

**Aide-Memoire**  
**Ethiopia Basic Service Delivery Joint Review and Implementation Support (JRIS) Mission,**  
**30 May – 01 June 2017**  
**Addis Ababa**

## **1. Introduction**

The Government of Ethiopia and the Basic Service Delivery Group (BSDG) of Development Partners (DPs)<sup>1</sup> held a Joint Review and Implementation Support (JRIS) mission at the Ministry of Finance and Economic Cooperation (MoFEC) from May 30 to June 01 2017. In line with the revised JRIS Terms of Reference, the mission took stock of overall progress, challenges, and best practices in the delivery of decentralized basic services, discussed implementation progress and strategic issues arising from specific programmes<sup>2</sup> and identified strategic follow up actions (see table below) and project specific deliverables (see annex 6). While the mission was focused on the results and the financing and sustainably pillars of the BSDG common framework, other areas of the framework (Citizens' Engagement, Public Financial Management and Procurement, as well as Safeguards and Risk Management) were also covered.

The discussions were informed by presentations and reports by the Ministry of Finance and Economic Cooperation (MoFEC) and other government departments on overall results and implementation progress, consultants on the outcome of studies, and constructive feedback by the BSDG DPs including on the findings of the pre-JRIS field missions in Oromia and Benishangul-Gumuz regions. The mission also provided the opportunity to update wider stakeholders on the preparations for additional financing to the World Bank-financed Enhancing Shared Prosperity through Equitable Services (ESPES) programme and on the design of the third phase of the Ethiopia Social Accountability Program (ESAP).

The Mission acknowledges the participation and contribution of all government and DP representatives. The composition of participants reflected the focus of the mission on the results and financing agenda with relevant government bodies represented. Led by H.E Ato Admasu Nebebe, State Minister, Ministry of Finance and Economic Cooperation (MoFEC), the government team consisted representatives from MoFEC, the House of People's Representatives, the House of Federation (HoF), and the Ethiopian Institution of the Ombudsman (EIO), the Ministry of Agriculture and Natural Resources (MoANR), the Ministry of Water, Irrigation and Electricity (MoWIE), the Ministry of Environment, Forest and Climate Change (MoEFCC), Ethiopian Roads Authority (ERA), Ethiopian Revenue and Customs Authority (ERCA), Office of the Federal Auditor General (OFAG), Federal Public Procurement and Property Administration Agency (FPPAA), the Accountants and Auditors Board of Ethiopia (AABE), and the Central Statistics Agency (CSA). Participants from regions include representatives from BoFED and the five basic sector Bureaus, Offices of Regional Auditor Generals (ORAGs), and Regional Revenue Agencies. All BSDG DPs (African Development Bank, Austrian Development Cooperation, the European Union, Italian Agency for Development Cooperation, the UK's Department for International Development, and the World Bank), Irish Aid and the ESAP Management Agency were represented.

While the Mission appreciates the active participation of the Ministry of Health in the pre-JRIS field missions, the mission regretted the absence of the Ministry of Education and the Ministry of Health from the main JRIS event.

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<sup>1</sup> African Development Bank, Austrian Development Cooperation, the European Union, Italian Agency for Development Cooperation, the UK's Department for International Development, and the World Bank.

<sup>2</sup> Enhancing Shared Prosperity through Equitable Services (ESPES), Basic Services Transformation Programme (BSTP); the EU Health Sector Budget Support, Promoting Basic Services (PBS) III, and the Ethiopia Social Accountability Program (ESAP) II.

## 2. Summary of discussions, key messages and identified priorities

**Sector results-** The mission noted that GoE's budgetary commitment and DP's support has continued to generate results across a number of areas. Notable results include the increase in grades 5-8 Net Enrollment Rate (NER) to 56.7% in EFY2008 (2015/16) from 51.7% in EFY2007 (2014/15). Penta-3 vaccinations almost achieved its goal of universal coverage reaching 97.6% in EFY2008 (2015/16), increasing from 94.5% in the previous year (although DHS 2016 survey data shows much lower coverage of 53.2% highlighting persistent data quality issues). Last year alone around 3.5 million pregnant women received antenatal care during first visit to health provider and over 4.8 million women household heads are now receiving agricultural advisory services. The updated results frameworks of the BSDG programmes covered by the JRIS are attached as Annex 2-4.

**The mission also noted the achievement of almost all Disbursement Linked Indicators and the general and specific conditions for World Bank, African Development Bank and EU's financing.** This is discussed in section 3 below and the detail status of DLI's and conditions as at 30 May 2017 are included in Annex 5.

**The mission observed transaction costs in the face of multiple channel one programmes and their reporting requirements.** There is need for strong internal coordination within various implementing and verifying entities of the GoE and going forward COPCD and DPs should explore ways of streamlining processes to reduce transaction costs, ensure better harmonization and improved reporting.

**Challenges remain with respect to quality and equity in services.** It was underlined that while the government's strategic emphases on access, equity and quality is to be recognized, achieving inclusive, equitable and quality outcomes require even more work both to improve the provision of services as well as generate the demand for them.

**Strong inter-sectoral collaboration and coordination is suggested** to improve service delivery and enhance synergies between basic service and other programs such as the PSNP which aim to benefit the poorest and most vulnerable members of the Ethiopian society. The mission reflected on the current experience at federal and regional levels. While some regional best practices are noted overall the mission assessed that inter-sectoral collaboration is weak and lacks ownership. The need for a coordination framework that builds on existing best practices is strongly suggested by regions as well as need to promote ownership and accountability for this important function.

**The need for more work to improve the quality of data and analysis.** As policy making and resource allocation decisions have to be underpinned by reliable and timely data and analysis of issues, the Mission encouraged reporting on results that really matter for development and their respective results chains and to analyze what the challenges are for improving results in different sectors. The Mission called for greater role of sectors in results report and JRIS and participation of State Ministers so that challenges and issues of inter-sector collaboration are discussed at a higher level.

**The mission also encouraged building in flexibility and adaptability in the way services are planned and delivered** thereby enhancing the resilience of services to respond to shocks such as those induced by shortage of rain and droughts and development investment induced population movements.

**Financing and Sustainability** – the mission highlighted that GoE and BSDG's overarching objective is to enhance equitable access to quality basic services. It was strongly noted that **maintaining Ethiopia's gains on key human development outcomes, reaching the unreached, meeting service standards and improving the quality and equity of services requires sustainable financing and efficient use of resources** particularly in the face of fiscal constraints, the limited financial envelope, and the pressure from humanitarian crisis that the country faces from time to time. The Macro-economic and fiscal framework (MEFF) was discussed to understand the outlook on the expected total resource envelope and the allocative implications for basic service delivery.

**The Mission recognized the continued commitment of the Government of Ethiopia to the delivery of basic services demonstrated through continued increases in the block grant transfers to sub-national governments who are the primary providers of these services.** Combined with regional resources, a very large portion of regional governments' budgets (about 60%) go to basic service sectors in line with the Ethiopian government's pro-poor agenda.

**While the Mission welcomed the increase of Federal Block Grant as a positive and necessary step to finance basic services but regions expressed concern on the planned reduction to the SDG fund.** The House of Federations and some regions raised vertical imbalances as a concern. Linked to this, regions also mentioned the planned reduction in the MDG/SDG transfers and its implications on on-going projects being financed through these transfers and on their capacity to respond to important capital needs to ensure access in certain regions. One issue that was raised as a concern by some regional representatives in the medium-term fiscal outlook was the planned reduction in the MDG/SDG transfers and its implications on on-going projects being financed through these transfers. MoFEC, however, gave assurances that the allocated MDG/SDG transfers will be sufficient to complete on-going projects.

**The Mission noted encouraging tax reforms underway but called for an assessment of revenue potentials of regions and woredas.** The mission benefited from an update on tax reforms by the Ethiopian Revenue and Customs Authority. Discussions revolved around region's concerns of overambitious planning. Some of them mentioned that it would be unlikely that they achieve the targets. To address this, it was recommended to carry out an assessment of fiscal potential and to share good/innovative regional experiences. Regions also mentioned that data and technology can help but only if there is human capacity and accountability, awareness raising, improvements of service delivery and laws. The example of Tigray also showed the positive impact of strengthening audit practice.

**The mission commended MoFEC for delivering the Domestic Resource Mobilization (DRM) study which together with the planned study on the cost of basic services constitutes the Sustainability Review.** The presentation by consultants on the preliminary findings of the DRM study attracted a strong interest. The study projected DRM potential in different scenarios and that to realize a positive outcome, it emphasized the need to accelerate structural transformation of the economy and to strengthen tax administration. Based on opinions from regional informants, the consultants also pointed out issues around the exiting revenue assignments and this triggered a lot of discussion and debate as to whether it affects overall revenue collection and whether the current revenue sharing arrangement weakens incentives. The mission called for a validation workshop for a detailed review of the findings and once the study is finalized to implement its administrative and policy recommendations. The mission also urged MoFEC to speed up the process for the cost of basic service study.

**Health sector financing issues at sub-national levels.** In order to better understand and explore financing and sustainability issues at regional, woreda, and facility levels, especially in the context of the health sector, pre-JRJIS field visits were conducted in Oromia and Benishangul-Gumuz Regional states for which the mission is grateful to both regions. The field mission report is attached as Annex 1. The major findings include the following.

**Despite slight decline, regional spending remains pro-poor with substantial allocations to basic service sectors - 65% and 60% in Oromia and Benishangul-Gumuz, respectively and health remains among the top priority sectors with respect to resource allocation.** Oromia and Benishangul-Gumuz are allocating up to 15% of their total budget to health. While this level of regional spending on health is very encouraging, the mission noted that last year the overall combined general government spending (i.e. regional plus federal excluding DP funds) in health remained only around 7% of the total budget, much less than the 15% that the Abuja Declaration commits countries. Even if the regions and woredas continue to increase their allocation, it is unlikely that they can compensate for the limited overall allocation and cover the needs on their own.

