; -Unit recurrent cost for primary education per enrolled student is 62.6 birr and teacher-primary school student ratio is 1:66 and primary student-text book ratios is 2:1;	5.2.a) In 2010/11 -unit recurrent cost per person for primary health is 7.9 birr and quality indicators like health officers, nurses and health extension workers to population ratios are (1:22,387), (1:2772) (1:5426) respectively; -Unit recurrent cost for primary education per enrolled student is 111.6 birr and teacher-primary school student ratio has improved to 1.51 and primary student-text book ratios has improved	5.2.a) -Reduced unit cost 5.2.b) -Average processing time for tax collection will require 51 minutes -Opening files in courts requires 41 minutes on average. -Average clearance rate for courts nationwide will be 80%.

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				<p>-Salary expenses to service one ha. cultivable land is 289 birr</p> <p>-Salary cost /m3 solid waste disposed of (cities only) is 273 birr.</p> <p>- Federal tax collection cost for each 100 birr was 0.80 cents (Note we are doing federal only because regional tax offices were functioning under the Regional Finance & Economic Development bureaus until 2009).</p> <p>- Federal level cost for each resolved court case is 726 birr.</p> <p>5.2.b) In 2004/05</p> <p>-Processing time for tax collection requires 4 hours and 35 minutes</p> <p>-Opening files in courts requires a minimum of one day.</p> <p>-Clearance rate for courts nationwide is 60%</p> <p>-Congestion rate for courts is 1:3.6</p>	<p>1.25:1</p> <p>-Salary expenses to service one ha. cultivable land is 233 birr</p> <p>-Salary cost /m3 solid waste disposed of (cities only) is 271 birr.</p> <p>-Federal tax collection cost for each 100 birr was 0.61 cents.</p> <p>- Federal level cost for each resolved court case is 534 birr.</p> <p>5.2.b) In 2011/12</p> <p>-Average processing time for tax collection requires 15 minutes</p> <p>-Opening files in courts requires 24 minutes on average.</p> <p>-Average clearance rate for courts nationwide is 96.2%</p> <p>- Congestion rate for courts is 1:1.5</p>	
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			
6.1) Reduced corruption and arbitrariness in rule enforcement	<input type="checkbox"/>	Text	Value	6.1) 4.3% of respondents in the Woreda and City Benchmarking Survey reported paying extra money to get public service.	6.1) 6.5% of respondents in the Woreda and City Benchmarking Survey reported paying extra money to get public service.	6.1) Reduction in incidence of corruption.
			Date	23-Nov-2008	15-Nov-2012	31-Dec-2012

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			Comments			In the absence of the reform program, it is probable that petty corruption would have been much higher.
6.2) Increased access to justice	<input type="checkbox"/>	Text	Value	6.2) Number of courts were 850, kebele social courts/ shengos were weakened to extinction, mobile benches existed for federal supreme court and there was no VC assisted court proceedings.	6.2) Number of courts increased to over 942, additional 15,452 social courts/ shengos were re-established /revamped, mobile benches introduced in 4 regions with remote districts, VC-assisted court proceedings initiated in 7 regions and federal level and over 36,012 court cases were heard using the VC facility since it is initiated in 2009.	6.2) Increased access to justice.
			Date	23-Nov-2005	15-Nov-2012	31-Dec-2012
			Comments			6.2) Target is met.
6.3) Independence of courts	<input type="checkbox"/>	Text	Value	6.3) Independence of judiciary is adequately recognized in the Ethiopian Constitution and the various laws. In practice, the understanding of, and respect for, the principles of judicial independence both by all judges and by executives needed improvement.	6.3) Improvements were made in independence of the Judiciary. The Judicial Administration Commission is now independently organized and the board has been made to include lawyers, legal education, and prominent citizen figures to make it more transparent. Judge nomination has become fully merit-based. The legal education was reformed to include exit exams, mandatory on the job training before joining the workforce and curriculum revision is conducted to 16 courses which were found to be sub-standard.	6.3) Enhanced independence of the judiciary
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			

