

Q&A: Ethiopia's Promoting Basic Services (PBS) III Program Updated December 4, 2014

1. What is the Promoting Basic Services Program?

Ethiopia's Promoting Basic Services Program (formerly the Protection of Basic Services Program) is a nationwide program that aims to contribute to (i) expanding nationwide access to basic services notably education, health, water supply, sanitation, rural roads and agricultural extension services, and (ii) improving the quality of these services. It funds block grants that support adequate staffing and recurrent expenditures for these services, accompanied by measures to promote transparency and accountability at the *woreda* (district) level. It has also helped to strengthen the decentralized public financial management system and supports local civil society organizations that improve opportunities for citizens to provide feedback on service delivery to local administrators and service providers.

The PBS was established in 2006 and is now in its third phase, with financing of \$600 million for PBS III approved by the World Bank in September 2012. It is a national program that serves about 84 million people across Ethiopia, and has contributed to large gains in human development and Ethiopia's rapid progress towards many of the Millennium Development Goals that fall due in 2015 (see results below).

2. Who supports and funds the PBS program, and how is it implemented?

The PBS is funded by the Government of Ethiopia and a number of development partners including the World Bank, the African Development Bank, the UK's Department for International Development (DfID), the European Union (EU), Austria, and Italy. In addition, the social accountability component is being supported by DFID, KfW (Germany), Irish Aid, and the EU. The program is a good example of harmonized support by donors to improve basic services in a low-income country. A PBS Secretariat was established by donors to facilitate and coordinate the dialogue on the program and its implementation, and provide analytical support. The Ministry of Finance and Economic Development is the implementing agency for the program.

3. What results has the PBS contributed to in Ethiopia?

The PBS has greatly strengthened Ethiopia's delivery of public services, by enabling woredas to hire 100,000 additional primary school teachers; 38,000 health extension workers (two for every *kebele* or ward); and 45,000 agricultural extension workers. It has also supported the setting up of 500 woreda road desks that are working to improve rural transport services.

Greater capacity to deliver public services and enhanced government accountability for these services has contributed to some exceptionally strong development results in Ethiopia between 2004 and 2012: **More children survive their 5th birthdays—child mortality has fallen from 118 per 1,000 births to 68. More children are in school—the net primary enrollment rate has grown rapidly from 68% to 85.9%. More people have water in rural areas—access to safe water has doubled from 35% to 71%.**

Ethiopia has achieved the Millennium Development Goals (MDGs) for child mortality. It is also on track for achieving them in gender parity in education, HIV/AIDS, and malaria and good progress has been made in universal primary education. Together with efforts to promote equity and rapid economic growth, Ethiopia's sharp focus on service delivery has helped overall improvements in people's welfare. According to official data, the share of people living in poverty has fallen from 38.7% in 2004/05 to 29.6% in 2011.

4. What is the PBS doing to engage Ethiopian citizens?

Since its launch in 2006, PBS has helped Ethiopian citizens gain access to public budget information and to understand it. Public budget and service delivery information has been disclosed in over 97% of woredas using PBS's Financial Transparency and Accountability tools. Nearly 120,000 citizens drawn from different sections of society have received basic budget literacy training. PBS's social accountability program, so far implemented by 45 CSO partners in 86 woredas, is now aiming to considerably expand its outreach to 170 woredas, enabling more citizens to deliver feedback on services.

5. How does the PBS align with the World Bank's Country Partnership Strategy for Ethiopia?

The Country Partnership Strategy (CPS) for Ethiopia, finalized in August 2012, guides the use of World Bank resources in Ethiopia from fiscal year 2013 to fiscal year 2016. Developed through broad consultation across the region, the Ethiopia CPS seeks to foster competitiveness and employment, enhance resilience and reduce vulnerability, and promote better governance and state capacity. Promoting access to good quality, decentralized delivery of basic services—and thus helping to invest in people and build human capital in Ethiopia—is central to all these core elements of the CPS. A recent progress report confirmed these objectives remain valid.

6. Has PBS supported the Ethiopian Government's 'villagization' programs?

Villagization refers to programs run in some of Ethiopia's regions since 2010 (5 years after the PBS program had started). These programs are not supported by World Bank Group financing or under the multi-donor funded PBS. However, the PBS and villagization as well as multiple other government programs overlap in some regions. The World Bank Group is currently conducting a study to identify and catalogue such overlaps. The study will be used to better inform project selection appraisal and implementation support. The donor community is actively engaging with the government on the villagization programs as a broader development issue.

7. What is the status of the independent Inspection Panel request regarding PBS III?

The World Bank's [Inspection Panel](#) (IP) registered a request for Inspection regarding the Ethiopia PBS program in October 2012. The Request to the IP came from Anuak peoples who believe that they have been or may be harmed by the Bank-supported PBS Program as a result of the World Bank's non-compliance with its policies and procedures because the PBS Program is "contributing directly to the Ethiopian Government's Villagization Program in the Gambella Region". As per the mandatory process, Bank Management has prepared a response to the issues raised in the Request, which was submitted to the Panel in November 2012. After reviewing the matter, the Panel submitted its Eligibility Report to the Bank's Board in February 2013 which looked exclusively at the eligibility of the Request as such, and does not contain any judgment regarding the complaint itself or its merits. On July 12, the Board authorized the Inspection Panel to proceed with an investigation. At present, the Inspection Panel has just completed its investigation report, which, along with the management response, will be reviewed and considered by the WBG board. The Inspection Panel's Eligibility Report, Management Response to the

original complaint, as well as the Investigation Plan are available on the Inspection Panel website (<http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx>).