While the Mission recognized that the Government of Ethiopia is successfully mobilizing substantial amounts of Development Partner funds to the health sector and these external resources are covering the cost of essential inputs including drugs and medication, it pointed out that the **health sector's dependence on external sources for such critical inputs raises a financial sustainability question.**

**The mission also learnt that in addition to block grants and the support from national programmes in the health sector, the delivery of health service at the local level is benefiting from other off-budget sources including community contributions and in kind support from NGOs. However, the lack of systematic recording and consolidation of data on the off-budget sources of finance makes it difficult to assess their relative contribution** and better coordinate funding streams to maximize health outcomes. The mission suggested that such information should be consolidated, updated and tracked especially at subnational levels. In this regard the mission suggested that the possibility of undertaking expenditure reviews at various levels of the health sector including regional, woreda and facility levels should be explored.

**The field missions also noted some issues to do with the mandates of woredas and regions and how this is affecting the quality of outputs** such as the construction of health centers and suggested the need for analysis and assessments on current expenditure assignments between regional and woreda levels to learn the pros and cons of the current arrangement.

**Overall, in line with the Addis Ababa Agenda for Action (AAAA), the mission noted that increasing the overall fiscal space through domestic resource mobilization is key to improve and sustain the quality and equity of services** and that this requires better understanding of the scope for domestic resource mobilization and the cost of service delivery. In this regard the mission urged the Government to take advantage of the domestic resource mobilization study that is being finalized and to speed up the study on the cost of service delivery and link these efforts to wider initiatives such as tax administration reforms. On its part the Government also urged Development Partners to continue their support and honor their financing commitment noting that Overseas Development Assistance (ODA) is still to be seen as an important source of financing within the framework of Financing for Development (FFD) and the AAAA.

**Citizen's Engagement** – With respect to Grievance Redress Mechanism (GRM), the mission received update from the Ethiopian Institution of the Ombudsman (EIO) whose achievement, among others during the year, was the opening of the long awaited EIO branch offices in Afar and Benishangul-Gumuz regions. The mission congratulated EIO for expanding GRM services and called for the setup of better citizen feedback mechanisms on the services. The mission also received a presentation on the findings of the Financial Transparency and Accountability (FTA) survey, which is expected to be finalized based on inputs received, and called stakeholders, particularly regions to digest the findings, sustain FTA practices and improve the gaps identified by the study and link them with the Social Accountability aspects of citizen's engagement. ESAP III design team also provided updates on the design process and the mission commended the government counterparts at all levels, development partners and the civil society organizations for a very active engagement throughout the three consultative missions that were conducted between December 2016 and May 2017. The DPs were particularly appreciated for their total funding commitment of \$55 million to the third phase of the program. Following on the recommendation of the December 2016 JRIS, the mission emphasized the need to develop a comprehensive framework to promote a coherent approach to citizen's engagement in service delivery and suggested that this work be taken forward once the ToR that the Transparency and Accountability Group (TAG) is drafting is reviewed and agreed by the government.

**PFM and Procurement** – The mission recognized the good progress on major reform areas including: the implementation of the amended Financial Administration Proclamation, the rollout of IFMIS in some public bodies, the steps taken towards the development of a comprehensive PFM strategy, the evaluation and ranking of 963 woredas on their PFM system and performance, the establishment of the governance

structure for the e-Government Procurement (e-GP), the Procurement and Property Administration Accreditation Training Program, the application of the procurement performance measurement tools (KPIs) in selected regions. The mission noted the need to fast-track progress to make up for delays in some areas especially on the e-GP initiative and the introduction of simplified Woreda procurement directive. The mission also called for the need to revamp DP-GoE engagement on PFM and procurement including through regular Sector Working Group meetings.

**Safeguards and Risk Management** – the mission recognized the increasing engagement of the Ministry of Environment, Forest and Climate Change (MoEFCC) in the service delivery safeguards agenda, suggesting the need to continue capacity building and system strengthening to contribute towards mainstreaming of environmental and social issues in project/program design and implementation. The mission provided an opportunity to share the findings and recommendations of the regional reviews of environmental and social management in the service delivery sectors in the four emerging regions (Afar, Benishangul-Gumuz, Gambella and Somali) which were conducted in March and April 2017. The regional reviews informed the preparation of the Incremental Environmental and Social System Assessment (ESSA) of the Enhancing Shared Prosperity through Equitable Services (ESPES) PforR Additional Financing. The reviews focused on (a) institutional arrangement and coordination (b) human resources, and (c) public participation/consultation with regard to environmental and social management in the service delivery sectors at local level. The mission noted the importance of addressing environmental and social issues at the forefront to ensure sustainable development and avoid potential negative impacts of projects/programs on people and the environment.

**BSDG Common Framework** – The mission recognized the finalization of the Common Framework for BSDG-GoE engagement which is now ready for signing. It was noted that the Common Framework is an important document that promotes DP harmonization, sets out the cross cutting issues of interest to basic service delivery and guides the agenda for the collective dialogue through JRIS and other processes.

**Follow-up Actions** – As noted above, the mission has identified several issues and priorities for consideration. While specific deliverables linked to ongoing operations are listed in annex 6, the Table below outlines the strategic follow up actions including outstanding actions from the last JRIS that are of joint interest to the GoE and the BSDG. The proposed points are for action by the next JRIS but MoFEC, BSDG, and SDS will further discuss specific timeframe and allocation of responsibilities.

No.	Activities	Responsible
1	Promote the engagement of Federal Sector Ministries in JRIS and related processes by (i) convening a high-level meeting of State Ministers of basic service sectors to brief them on channel one BSDG supported programmes; how they support sector plans and the delivery of services and the outcome of the JRIS (ii) ensuring Results reporting in future JRIS's is delivered by representatives from the sector ministries and sectors are fully engaged throughout the Mission.(iii) SDS and co-chairs meeting with all relevant SWG/TWG Co-chairs	MoFEC in collaboration with BSDG and SDS
2	Promote inter-sectoral collaboration by (i) COPCD developing a framework/guideline for inter-sectoral collaboration at Federal, Regional and Woreda levels including guideline to promote ownership and accountability through existing institutional arrangements and where necessary through binding inter-sectoral agreements (ii) Ensuring MfR working group is a functional forum	MoFEC with support from MfR WG
3	Develop a comprehensive citizen's engagement framework	MoFEC with support from

		the TAG
4	Conduct validation workshop on the Domestic Resource Mobilization study and follow up the implementation of its administrative and policy recommendations.	MoFEC with support from the F&S Working Group (WG)
5	Expedite the process for the study on the cost of basic service delivery	MoFEC with support from the F&S WG
6	Explore the possibility of conducting analysis and assessments on current expenditure assignments between regional and woreda levels to learn the pros and cons of the current arrangement;	MoFEC with support from the F&S WG
7	Explore ways of undertaking expenditure reviews on the health sector at various levels including regional, woreda and facility levels.	MoFEC with support from the F&S WG and the EU
8	Conduct PFM retreat and discuss key PFM reform interventions including the PFM strategy under preparation	MoFEC with support from the PFM WG
9	Strengthen coordination between the MoEFCC and service delivery sectors on safeguards through annual consultation forum	MoEFCC/MoFEC with support from Safeguards TWG
10	Explore if there is scope to further harmonize coordination including streamlining reporting for ESPES, BSTP, and EU SBS projects so as to reduce transaction costs to GOE/COPCD	COPCD, BSDG, with support from MfR WG
11	Sign the MoU (Coordination Arrangement) on BSDG common framework	MoFEC and BSDG with support from SDS

### 3. Detail Findings

#### 3.1 Sector Results, Collaboration, Learning and MIS:

The mission received presentation and report from the GoE on core service delivery results covering several indicators from the BSDG programmes coordinated by MoFEC Channel One Programmes Coordination Directorate (CoPCD). In line with the common framework, the presentation included updates in terms of Equity, Quality, Access, and the strategies that supported them. The following are highlights of the results presented during the mission. Detail result are included in the updated results framework (annex 2-4) of each of the BSDG programmes.

**Equity** – in education data from EMIS shows that Gender Parity Index (Grade 5- 8) has reached 0.94 in 2015/16. On Skilled Birth Attendance (SBA), data from the DHS 2016 shows that the gap between the poorest and richest wealth quintile has widened to 53.8%. In agriculture, the ratio of female agricultural extension workers increased to 20%. The number of women household heads receiving agricultural advisory services has reached 4.8 million. In rural water coverage, the percentage of rural population getting clean water supply within 1 km radius has reached 63.1%. With regard to regional disaggregation of results, while in some indicators such as Penta-3 vaccination the regional gap is closing, there seems to exist a large variation in some indicators such as NER grades 5-8, where six regions (Afar, Somali, Benishangul Gumuz, Oromia, Harari, and Dire Dawa) are substantially below the national average. Additionally, the mission notices that the gap within each of the region (i.e. between woredas) is also noteworthy of tracking. In this regard, the mission recommends an increased focus to be given to the reporting of achievements in the bottom performing woredas.

**Quality** – the quality of basic services is showing improvement as reported from key indicators presented during the results session. The proportion of *qualified teachers in primary schools* has increased to 93.4%

in 2015/16 from 75.4% in 2014/15; *Student Teacher ratio (Grades 5-8)* has improved to 36 in 2015/16 from 46 in 2014/15. The number of health extension workers who have graduated with a Level 4 qualification has increased to 10,724. According to the HMIS, Births attended by skilled provider has increased to 72.7%. Data on *Reduced non-functioning water supply schemes* couldn't be obtained this year, and hence the mission is not able to review progress in this area and strongly suggests this information be available for the upcoming JRIS.