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6.4) Freedom of information	<input type="checkbox"/>	Text	Value	6.4.a) There is no proclamation on right to information and no institutional focal point for information.	6.4a) Right to information proclamation is enacted and the office of ombudsman is designated as implementer of the Act. Information officers are in place in all offices. Similarly, Kebele Mangers are recruited in all village level Kebeles, information and service delivery templates have also been issued.	6.4a) Information act to be issued and institutional focal points for information to be established.
				<p>Additional Note: -According to the 2008 woreda and city benchmarking survey, citizens who know what taxes and fees they are legally required to pay are 60%, those who know woreda budget are 13%, those who know their woreda strategic plan are 17% and those who know council meetings are open to the public are 11%.</p> <p>-Ethiopia's E-participation ranking in the UN Index is 170 out of 174 countries in 2004/05.</p>	<p>Additional Note: -According to the 2011 woreda and city benchmarking survey, citizens who know what taxes and fees they are legally required to pay are 81%, those who know woreda budget are 19%, those who know theirworeda strategic plan are 19% and those who know council meetings are open to the public are 32%.</p> <p>-Ethiopia's E-participation ranking in the UN Index is 19 out of 174 countries in 2011/12.</p>	
				Date	23-Nov-2004	15-Nov-2012
			Comments			Target is met.

Intermediate Results Indicators

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Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Legal and regulatory framework established	<input type="checkbox"/>	Text	Value	1.1) Studies that will lead to new laws are being conducted by Civil Service Reform Sub-program (CSRP), District Level Decentralization (DLDP), Urban Management Capacity Building Sub-program (UMCBP), Justice System Reform Sub-program (JSRP), Tax System Reform (TSRP) and Information and Communication Technology (ICT).	1.1) At federal level, the following laws are enacted: CSRP: civil service proclamation; the business process re-engineering guidelines; HRD policy & strategy; Service delivery policy; financial proclamations and directives, procurement and property administration proclamation, the cash management directives etc. DLDP: local government policy (legal) framework; good governance package; model fiscal transfer formula; UMCBP: city/municipal proclamation; land lease regulations; national urban development policy; property registration, Housing Development Strategy, waste management and beautification strategy; national urban training strategy; and urban good governance package; JSRP: laws to define legislative procedures for the legislative organs, family law, criminal law, vital events registration, asset registration and disclosure act; a large number of accountability laws that determine the powers and responsibilities of the three branches of government. TSRP: income tax; turnover tax; excise tax; VAT; customs duty; stamp duty proclamation; manual and directive on post clearance audit; ICT: national ICT policy, e-Government strategy, ICT human resource development strategy, ICT community development strategy, national network	1.1) Laws to be enacted and strategies to be adopted at federal level.

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1.2) No. of regions adopting enabling legislation for local authorities	<input type="checkbox"/>	Number	Value	4.00	11.00	11.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	1.2) Municipal enabling legislation adopted in only 4 regions.	All regions adopted municipal proclamation and urban development policy and strategy.	1.2) Municipal Legislation enacted and urban development policy and strategy implemented in all regions. The target is met.
1.3) No. of regions adopting various tax proclamations (income, excise, TOT)	<input type="checkbox"/>	Number	Value	0.00	11.00	11.00
			Date	23-Nov-2004	15-Nov-2012	30-Nov-2012
			Comments	1.3) income, turnover tax, VAT and withholding tax laws passed at federal level and only 4 big regions.	1.3) In addition to the targeted proclamations, a large No. of tax laws were issued by regional governments such as agricultural income and land use fee, customs duty, stamp duty proclamation, chat tax, livestock, presumptive tax regulation, municipality tax laws and service charge laws, etc	1.3) The target is met.
2.1) Percentage of ministries, bureaus and agencies (MABs) (at federal and in each region) initiating restructuring and performance improvement	<input type="checkbox"/>	Percentage	Value	3.00	100.00	75.00
			Date			31-Dec-2012
			Comments	2.1) Performance and service delivery program (PSIP) modality has been adopted by 11 Ministries, Agencies and Bureaus (MABs)	2.1) The Business process re-engineering (BPR), a more comprehensive performance improvement system than the PSIP, is implemented in 145 federal and 404 regional level ministries, bureaus and agencies (MABs).	2.1) The target is met.
2.2) Percentage of woredas and municipalities undergoing restructuring	<input type="checkbox"/>	Percentage	Value	0.00	98.00	75.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments		2.2) The BPR is implemented in 19, 635 offices at 693 rural woreda level.	2.2) The target is met.
2.3) Percentage of courts at each level initiating performance improvement	<input type="checkbox"/>	Percentage	Value	1.00	100.00	75.00
			Date	23-Nov-2004		30-Nov-2012
			Comments	2.3) Federal Supreme Court, few federal courts and two regional supreme courts initiated court reform.	2.3) The court reform program is rolled out to the three levels of courts at federal, regional and woreda courts.	2.3) The target is met.