**Access** - with regard to access related indicators, NER in upper primary (Grades 5-8) showed improvement reaching 56.7% in 2015/16. However, comparing this results with NER for grades 1-8, which is reported to be 100% in 2015/16, the mission recommends further analysis to be made on identifying where the data gap lies as it is challenging to confirm universal access to education is achieved in grades 1-8, while at the same time reporting a 56.7% NER in upper primary education. There is also a substantial increase in the total number of students enrolled (net) in grades 5-8 in 2015/16, in all Regions, excluding Addis Ababa with 142,000 new students net enrolled in the planning year. On health targets, the proportion of children vaccinated on Penta-3 has increased to 97.6%. More than 3.5 million pregnant women have received at least one antenatal care visit. On Agriculture, the total number of population getting direct benefits from extension service has increased to 14.2 million. On access to rural roads, average time taken to reach nearest all-weather road reduced to 1.6 hours. On Hygiene related indicator, according the WaSH MIS data, the proportion of population using latrine has increased to 67%. The mission strongly commends the GoE for such an impressive achievement on access related indicators while at the same time pushing for the achievements of annual targets on Agriculture and rural road indicators.

Overall the mission commended the GoE for the achievement on equity, quality, and access related indicators while at the same time pushing for the achievements of annual targets for some indicators. Most importantly, it was noted during the discussion that some results data obtained from the sectoral MIS are way different from the reality on the ground (e.g. NER for grades 1-8) and data obtained from survey results (e.g. Penta-3). Data quality improvements activities need to be implemented and the gap between the survey data and administrative data needs to be narrowed going forward. Moreover, it is suggested that the intra-regional variation needs a renewed focus given that in health sector, for example, regional level variation is now fading out but still there are woredas in each region that require special attention. There needs to be woreda level data that can identify bottom performers and help design actions to boot results in those woredas.

**Strategies to improve equity and quality:** Government's report highlighted some of the strategies that are intended to improve quality and equity in education and health sectors. With respect to equity, the health sector has developed national health services equity strategy, which encompasses i) equal access to essential health services and ii) equal utilization for equal need and equality in quality of care. Advocacy was conducted on equity plan of action for higher level decision maker; pastoral community health extension strategy and operational manual is developed; strategy for education service delivery for Pastoral communities developed. The education and health sectors have reformed their respective institutional set-up and established separate directorates to address gaps and to provide special support for emerging regions. Community based health insurance mechanism is developed and operationalized in pilot woredas. Alternate Basic Education service provision manual developed to enhance inclusion in education.

Strategies to address quality in education and health include the development of service standards for the sectors and the ongoing work towards meeting the standards; the development and implementation of health service quality assurance strategy; the General Education Quality Improvement Program that is under implementation for several years now (GEQIP); the preparation of national operation services quality improvement guideline to track health care service improvement; the establishment of a directorate within the Ministry of Health that focuses on quality assurance of services for communities.

The mission recommends continuation of implementation of these strategies and an assessment of their effectiveness and substantive discussion in future missions.

**Disbursement Linked Indicators (DLIs) and Triggers** - The results session also reviewed the status of DLI's and Conditions for World Bank Enhancing Shared Prosperity through Equitable Services (ESPES), AfDB's Basic Service Transformation Programme (BSTP), and EU's Health Sector Budget Support (SBS) programmes that are coordinated by MoFEC Channel One Programmes Coordination Directorate (COPCD). See Annex 5 for the detailed status of DLI's and disbursement conditions. The review noted that almost all ESPES DLIs due for May 2017 are either achieved or the verification process is underway and as a result MoFEC is expecting to realize about USD102,500,000. BSTP's disbursement conditions are also satisfied as a result of which USD82,105,800 is transferred to Treasury in May 2017. All general conditions for EU' SBS fixed tranche are met and as a result Euro 20.4 million is realized in full. All the conditions for EU variable tranche are also met except the target on the availability of supplies at health centres for quality of service (essential MCH lifesaving Drugs aggregate) which is missed. As a result, Euro10.88million is realised (80% of the expected variable tranche allocation).

While the mission recognized GoE's impressive level of achievement of DLI's and disbursement conditions of these programmes, the reporting burden on COPCD is noted to be tremendous and against aid-effectiveness principles. Where possible there needs to be a joint effort to reduce the transaction and reporting burden so as to free up COPCD's time for other strategic tasks including facilitating collaboration and coordination between sectors.

**Managing for Results (MfR):** the mission reviewed the conceptual background as well as the implementation status of MfR activities so far. It was noted that the aim of Managing for Results is to ensure accountability for public funds and ensure value for money by realizing development results in basic service delivery. The MfR component under PBS was designed with two major objectives: (i) Generating evidence and strengthening M&E systems for measuring and monitoring development results; and (ii) using these systems and evidences generated for adaptive management (i.e. influencing or make adjustments on programs and projects based on data and evidence). In this regard it was noted that a number of surveys, assessments and system strengthening measures have been taken in various sectors including:

**Surveys and assessments:** Demographic and Health Survey, Mini Demographic and Health Survey, Welfare Monitoring Survey, Household consumption & Expenditure survey, Gender analysis, Water sector system assessment (Data Quality Audit), Education sector system assessment, (Data Quality Audit), Health sector system assessment (Data Quality Audit), ERA system assessment, Service Delivery Indicator (SDI) survey, Service Provision Assessment for Health sector, Development Agent Tracking survey, WaSH facility survey, National WaSH Inventory supported, and Rural Roads network census.

**System strengthening activities:** i) *education sector*:- Computers and IT equipment have been distributed for decentralized levels, Woreda level capacity building for EMIS conducted, Internal validation for systems strengthening completed actions taken, Manual for EducStat developed and training conducted for SNNPR, Study on Innovation in Service Delivery conducted, PSIA data collection supported; ii) *Health*:-training conducted, database built; iii) *MoWIE*:- MIS developed finalized, IT equipment purchased and distributed to regions, Trainings on the MIS system conducted, Learning workshop on best practices on water supply data management conducted, Internal validation of MIS conducted, action taken; *CSA*:- Design of EDQAF (a policy document to assess sector data quality), EDQAF implementation completed for health, education, and Water sectors, EDQAF implementation under processes for Agriculture sector, IT systems developed, national Server environment established, Statistical capacity building for regions and sectors have been implemented, New server and IT infrastructure built; *MoARD*:- MIS development (EXCEL and Web based) is completed, Training conducted for phase 1 regions, Enhancement and Implementation for phase 2 regions under



implementation, Learning event among all regions supported (six-monthly basis), Indicator Manual developed, Development Agent Tracking study conducted, IT equipment for federal level purchased and for lower levels underway

While the mission noticed that MfR presents an opportunity for sector collaboration and coordination for monitoring basic service programs in the country, it also noted that MfR produced many outputs and delivered on system strengthening needs for sectors. This component can be cited as an example for effectiveness and sector engagement. However, the mission also noted that one critical task is remaining under this component, using the evidence produced and systems strengthened for improving better programs. Moreover, it was noticed that there were implementation challenges on this component as seen from delays in implementation on some systems strengthening activities (e.g. agriculture sector MIS) and surveys such as Education Service Delivery Indicators survey (SDI phase 2). Poor budget utilization has been cited as another critical challenge, wherein, as of last year, only 61% of total budget was either utilized or committed. The mission specifically recommends the following: utilization of outputs produced under MfR for policy making, program management, and systems improvements (i.e. implementing the sectoral DQA recommendations); implementation of some surveys such as gender analysis phase 2, SDI phase 2, DQAs, and DHS; Training to strengthen the MIS system need to be implemented as per the plan for each sector; and learning event/workshops need to be organized for some important outputs.

**Inter-sectoral Collaboration and Coordination** - Federal and regional group discussions on this theme reflected on the current practice suggested key follow up actions (i) the development of a coordination framework/guideline consolidating existing best practices (ii) the need to promote accountability by putting in place binding institutional arrangements and (iii) allocating the necessary resources (time, human, material and financial) to facilitate inter-sectoral collaboration and coordination.

### **3.2 Financing and Sustainability**

The Financing & Sustainability session at this JRIS focused on three topics, namely: 2016/17 (EFY 2009) first half fiscal performance & medium-term fiscal projections; domestic revenue mobilization; and health sector financing.

**2016/17 (EFY 2009) First Half Fiscal Performance and the MEFF** - This session benefited from MoFEC's presentation which focused on fiscal performance during the first half of fiscal year 2016/17 (EFY 2009) and also included a brief overview of medium-term fiscal projections. It was noted that domestic revenue collection increased during the first half compared to last year and the rate of performance against annual budget was also higher than last year, albeit by a small margin. Improved performance of regional governments in domestic revenue collection contributed to the overall national level increase in domestic revenue collection. However, it was also noted that regional performance in terms of revenue collection was uneven across the regions with some regions showing slower performance compared to last year. Government expenditures also showed an increase in the first half of the fiscal year although the rate of performance against budget was lower than last year. The lower rate of budget execution during the first half of the fiscal year was mainly due to slower capital budget utilization. The first half fiscal performance also showed that there was only a small fiscal deficit recorded during the period.

On the medium-term outlook, the total resource envelope for the Federal government is expected to grow largely owing to increased domestic revenue collection. While this is a positive story there were instances in the past when the government had to resort to other windfall gains like savings from the oil stabilization fund to finance its expenditure commitments including block grants. The government should

therefore ensure that projected spending has a sustainable source of finance which largely should be domestic revenue.

On the outlay side, while growth in Federal level expenditures is expected to be largely contained, transfers to regional governments are envisaged to grow significantly mainly through the block grant channel as MDG/SDG transfers are planned to be reduced given that this fund is set up for specific purposes. The capital budget issue can be seen at two levels (i) regions and woredas do not have adequate capital budget and (ii) emerging regions in particular are concerned that current allocation instruments may not adequately address their unique context and development needs. This calls for continued consideration on how current instruments could be strengthened or complemented to address these issues. It is also suggested that Federal and regional governments consider and effectively communicate the resource implications of key decision such as mid-year salary increases.