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				Additional Note: In 2005, average clearance rate is 60% and congestion rate is more than 1:3.6 nationally.	Additional Note Average clearance rate improved to 98% in 2011/12 and congestion rate improved to 1:1.5 in 2012.			
2.4) No. of regions adopting sector-specific automated IT solutions	<input type="checkbox"/>	Text	Value	2.4) Data centers existed in 560 locations at all level for document exchange and messaging.	2.4) Data centers are expanded to 735 locations.	2.4) Data centers to be expanded to all levels of government.		
				Additional Note: - Court Case Management system (CCMS) was used in 25 courts, - there is no biometric system for taxpayer information registration -SIGTAS was operational at federal level only in 2005. - No on-line applications are developed and Ethiopia's ranking for on-line service is 126 and for e-participation 170 from a total of 174 countries on the UN E-Government Index done in 2004/05.	Additional Note: -CCMS is expanded to 466 courts - biometric taxpayer information registration is introduced at all levels -The SIGTAS has now been rolled out to 8 regions (4 big regions, Addis Ababa, Dire Dawa,Harari and Afar) for all taxes except presumptive tax. -on-line and mobile services are introduced in selected sectors. Ethiopia's ranking for on-line service improved to 80 and for e-participation to 19 from a total of 174 countries on the UN E-Government Indexdone in 2011.			
				Date	23-Nov-2004		15-Nov-2012	31-Dec-2012
				Comments				2.4) The target is met.
3.1) Percentage of budgetary institutions at each level implementing medium term and strategic planning	<input type="checkbox"/>	Percentage	Value	23.00	100.00	100.00		
				Date	23-Nov-2004	15-Nov-2012	31-Dec-2012	
				Comments	3.1) Medium term and strategic plan is used at federal level budgetary institutions.	3.1) Medium term and strategic plan is used at all levels of government, which made up the Growth and Transformation Plan (GTP).	3.1) Target is met.	
3.2) No. of regions adopting new budget structure at all levels	<input type="checkbox"/>	Number	Value	8.00	11.00	11.00		
				Date	23-Nov-2004	15-Nov-2012	31-Dec-2012	
				Comments	3.2) New budget structure	3.2) All regions are using the new budget structure and	3.2) The target is met. Another program led by	

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				and new chart of account introduced in 8 regions.	chart of accounts. Additional Note: The program budgeting is introduced at federal level.	USAID has also supported the activity excluding the program budgeting.
3.3) No. of regions adopting of double entry, modified cash systems at all levels	<input type="checkbox"/>	Number	Value	5.00	11.00	11.00
			Date	23-Nov-2004	15-Nov-2012	
			Comments	3.3) Double entry modified cash systems in all federal budgetary institutions and the 5 regions.	3.3) All regions adopted the double entry modified cash system.	3.3) The target is met. Another program led by USAID has also supported the activity.
3.4) Percentage of budgetary institutions each level adopting cash management directives	<input type="checkbox"/>	Percentage	Value	23.00	100.00	100.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	3.4) Cash management directive adopted at federal level budgetary institutions only.	3.4) All regions adopted the cash management directive.	3.4) The target is met.
3.5) Percentage of budgetary institutions at each level rolling out automated financial systems	<input type="checkbox"/>	Percentage	Value	56.00	100.00	100.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	3.5) Budget Information System (BIS) and Budget, Disbursement and Accounts (BDA) in federal budgetary institutions and 4 regions.	3.5) BIS and BDA are adopted at all levels. Additional Note: An upgraded Integrated budget and expenditure system (IBEX) is adopted in over 90% of budgetary institutions at federal and regional level. Government has also initiated IFMIS using own funding.	3.5) Target is met. Another program led by USAID has also supported the activity. PSCAP supported the system until 2009.
3.6) Procurement legislation adopted and directives issued	<input type="checkbox"/>	Text	Value	3.6) Outdated procurement act and directive.	3.6) The revised procurement legislation and directive are enacted and adopted at all levels. Additional Note: The property management Directive, stock management and fixed asset manuals are also introduced.	3.6) Procurement legislation and directive to be enacted.