Following MoFEC's presentation, a discussant from the Development Partners' side reflected on key issues on fiscal performance and the medium term fiscal projections. One of the issues raised was the low capital budget utilization during the first half of the fiscal year in the basic service sectors (most notable in the health sector) at the regional level. Slow bidding processes and foreign exchange constraints were cited by some regional representatives as the major factors behind the low capital budget utilization. Another issue that was highlighted by the discussant was the planned reduction in MDG/SDG transfers next year to ETB 7 billion from its current level of ETB 12 billion. Some regional representatives also raised concerns over this reduction and its potential implications on on-going projects being financed through these transfers. However, MoFEC reiterated that the allocated MDG/SDG transfers are enough to complete on-going projects despite the reduction.

According to MoFEC, the impact of the drought this year should be minimal on economic growth because the crisis focuses on fewer areas than the previous year. Inflation slightly increased due to delays in the seasonal rains and market speculation but has remained under control. On tax expenditures, MoFEC referred to the ongoing World Bank study and the need to assess how much resources the country is losing and a cost benefit analyses. MoFEC informed that if the findings indicate the need for improvement to avoid abuse, necessary amendments to the policy may be made but that further refinement of the study was needed.

**Domestic Revenue Mobilization** - The discussion on the topic of domestic revenue mobilization was mainly informed by a presentation of the preliminary findings of the Domestic Revenue Mobilization (DRM) study by the recruited consulting firm (Breakthrough International Consultancy PLC) and a brief presentation from the Ethiopian Revenue and Customs Authority (ERCA) focusing on progress update on major activities to improve tax administration. The presentation from the consulting firm highlighted that although domestic revenue collection increased over the past years, it has not been very responsive to economic growth. This implies that poor tax administration has been a primary constraint for domestic revenue mobilization. The preliminary findings of the study also noted that the tax assignment between the Federal government and regional governments (which is a constitutional provision) has been cited as a major concern by regions which is limiting expansion of domestic revenue mobilization at regional level. ERCA's presentation highlighted the major activities being undertaken in an effort to improve and modernize the tax administration system. It was noted that while there is good progress in the implementation of the tax administration reform measures, there are still significant challenges in the system that have limited the growth in domestic revenue collection.

One of the major issues reflected on by regional representatives during the discussion that followed the presentations was the tax assignment between the Federal government and the regional governments. A number of regional representatives commented that the current tax assignment and problems in its implementation have been a significant constraint in expanding regional level revenue collection. The role of ERCA is supporting regional governments in improving their revenue collection efforts was also another issue raised during the discussions. Finally, it was noted that the findings of the DRM study will

be extensively discussed with the presence of relevant stakeholders in a validation workshop to be organized by MoFEC soon after the JRIS.

**Health Sector Financing** - Findings from the pre-JRIS field missions to Oromia (April 24 – 27) and Benishangul-Gumuz (May 15 -20) were the major inputs for the discussion on health sector financing. The major findings of the pre-JRIS field missions were presented by a representative of the mission team. It was noted that health is among the key priority sectors in terms of resource allocation by the government, particularly at sub-national level. Budget allocation to the health sector reaches up to 12% of the total regional budget in Oromia and 15% in Benishangul-Gumuz. However, it was also noted that the share of the health sector from total budget from government resources has been relatively low at the Federal level due to a relatively high inflow of external resources to the sector. As a result, national level allocation to the health sector is still short of commitments made in the Abuja Declaration.

Besides resources allocated by the government, the health sector receives support from several multilateral and bilateral donors, local and international non-governmental organizations (NGOs) and the community as well. The mission noted that while there are some pieces of information here and there on the level of support to the sector from these sources, a comprehensive picture showing the relative contributions of each source of support is lacking. It was noted that the practice of recording the level of support to the sector from all sources and consolidating the information is very limited in both regions the mission visited.

The mission also noted that despite the increased resource allocation to the health sector, most facilities at the woreda level remain to be below government standards in terms of having appropriate premises, staff and inputs. In both regions the mission visited, access to water supply and electric power was reported as a significant constraint to the functioning of the health facilities.

The other issue highlighted in the mission's findings was the disconnect between the mandate of the regional governments to construct health facilities (health centers and primary hospitals) with the mandate of woredas to manage the facilities once their construction is completed. The mission noted that officials in the visited woredas in Oromia indicated that this disconnect has resulted in poor quality of the facilities due to incomplete follow-up and supervision of the construction works. The regional officials, however, reiterated that the region is taking measures to better involve and engage relevant personnel from woredas in the construction works.

Following the presentation of the mission findings, representatives from Oromia and Benishangul-Gumuz provided their reflections. They noted that most health facilities are still operating below government standards as the primary objective so far has been expanding access to health services. The regional governments are, however, making efforts to bring the facilities up to standard. In this regard, it was noted that there is a need to increase resource allocation to the health sector from government sources to reach this goal and also achieve Universal Health Care (UHC). It was further noted that Development Partners need to continue their support to the health sector.

**Follow-up actions:** a) organize a validation workshop for the DRM study and draw up action plan based on the recommendations of the study; b) expedite the process of conducting the study on Cost of Basic Service Delivery at the Woreda Level; c) explore the possibility of conducting analysis and assessments on current expenditure assignments between regional and woreda levels to learn the pros and cons of the current arrangement; d) explore ways of undertaking expenditure reviews on the health sector at various levels including regional, woreda and facility levels.

### 3.3 Citizens' Engagement

The discussion at the Citizen Engagement session was informed by three presentations: Program updates from the Ethiopian Institute of Ombudsman, Findings from the FTA impact evaluation, and Update on the ESAP III Design process

**Grievance Redress Mechanism (GRM)** - The Ethiopian Institute of Ombudsman (EIO) reported that it has completed the activities agreed during the last JRIS. The standard GRM manual has been translated into local languages and adoption by regions started. Four regions, Amhara, Tigray, Oromia & Addis Ababa started using the standardized manual for handling grievances. The long awaited EIO branch offices in Afar and Benishangul regions are now open and coordinators are assigned for the time being till the appointment of Ombudsmen by the House of Representatives. Capacity building trainings has also continued and in the last six months, Amhara, Tigray, Somali, Harari, & Dire Dawa have trained a total of 804 zonal and woreda level GRM officials in their respective regions. Oromia, Gambella & Addis Ababa are also in preparation to conduct similar trainings. Awareness creation activities also continued using various media outlets, including TV, Radio and weekly magazines.

The meeting congratulated the government of Ethiopia for opening additional Ombudsman branch offices called for the quick assignment of fully empowered Ombudsmen in both regions, and suggested the strengthening of feedback mechanism for the services. It also emphasized on the need to expand the training to the woreda level GRM officials as these are the closest to the community and in most cases the first ones to receive grievances.

**Findings from the FTA survey** - Impact assessment was done for the Financial Transparency and Accountability (FTA) initiative<sup>3</sup> and the key findings of the survey were presented to the meeting. The survey compares previous results observed in 2009 and 2013 with the 2016 finding. A total of 5800 households (20 per kebele) in the selected 145 woredas throughout the country were interviewed; 780 key informant interviews and one focus group discussion per woreda was conducted. The survey has provided a number of information on service delivery, FTA, and SA linkages and the GRM. Major findings of the study include:

- Service delivery has improved as attested by the respondents; and in the citizens' knowledge of approved budget and how it is spent. In 2009, more than 91% of respondents 'do not know' how much their woreda budget is and how it is spent. Currently, the figure falls to just 34%.
- Majority (54.8%) of the respondents replied that they were requested to give opinion about local government services over the last 12 months which shows an improvement compared to 2009 (6%) and 2013 (26%) surveys.
- 62.7% of the respondents indicate that the woreda budget is not sufficient to provide public services.
- 63% of respondent have attended meeting with the woreda officials and 78% of them perceive that their comments have influence over the decision of the officials
- Significant number (60%) of respondents believe that the FTA structure will be sustained after the withdrawal of donor support

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<sup>3</sup> In addition to the presentation on the FTA survey, MOFEC has distributed the FTA progress report which could not be discussed because of time. The report indicated that since the last JRIS, 87, 217 (43% female) have taken budget literacy training; budget and expenditure information continued to be posted in 97% of woredas and 82% of service delivery units; FTA institutional training provided for 1,319 federal participants. The annual FTA review was not conducted because of the security situations at the anticipated time.

The study concludes that the FTA program is going on the right direction and has been effective in meeting its objectives. While appreciating the significant changes that are recorded over the last eight years, DPs emphasized the need to give attention to improving the regional variations observed in many of the result areas. The survey results will be further discussed at the FTA annual review workshop where the findings are discussed in detail and actions for improvement are designed.

**Update on ESAP III Design Process** - The mission was briefed on the design process of the next social accountability program. It was reported that the design document is now near to completion. The design team has done a number of consultations at federal, regional and woreda levels, including visits to kebele administrations and service users in various kebeles. The design team proposes three components to the new program summarized as follows:

- Expand the uptake of social accountability
- Capacity and systems strengthening
- Project management, coordination and monitoring and evaluation

The program is being designed with an aspirational target of reaching 500 woredas through a gradual uptake of new woredas annually. And it is also planned to be a 10-year program divided into two 5-year funding cycles. The current updated projected funding for ESAP 3 is \$55 million.

Referring to the earlier experience, the meeting raised a question on the selection of participating woredas for ESAP3 implementation. Earlier woreda selection was left for implementing partners thus regions believed that the distribution was not fair. It was suggested that the selection of woredas (and distribution per region) should be fair and must be agreed up on early on during the design. Moving forward, a steering committee meeting is being planned to consider the final draft design document and provide final guidance. The Bank team has put in place arrangements to accelerate processing of the MDTF and its timely effectiveness by starting the internal processes earlier to enable readiness by the MDTF to receive funds from the donors once available.