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			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			The target is met.
3.7) Accounts and audits backlog reduced at federal, regional levels	<input type="checkbox"/>	Text	Value	3.7) 2 years accounts backlog at national level - 4 years audit backlog at federal level and more than 4 years backlog at regional level.	3.7) No accounts backlog at federal and regional level except in Gambella which has 2 years accounts backlog compared to 4/5 years backlog. Similarly, there are no audit backlog except in Gambella which has 4 year backlog compared to over 8 years.	3.7) No accounts and audit backlog
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			3.7) Target is substantially met. Another program led by USAID and protection of basic services (PBS) have also supported the activity.
3.8) Percentage of budgetary institutions preparing standardized internal audit reports	<input type="checkbox"/>	Percentage	Value	23.00	100.00	100.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	3.8) preparation of internal audit report was limited to federal level.	3.8) All offices across the nation prepare internal audit reports. Additional Note: audit organizational structure implemented and the new internal audit manual introduced at all level.	3.8) Target is substantially met.
Personnel management systems reformed and rolled out	<input type="checkbox"/>	Text	Value	4.1) No medium-term policy developed.	1) The medium-term remuneration policy is not yet developed. Additional Note: New job evaluation is designed and being tested.	4.1) Medium-term remuneration policy to be developed.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			4.1) target is not met. Although the development of medium-term remuneration policy is included as one of the output indicators, there

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						was no activity related to it in the civil service reform program 5-year action plan.
4.2) Results-Oriented Performance Appraisal (ROPA) rolled out at all levels HR guidelines in woredas and municipalities developed, adopted	<input type="checkbox"/>	Text	Value	4.2) ROPA study completed and piloted in selected offices.	4.2) The upgraded performance management system, namely, the Balanced Score Card which integrates organizational and individual performance is introduced in 145 federal and 270 regional offices. Individual performance agreements system has been pilot tested and was rolled out in July 2012.	4.2) ROPAS to be implemented in 20 Ministries.
			Date		15-Nov-2012	31-Dec-2012
			Comments			Target is met.
4.3) Percentage of budgetary institutions at each level implementing IT based HRM systems	<input type="checkbox"/>	Percentage	Value	0.00	55.00	100.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	4.3) No budgetary institutions implemented IT-based HRM systems.	4.3) Six regions attempted to develop IT-based personnel management system including Addis Ababa, SNNPR, Amhara, Somali, Tigray, Benshanagul and Afar. Moreover, the nation-wide integrated civil service management information system is now under development.	The Target is not fully met.
4.4) HR guidelines in woredas and municipalities developed, adopted	<input type="checkbox"/>	Text	Value	4.4) Federal and most regional Civil Service Proclamations developed	4.4) The federal civil service proclamation was revised in 2007 and six regional governments revised their laws in response. Following to this, subsidiary HRM guidelines were developed and are in use at all levels	4.4) HR guidelines are developed at all level. The target is met.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			

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5.1) No. of regions adopting fiscal decentralization strategy including capital funding mechanisms	<input type="checkbox"/>	Percentage	Value	4.00	11.00	11.00
			Date	23-Nov-2004	19-Jun-2012	30-Nov-2012
			Comments	5.1) The federal government and the 4 big regions have fiscal transfer formula.	5.1) The federal government and all regions except Harari have fiscal transfer formula to provide predictable and transparent fiscal transfers to lower level government.	5.1) The target is met.
5.2) No. of regions implementing TIN	<input type="checkbox"/>	Number	Value	11.00	11.00	11.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	5.2) TIN implemented in 11 regions and the total number of taxpayers issued with TIN were 15,555 but there is no biometric-based TIN system.	5.2) The computerized tax identification number (TIN) is now implemented in all regions. Currently, 2,021,087 million taxpayers were issued TIN certificates. TIN is complemented with the biometric technologies and total of 1.98 million tax payer information has been collected nation-wide using the biometric system.	5.2) Target is met.
5.3) Guidelines developed and implemented for implementing withholding taxes, assessing presumptive tax bases	<input type="checkbox"/>	Text	Value	5.3) Presumptive taxation guideline developed and is operational at federal level.	5.3) Presumptive taxation guidelines for implementing withholding taxes and assessing presumptive tax bases were adopted by all regions.	5.3) Presumptive taxation guideline to be adopted by all regions.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			5.3) Target is met.
5.4) Strengthening and performance improvement of FIRA and Customs	<input type="checkbox"/>	Text	Value	5.4) Tax system reform action plan prepared.	5.4) The tax system reform program implemented at all levels of government. The three revenue bodies were merged into one and the capacity to collect revenue has been strengthened.	5.4) Tax system reform to be implemented in all regions.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			5.4) Target is met.