### **3.4 PFM and Procurement Reform and Project Financial Management**

**PFM reform update** - EMCP provided update on the status of the agreed deliverables and the key PFM reform activities carried out in the last six months. The mission observed good progress on major reform areas. The rollout of IFMIS has already been started in 5 public bodies (as of May 2017) and 625 experts were trained on how to use the system. MoFEC carried out commendable measures to proactively implement the amended provisions of the Financial Administration Proclamation No 970/2016. In this respect, it has conducted various awareness creation workshops and issued Directives that were required to implement the provisions in the amended proclamations including Directives on Administrative Penalty and Internal Auditors Administration. A team in MoFEC has also drafted a comprehensive PFM strategy which is being refined based on input from the technical assistance provided by IMF East AFRITAC. Regarding the Woreda PFM Bench Marking Rating, MoFEC and regions were commended for the progress made in evaluating and ranking 963 woredas on their PFM system and performance.

The mission highlighted some areas for improvement. The discussion on the PFM reform was not comprehensive. It lacks update from OFAG on the performance of external audit and the reform activities. Though a representative of the Auditors and Accountants Board of Ethiopia provided reflection on the progress of few activities in AABE, it was not complete and nor supported with written report. But most importantly, the presentation from EMCP was largely focusing on providing progresses on key reform areas and didn't provide sufficient information on the challenges faced in implementing the reforms and the planned actions.

The mission stressed the importance of close collaboration and consultation with DPs which should go beyond sharing information. The PFM retreat, which was cancelled after lots of efforts were exerted on its preparation, was cited as an example of weak collaboration observed in recent times. Hence, MoFEC was advised to proactively involve and consult DPs in the reform process both during the planning and implementation of major reform activities.

The key priority areas agreed at the JRIS include; a) strengthen the dialogue and consultation with DPs and hold PFM SWG meeting regularly with participation of higher officials b) Undertake the PFM retreat and reflect on the reform progress and strategize future actions C) Consult with DPs on the PFM strategy before it is finalized.

**Procurement reform update and PBS Procurement activity status** - Public Procurement and Property Administration Agency (PPA) provided update on the progress on the key procurement reform activities. The mission observed some progress towards establishing the governance structure for the e-GP. The Steering and the Technical Committees have been established and the e-GP unit head was assigned. However, the mission noted that the e-GP implementation has been sluggish. Given the limited remaining time before the closing of the PFM project that finances the e-GP, both PPA and MOFEC were highly encouraged to speed up implementation and undertake the planned activities without further delays. To draw lessons from other countries, the World Bank offered to facilitate experience sharing visits in some countries in Africa and other regions if necessary.

The mission has also observed progress on the Procurement and Property Administration Accreditation Training Program. After undertaking the pilot training (as reported in the previous JRIS), PPA has revised the training modules and provided Training of Trainers using in house capacity. However, the planned 2<sup>nd</sup> round training could not be undertaken due to unavailability of space at the Ethiopian Civil Service University (ESCU). Given that ESCU's venue has been primarily occupied by other priority activities as it was repeatedly observed during and after the pilot training, PPA was advised to look into other optional venues.

PPA and regions were also commended for the good progress observed in applying procurement performance measurement tools (KPIs) in the selected four regions (Oromia, Amhara, Tigray and SNNPR). The regions have collected procurement performance data for 2 years using the template. However, similar progress was not observed in the selected federal procuring entities. In addition to enhancing the performance of the lagging agencies, PPA was advised to scale up support and embark on reporting procurement performance using the KPIs and automating the system for real time data collection, analysis and reporting.

The mission observed significant capacity limitation at the regulatory bodies both at federal and regional level including inability to attract and retain qualified staff. This has impeded PPA's and Regional Regulatory Bodies' ability to deliver the ever increasing responsibility of regulating procurement performance and undertaking various reforms within agreed timeframe. Hence, PPA was urged to work with the relevant authority and address the real challenges both in terms of structure, staffing and remunerations.

The mission assessed status of procurement activities under PBS III. According to the documentary review conducted on PBS III procurement implementation, most of the planned procurement activities were completed. But there are some activities, which are lingering in the procurement process. This is particularly so for procurement of IT equipment for ERA MIS, which has reached evaluation stage, but recommended for retendering due to lack of competition, high price offer and incorrect packaging. CoPCD was advised to consult the relevant technical experts during the preparation and tendering process. CoPCD was also requested to allocate resource and undertake the 2<sup>nd</sup> round Independent Procurement Audit, which is an agreed dated covenant in PBS III Financing Agreement.

The key priority areas agreed at the JRIS include; a) Speedup the implementation of e-GP and the other reform activities b) Assess and enhance PPA's and regional procurement regulatory bodies capacity

**Project Financial Management** - MoFEC provided update on status of Financial Management including transfer and utilization in PBS III and PFM projects. The total budget for Program B and PFM projects in the current budget year (2009EFY) amount to Birr 405.5 million and 144.44 million respectively. In the PFM project, an aggregate amount of Birr 82.2 million was transferred to regions and federal implementing agencies of which 65% (Birr 53 million) was utilized, as of April 2017. But the amount utilized during the reporting period was only 37% of the annual budget. The performance in the regions (36%) is weak as compared to the federal implementing agencies which is 88%.

Similarly, in the PBS III project (Component B), from the annual budget of Birr 405.5 million, about Birr 216.6 million was transferred to regions and federal level implementing entities out of which 75% (Birr 162.7 million) is utilized. Regions were able to utilize only 67% of the transferred amount as compared to 83% utilization at the federal implementing agencies. However, the utilization as compared to the annual budget is low at 53%. While the rate of utilization in aggregate terms was still low, performance among regions and sectors varies significantly. In the PFM project, the utilization in Addis Ababa and Amhara was almost nil (0.5% and 5% respectively) as compared to Somalia and Tigray which have utilized 50% and 48% of the transferred amount respectively. At federal level, the utilization in OFAG is the least (only 1%) compared to 70% utilization in FPPA. The mission noted that, though budget utilization should normally pick up during the 3<sup>rd</sup> and 4<sup>th</sup> quarters of the budget year, the performance shown so far has been found to be low. Some regions indicated that the fund transferred has not been sufficient to undertake the planned activities (like the institutionalized training) and they were forced to suspend activities until another tranche is released.

On the other hand, MoFEC and Regions were commended for timely submission of financial reports. All the financial reports for the 1<sup>st</sup> and 2<sup>nd</sup> quarters for the ESPES- Subprogram A, Sub program B and PFM project were submitted before the due date. Similarly, 1<sup>st</sup> and 2<sup>nd</sup> quarters continuous audit reports (ESPES Sub Program A) were submitted, though after slight slippage from the due date. However, MoFEC reported challenges which include delay in procurement process of some activities, delay in providing audit feedbacks, delay in taking action in audit findings long outstanding advances and payables, delay in fund transfers, lack of providing narration for budget utilizations in quarterly reports and of course the above low budget utilization. The meeting noted that the audit findings were recurring and in some cases are minor that can be addressed with minimal effort but through enhanced accountability. In this respect, regions were encouraged to adapt the new provisions of the federal finance administration proclamation which strengthen accountability and compliance to the finance rules.

The key priority areas agreed at the JRIS were; (a) Support lagging regions and sectors to increase budget utilization with special attention in addressing procurement related issues, timely settlement of advances and strengthening close follow up through the FM monthly meetings; (b) Continue follow up on audit findings and strengthen accountability measures to address recurrent audit findings; (c) preparation the next FY budget and secure approval of the DPs;

### **3.6 Safeguards and risk management**

The JRIS mission provided an opportunity to share the findings and recommendations of the regional reviews of environmental and social management in the service delivery sectors in the four emerging regions (Afar, Benishangul-Gumuz, Gambella and Somali) which were conducted in March and April 2017. The regional reviews informed the preparation of the Incremental Environmental and Social System Assessment (ESSA) of the Enhancing Shared Prosperity through Equitable Services (ESPES) PforR

Additional Financing. The reviews focused on (a) institutional arrangement and coordination (b) human resources, and (c) public participation/consultation with regard to environmental and social management in the service delivery sectors at local level.

The key findings are: (i) institutional arrangements for environmental and social management varies across the emerging regions; in two of the regions, it is organized at bureau level, (ii) there is hardly any coordination, on environmental and social issues, between the oversight bodies and the service delivery sectors, especially at woreda level, (iii) there are no safeguards experts in the woredas visited except for externally-supported projects, (iv) there is a general lack of awareness on environmental and social management, particularly at woreda level, and (v) there is inadequate community consultation in the design and implementation of service delivery projects.

The recommendations from the regional reviews include:

- a) *Institutional arrangement and responsibilities for environmental and social management:* mainstreaming environmental and social issues and the implementation of agreed safeguards actions require active participation by all stakeholders, particularly woreda and regional environmental and social oversight institutions such as environmental protection agencies. Furthermore, the operationalization of the ESMS OM requires strong institutional setup with clearly defined responsibilities.
- b) *Coordination between environmental and social oversight bodies and service delivery sectors:* strengthening coordination between the oversight bodies and service delivery sectors will help to mainstream environmental and social issues in service delivery, and manage potential risks. Vertical and horizontal linkages between the oversight bodies and service delivery sectors, particularly at regional and woreda levels needs to be strengthened.
- c) *Ownership of safeguards and risk management:* the participation of the Ministry of Environment, Forest and Climate Change (MoEFCC) in the development of the Environmental and Social Management System (ESMS) Operational manual (OM) and the training of woreda and regional staff is commendable. This engagement by MoEFCC and the involvement of regional and woreda oversight bodies should be strengthened to ensure ownership and sustainability.
- d) *Awareness creation:* It is important to create awareness on environmental and social management among decision makers at local level to promote inclusive and sustainable development.

Going forward, the focus areas include: (a) streamline the institutional arrangement for environmental and social management especially at woreda level, (b) strengthen coordination between environmental and social oversight bodies and service delivery sectors at regional and woreda levels, (c) assign safeguards focal persons in BoFEDS, and (d) further strengthen the involvement of MoEFCC and regional environmental protection agencies in the safeguards and risk management work of service delivery sectors to ensure ownership and sustainability.

## **Annex 1: Report of the Pre-JRIS field visits to Oromia and Benishangul-Gumuz**

### **1. Background**

The Government of Ethiopia and BSDG DPs conducted joint pre-JRIS field missions to Oromia (April 24 – 27, 2017) and Benishangul-Gumuz (May 15 – 20, 2017) focusing on financing issues in the health sector and sustainability to inform the main JRIS mission to be conducted in Addis from May 30 – June 1, 2017. From the government side, representatives from MoFEC and MoH participated in the missions while participants from DPs side included AfDB, EU, Dfid and Italian Agency for Development Cooperation. The Service Delivery Secretariat (SDS) facilitated the missions.



The mission included discussions with the region and two selected woredas (Ilu and Sebeta Hawas in Oromia and Dangur and Bullen in Benishangul-Gumuz) on domestic revenue mobilization, resource allocation mechanisms & resource allocation to basic service sectors and health sector financing & performance. The mission also involved visits and discussions at selected health facilities in each woreda (Asgori Health Center in Ilu woreda; Awash Melka Kuntire Health Center in Sebeta Hawas woreda; Manbuk Health Center in Dangur woreda; Mata Health Post in Bullen woreda).

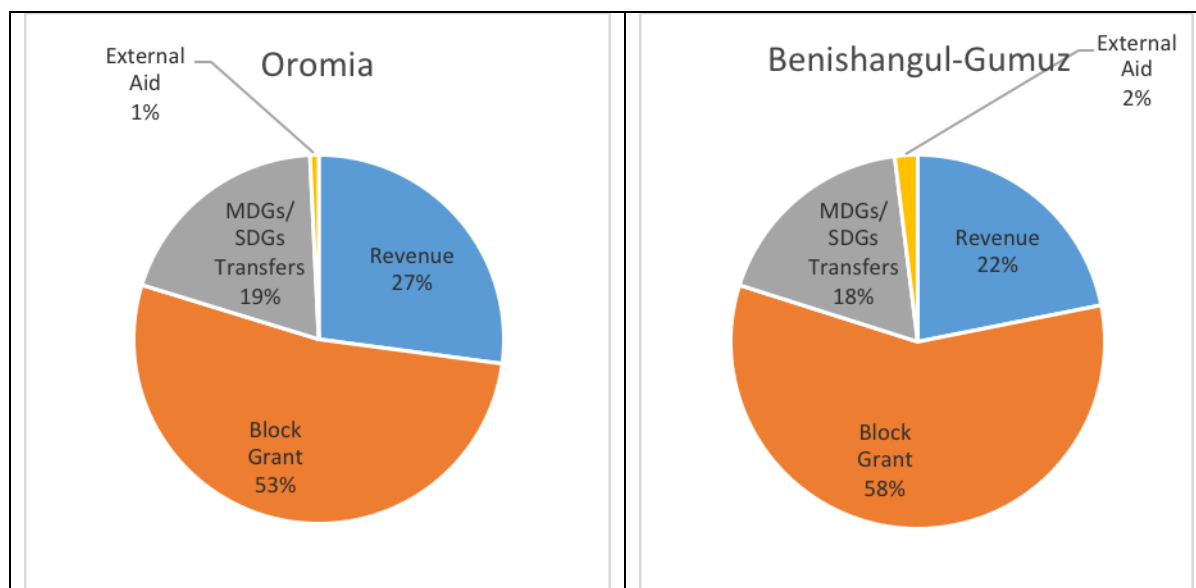
This report tries to present the major findings from the field missions. The findings are presented under five major themes: Resource Allocation Mechanism to Woredas; Woreda Mandates in Health Service Delivery; Level of Health Facilities Against Standards; Sources of Finance for the Health Sector; Health Sector Performance and Links to Financing.

## **2. Key Findings**

### **2.1. Resource Envelope and Allocation Mechanism to Woredas**

- Resource envelope in both regions has increased over the past few years. Obviously, a large portion of the regional resource envelope in both regions comes from the Federal government in the form of Federal block grants as well as MDG/SDG transfers.
- Revenue collection has improved in both regions with an increasingly larger share from the total regional resource envelope, albeit it still remains low in both regions (please see Fig. 1).
- Both regions are currently using the unit cost approach for block grant allocation to woredas, adopting it from the formula being used at the Federal level.
- This approach is largely focused on fulfilling the recurrent expenditure needs of woredas for education, health, agriculture, and other services woredas are mandated to provide in addition to covering their administrative costs.
- As a result, this approach tends to favour woredas that already have the service delivery facilities. This implies that there has to be other mechanisms that the region uses to fulfil the facility needs of woredas as the unit cost approach is not suited for this purpose. As much of the capital budget in both regions is at regional level, this seems to be the main mechanism that is being used to fulfil the facility needs of the woredas.
- The MDG/SDG capital transfers from the federal government to regions has been supporting regions to fulfil the facility needs for service delivery. However, as the allocation of the MDG/SDG transfers is done using the FBG allocation formula (i.e. which is the unit cost approach), regions with relatively better service delivery facilities are likely to benefit more than those with facility gaps.

**Fig. 1:- Composition of Regional Resource Envelope (2012 – 2016)**

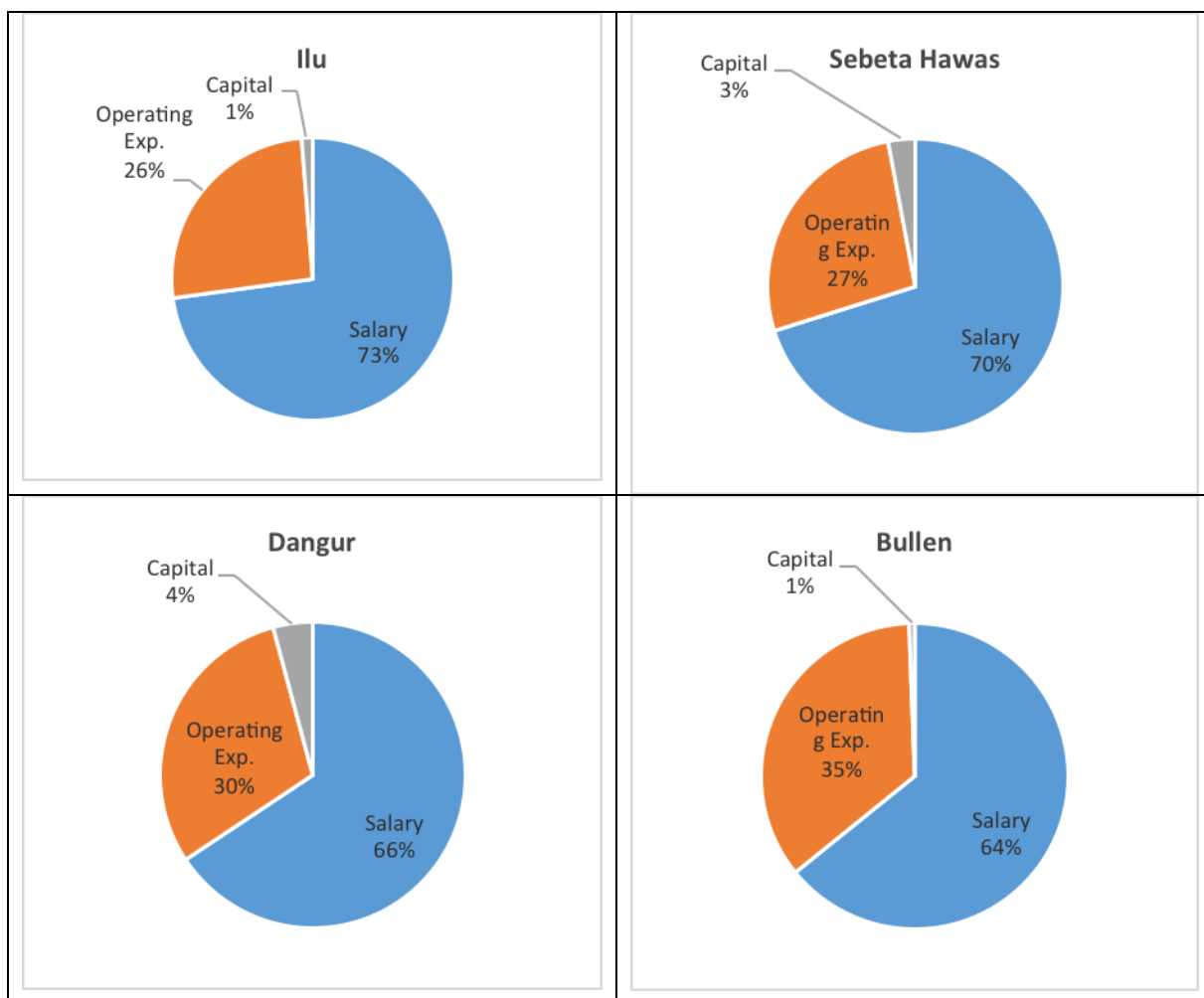


- Revenue collection by woredas are part of the block grant allocation in both regions. In both regions, the regional governments set annual plans/targets on the amount of revenue to be collected by each woreda. In case a woreda ends up collecting less than what was planned, it faces a budget shortfall and usually the woreda requests help from the regional government in both regions. In case of actual revenue collection by a woreda exceeding the plan, however, the regions have different practices. In Oromia, the regional government has full discretion on the utilization of the excess revenue collection and usually it gives back around 40% of the excess collection to the concerned woreda. In Benishangul-Gumuz, however, the woreda is allowed to utilize the entire amount of the excess revenue collection although the region requires it to use at least 80% of it for capital projects and the remaining 20% to cover for operating costs.