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Vertical accountability mechanisms (service standards) established	<input type="checkbox"/>	Text	Value	6.1) No service standards developed.	6.1) Service standards were developed in service outlets and offices at federal, regional, woreda and kebele levels as part of the BPR which was implemented in over 20,000 offices. The above efforts are being formalized or made contractual in nature through the introduction of the Citizens Charter which is now published in more and more offices. This year 14 federal ministries and all offices in Amhara completed their citizens' charters. In addition, in urban areas, different types of standards such as urban cadastral standard, real estate property regulation, data base standard, network standard etc were developed.	6.1) Service standards to be established at all levels.
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments			Target is met.
7.1) No. of regions implementing guidelines for citizen participation at the woreda and municipal levels	<input type="checkbox"/>	Number	Value	0.00	11.00	11.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	7.1) Government white paper on woreda participation is under development.	7.1) All regions have implemented the guidelines for citizens' participation at woreda, municipal and kebele levels through the adoption of the rural and urban good governance package (GGP).	The target is met.
7.2) Percentage of courts at each level undergoing performance improvement	<input type="checkbox"/>	Percentage	Value	1.00	100.00	75.00
			Date	23-Nov-2004	15-Nov-2012	31-Dec-2012
			Comments	7.2) Please see 2.3 of Intermediate Results Indicators. They are exactly the same.	7.2) Please see 2.3 of the Intermediate Results Indicators. They are exactly the same.	7.2) Target is met.

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7.3) Enhanced independence and efficiency of judiciary	<input type="checkbox"/>	Text	Value	7.3) Please see the 6.3 of the PDO indicators. They are exactly the same.	7.3) Please see the 6.3 of the PDO indicators. They are exactly the same.	7.3) Enhanced independence of the judiciary.
			Date	23-Nov-2004	15-Nov-2012	30-Nov-2012
			Comments			
7.4) Judges and lawyers trained	<input type="checkbox"/>	Text	Value	7.4) Judges in Federal courts and 2 Regional Supreme Courts took training as part of Canadian supported court reform program.	7.4) A total of 30,700 judges and court supporting personnel were trained of which over 4800 are judges.	7.4) All judges are to be trained.
			Date	23-Nov-2004	15-Nov-2012	29-Dec-2012
			Comments			7.4) Target is met.

Data on Financial Performance (as of 05-Dec-2012)

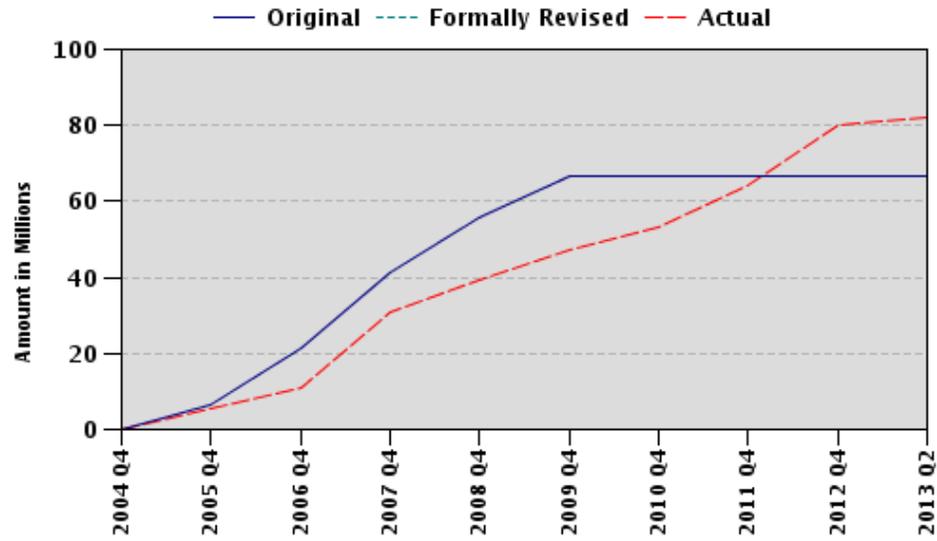
Financial Agreement(s) Key Dates

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P074020	IDA-38990	Effective	11-May-2004	23-Aug-2004	22-Nov-2004	07-Jul-2009	31-Dec-2012
P074020	IDA-46690	Effective	23-Mar-2010	30-Apr-2010	14-Jul-2010	31-Dec-2012	31-Dec-2012

Disbursements (in Millions)

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P074020	IDA-38990	Effective	XDR	66.90	54.17	12.73	53.85	0.32	99.00
P074020	IDA-46690	Effective	XDR	31.50	31.50	0.00	28.34	3.16	90.00

Disbursement Graph



Key Decisions Regarding Implementation

None.

Restructuring History

Level two Approved on 06-Mar-2012

Related Projects

P107217-Additional Financing to the Public Sector Capacity Building Program Support Project