## 2.2. Woreda Mandates in Health Service Delivery

- Woredas in both regions have the mandates to provide services that are provided at health post and health center levels. While primary hospitals also typically fall under the responsibility of woredas, the woredas visited by the mission in both regions do not yet have a functioning primary hospital.
- While woredas are responsible to providing the services at health post, health center and recently primary hospital levels, they do not have the mandate to construct the facilities except for health posts. Construction of health centers and primary hospitals is the mandate of the regional government in both regions. Although woredas have the mandate to construct health posts, they rarely have enough capital budget for such activities. As a result, health posts are usually constructed through community contributions.
- As much of the works in terms of construction of facilities is the responsibility of the regional governments, the woreda health budgets are almost entirely consumed by recurrent costs, a large portion of it by salaries (please see Fig. 2).

**Fig. 2: - Functional Classification of Health Sector Budget in the woredas Visited by the Mission (2013 – 2016)**



- The disconnect between the regions' mandate to build the facilities and the woredas' mandate to manage the facilities once they are completed seems to have create some problems in terms of the quality of the facilities built and their timely completion, as the mission learnt from the visited woredas in Oromia.
- While the woreda mandates in terms of health service delivery seem to be similar in the two regions, the proportion of resources going down to the woreda level differs quite significantly – 60% of regional resources go to woredas in Oromia while the proportion is around 45% in Benishangul-Gumuz. Regional officials reiterated that the low proportion in Benishangul-Gumuz is due to the relatively low capacity of woredas in the region, especially in implementing capital projects as a result of which almost all capital budget in the region is at the regional level. In Oromia, on the other hand, the mission learnt that the regional government gives woredas an indicative guideline to allocate at least 10% of their total budget to capital expenditures, which might be one factor for the higher proportion. Benishanglu-Gumuz region has also introduced a similar practice of giving directions to woredas to allocate a certain portion of their budget to capital expenditures.

### 2.3. Level of Health Service Facilities against Standards

- The number of health facilities (health posts, health centers and primary hospitals) has expanded in both regions over the past few years. Concurrently, the number of health professionals has also increased.
- Both regions adopted standards set at the Federal level.
- The mission observed that all the four woredas visited require additional health facilities (health centers) to meet the government standards in terms of number of peoples served in one facility.
- In addition to the need for additional facilities, the mission also observed that the facilities are also in need of additional health professionals and support staff to meet the government standards.
- The mission learnt that because of the sparse population settlement pattern in most parts of Benishangul-Gumuz, it might be a challenge to strictly apply the government standard in terms of the number of people to be served in a given health facility and the number of health facilities needed per population might be higher than indicated in the standard.
- The mission observed that in both regions availability of water supply and electric power are significant constraints for the health facilities.
- In Benishangul-Gumuz, some of the existing health posts are constructed through community contribution and are not up to the required standard. Thus, there is a need to construct health posts as per the standard to replace them.

## 2.4. Sources of Finance for the Health Sector

- Besides the budget allocated by the regional governments, the health sector gets resources and support from different sources including bilateral and multilateral donors, NGOs, user fees, community contributions, etc. Almost all the interventions of the health programs (maternal and child health programs (family planning, vaccination etc...), TB/HIV program, malaria program, etc.) seem to be dependent on external financing and strategy for increasing and maintaining budget for the health sector is not clear.
  - Looking at the government's allocation, the bulk of health sector budget from domestic sources is executed at regional level compared to the Federal level. At the regional level, on the other hand, woredas execute much of the recurrent budget in the health sector while a very large chunk of the capital budget is implemented at the regional bureau level (please see Table 1 & 2 below).
- Regional Governments' Allocations
- Both at regional and woreda levels, the health sector is among the key priority sectors in terms of resource allocation. The share of the health sector is generally higher at the woreda level compared to the regional level. Of the two visited regions, allocation to the health sector tends to be higher in Benishangul-Gumuz (see Fig. 3).

**Table 1:- Health Expenditures at Federal vs Regional Levels\***

<i>million birr</i>	2012	2013	2014	2015	2016	
Recurrent						
Federal	209.6	233.8	322.3	542.1	918.4	
Regional	3,689.2	5,025.2	6,231.6	9,686.3	11,928.4	
Capital						
Federal	185.0	110.4	212.1	497.0	974.1	
Regional	1,533.8	2,986.1	2,908.1	2,824.0	2,963.8	
Total						
Federal	394.6	344.2	534.4	1,039.1	1,892.5	
Regional	5,223.0	8,011.3	9,139.7	12,510.3	14,892.2	
% share						Average

Recurrent						
Federal	5.4%	4.4%	4.9%	5.3%	7.1%	5.4%
Regional	94.6%	95.6%	95.1%	94.7%	92.9%	94.6%
Capital						
Federal	10.8%	3.6%	6.8%	15.0%	24.7%	12.2%
Regional	89.2%	96.4%	93.2%	85.0%	75.3%	87.8%
Total						
Federal	7.0%	4.1%	5.5%	7.7%	11.3%	7.1%
Regional	93.0%	95.9%	94.5%	92.3%	88.7%	92.9%

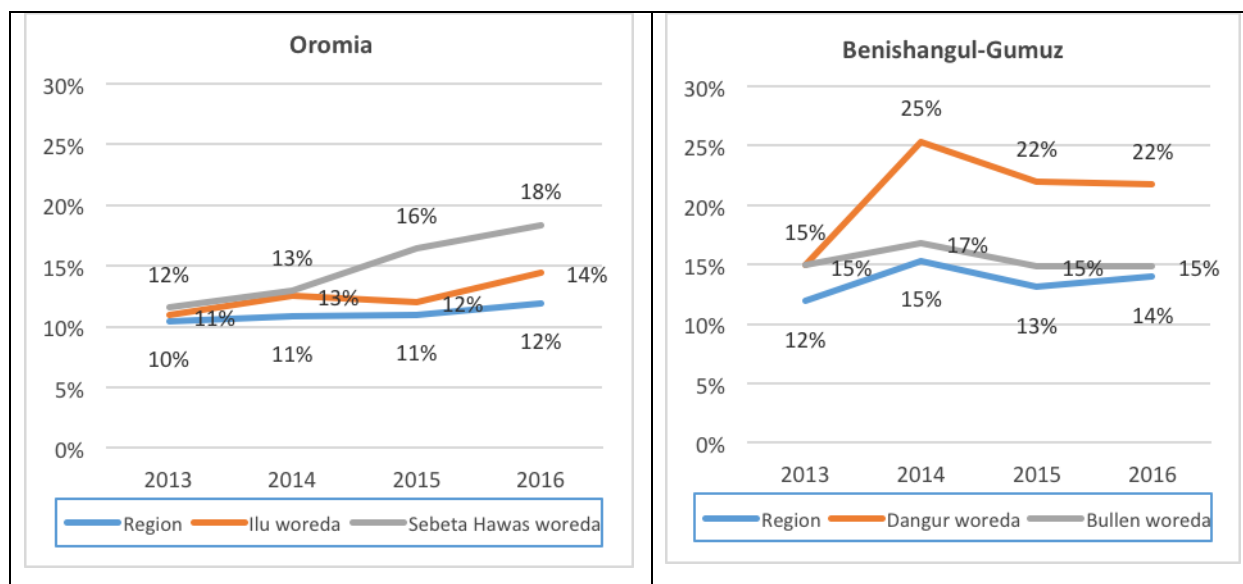
*\*Excludes expenditures from external loans and assistance*

**Table 2:- Regional Health Expenditures at Bureau vs Woreda Levels\***

<i>million birr</i>	2012	2013	2014	2015	2016	
Recurrent						
Bureau	1,071.6	1,503.0	1,826.3	2,882.7	3,702.7	
Woreda	2,617.6	3,522.2	4,405.3	6,803.5	8,225.7	
Capital						
Bureau	1,290.3	2,674.8	2,478.5	2,416.2	2,447.7	
Woreda	243.5	311.3	429.5	407.9	516.1	
Total						
Bureau	2,361.9	4,177.8	4,304.8	5,298.9	6,150.4	
Woreda	2,861.1	3,833.5	4,834.9	7,211.4	8,741.8	
<i>% share</i>						<b>Average</b>
Recurrent						
Bureau	29.0%	29.9%	29.3%	29.8%	31.0%	29.8%
Woreda	71.0%	70.1%	70.7%	70.2%	69.0%	70.2%
Capital						
Bureau	84.1%	89.6%	85.2%	85.6%	82.6%	85.4%
Woreda	15.9%	10.4%	14.8%	14.4%	17.4%	14.6%
Total						
Bureau	45.2%	52.1%	47.1%	42.4%	41.3%	45.6%
Woreda	54.8%	47.9%	52.9%	57.6%	58.7%	54.4%

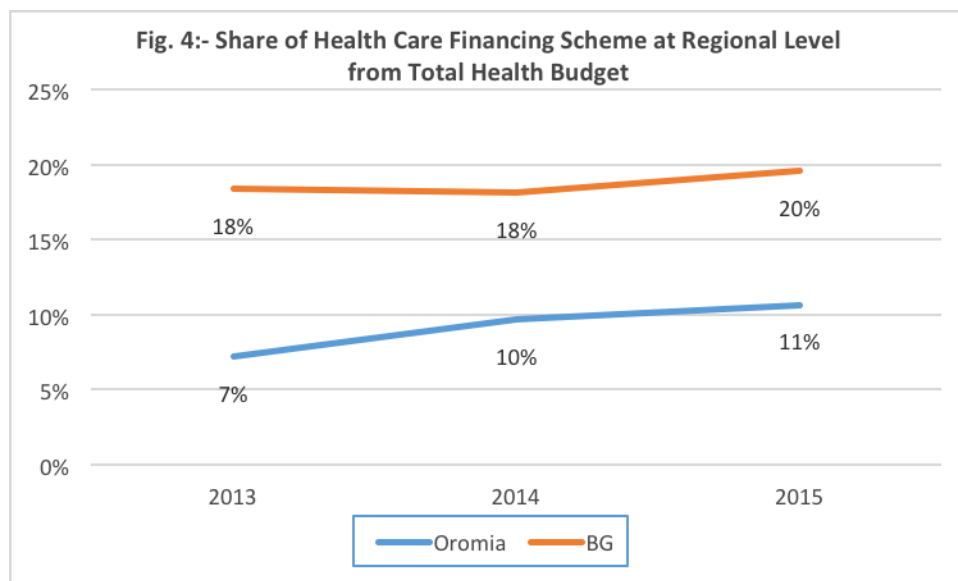
*\*Excludes expenditures from external loans and assistance*

**Fig. 3:- Share of Health Sector from Total Budget (2013 – 2016)**



#### Health care financing scheme

- Health care financing scheme is also becoming an important source of finance for health centers. Health centers have been allowed to utilize the revenue they get from sale of drugs and service fees to cover some of their running costs and for other purposes as well. The health centers visited by the mission expressed strong approval for this scheme saying that it has allowed them to cover some essential expenses. Health care financing seems to account for a larger share of the health budget in Benishangul-Gumuz than in Oromia (see Fig. 4)



#### Bilateral and multilateral donors and NGOs

- The health sector benefits from support from various bilateral and multi-lateral donors as well as local and international non-governmental organizations. While the mission observed that there have been support to the health sector in both regions from such sources in different forms, it was not able to get consolidated information on all the support provided which makes it very difficult to understand the contribution these various forms of support is making towards the overall resource envelope for the health sector.
- Support from such sources to the health sector include paying salaries, financing health education campaigns, procurement of medicine, medical kits and equipment, provision of trainings, etc.

#### Community Based Health Insurance Scheme (CBHI)

- Both woredas visited by the mission in Oromia region are CBHI-implementing woredas. The mission learnt from discussion with the woredas that the implementation of the CBHI has been smooth so far with no significant problem in reimbursement and reenrollment of beneficiaries.
- However, the woredas also expressed concern that the CBHI is creating a demand from the community to utilize the health facilities which going forward might create some burden on the health facilities.
- Benishangul-Gumuz is only in the preparation stage to implement the CBHI. The region has initially selected 3 woredas to start the implementation.

#### Community contributions

- The mission learnt that community contributions are important sources of support for the health sector in both regions. The forms of support through community contributions include construction of facilities, procurement of ambulances, building of blocks/rooms in existing facilities (for example building maternal waiting homes in health centers), providing grain and cash contributions for waiting mothers at health centers etc.
- While some information is available on the level of support provided through community contributions, the mission was not able to get consolidated information on this source of support as well.

### **2.5. Health Sector Performance and Links to Financing**

- In line with the increased resource allocation to the health sector, the mission heard reports of increased health service coverage both at the woredas visited and at regional level in both regions. The reported coverage of family planning, skilled birth attendance and ante natal care was on the low side in Benishangul-Gumuz.
- From the block grant to Woredas, around ETB 180,000.00 are explicitly allocated for procurement of medications for the health centers.
- Shortage of essential drugs has been reported in the facilities visited. The underlying causes need to be examined. In both regions, the quality of data on health sector performance (especially at the woreda level) seems to be weak.

### **3. Main Messages/Issues/Questions**

- How to address the apparent bias the unit-cost approach has towards entities (woredas and regions) with relatively more facilities?
- How to improve revenue planning for woredas and how to manage the utilization of revenue collection beyond plan so that woredas are incentivized to collect more, on the one hand, and not to accentuate inequalities among woredas, on the other?
- Is providing woredas an indicative threshold for capital budget beneficial? An assessment on the pros and cons of this approach might shade some light on this question.

- How to improve woredas' capacities so that more expenditure powers are devolved to them? An assessment of the current expenditure assignments might help better understand the pros and cons of the current arrangement.
- How are regions adapting the sectoral standards set at the Federal level towards their own contexts?
- Given the acute resource constraints at the woreda level, what are the options for meeting the service delivery standards in the health sector?
- Is the fact that the health sector receives support from several sources affecting the regional governments' allocation towards the sector?
- Is the health care financing scheme creating any inequalities between health centers with better revenue collecting potential and those with relatively low potential?
- The need for a better recording of all sources of support to the health sector and for developing a system to track all sources and forms of support to the health sector. In this regard, better utilization of the one health plan for planning purposes is a good starting point.
- How to systematically measure community contributions so that their role in the health sector is clearly understood?



## Annex 2: ESPES Updated Results Framework

Program Development Objective: <i>to improve equitable access to basic services and strengthen accountability systems at the</i>												
PDO-Level Results Indicators	Core	DLI/ DLR	Unit of Measure	Baseline	Achievement Dec. 2016	Achievement as of May 2017 or latest available	Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection
							2016	2017	2018			
Per capita increase in budgeted Federal Government block grant transfers to Regions, excluding Addis Ababa		X	ETB	588	962	962	699	761	-	Annual	MoFEC	MoFEC
Improved geographic equity in NER outcomes		X	%	NER bottom 10% of <i>woredas</i> : 0.21	0.31	31	0.24	0.26	-	Annual	From the previous year's approved EMIS data.	World Bank
Improved geographic equity in Penta 3 outcomes		X	%	Penta3 coverage bottom 10% of <i>woredas</i> : 44%	43	tbc	50	51.7	53.4	Annual	From the previous year's approved HMIS data.	World Bank

Increased women household heads receiving agricultural			Number in	4.2	NA	4.844	5.1	-	5.4	Annual	Agricultural sample survey	CSA
Increased <i>woredas</i> screening projects for their environmental and social effects.			#	0 <sup>4</sup>	not available	NA	50	100	200	Annual	Regional Environmental and Land Administration Bureau	World Bank
Increased <i>woredas</i> conducting pre- budget discussions		X	Yes/no	%	37.2	37.2	15	-	-	Once	Administrative data	MoFEC/World Bank
PFM Benchmarking Rating system established in all regions		X	#	0	9 <sup>5</sup>	11	4 <sup>6</sup>	11	11	Annual	OFAG	OFAG
<b>Intermediate Results Area 1: Ensuring equitable access to basic services</b>												
Increases in total number of students enrolled (net) in grades 5- 8, in all Regions, excluding Addis Ababa		X	#	51,721 (YoY increase 2012/13)	142,000	494,661	50,000	50,000	50,000	Annual	MoE Education Statistics Annual Abstract	CSA
Increased proportion of qualified female agricultural development agents (diploma level)		X	%	15	19.9	20	16	17	18	Annual	From MoA annual report	CSA
Increased number of health extension workers who have graduated with a		X	#	2,123	11,735	10,724	5,798	8,248	-	Annual	MoH Health and Health Related Annual Indicators	MoFEC/MoH

<sup>4</sup> Though there are Environmental Protection and Land Administration offices in many *woredas* with some environmental and social screening practices, this indicator will measure the changes made after the development of the ESMS operational manual, training of staff and the screening of projects based on the manual.

<sup>5</sup> PFM benchmarking has begun but it has not been verified in all regions. Report not yet published.

<sup>6</sup> Two regions from Gambella, Somali, Dire Dawa, Benishangul-Gumuz, Harari, Afar and Addis Ababa, and two from Tigray, Oromia, Amhara, and SNNPR.

Improved wealth equity in education and health service delivery outcomes, based on NAR and Penta 3 Vaccine indicators for the Bottom Wealth Quintile group.		X	%	NAR bottom quintile: 62.1%	not available <sup>7</sup>	NA	-	70	-	Once	DHS	MoH/EPHI / MoE/ MoFEC
				Penta3 bottom quintile: 37%	37.6	37.6	-	39.5	-			
Pregnant women receiving at least one antenatal care visit	X		%	41.2	62	62		50		Once	DHS	MoH/EPHI / MoE/ MoFEC
<b>Intermediate Results Area 2: Enhancing Citizen Engagement, Environmental and Social Management Capacity</b>												
Assignment of ethics officers at <i>woreda</i> level		X	%	15	76	76	75	75	75	Annual	Administrative record of REACC	FEACC/ MoFEC
<i>Woredas</i> in 6 regions have assigned staff/officers in GRM		X	%	no information	not available	6 regions and 2 city administrations	70	90	-	Once	EIO Administrative data	Donor Coordination Team
25% share of women participating in pre-budget discussion at <i>woreda</i> level		X	%	no information	46.3	46.3	25	-	-	Once	Administrative data	MoFEC/World Bank
Expansion of Social Accountability activities in existing and into new <i>woredas</i>		X	# <i>woredas</i>	223	223	223	-	223, with expanded number of kebeles	300	Annual	MoFEC and ESAP SC	CSA

<sup>7</sup> Data not yet available from DHS to calculate the NAR by wealth equity.

Improved environmental and social management capacity at local level		X	# <i>woreda</i> based staff in 4 regions <sup>8</sup> trained on	0 <sup>9</sup>	not available	TBC	-	200	-	Annual	MEF Reports	MoFEC/M EF
<b>Intermediate Result Area 3: Deepening Fiduciary Aspects of Service Delivery</b>												
Lowest-performing <i>woredas</i> based on PFM Benchmarking Rating are supported for FM reform		X	Yes/no	No	YES	YES	-	Yes	-	Once	OFAG/ ORAG	World Bank
Oversight function of Regional procurement regulatory bodies has been improved		X	Specific region and sectors	0	Oromia, Amhara, SNNP, Tigray have commenced data collection	Oromia, Amhara, SNNP, Tigray have reported using kPI in agriculture, education and health sectors	Oromia, Amhara, SNNP, Tigray have commenced data collection	Oromia, Amhara, SNNP, Tigray reported in agriculture, education and health	Oromia, Amhara, SNNP, Tigray, and 10% of their <i>woredas</i> reported in agriculture, education and health	Annual	FPPAA	FPPP AA submit documents to MoFEC verify data
Strengthened capacity of <i>woredas</i> to effectively respond to fraud and corruption complaints		X	%	no information	76	76	-	75	-	Annual	Government reports	MoFEC
<b>Intermediate Results Area 4: Results and Data Quality Assurance</b>												

<sup>8</sup> Two regions from Gambella, Somali, Dire Dawa, Benishangul-Gumuz, Harari, Afar and Addis Ababa, and two from Tigray, Oromia, Amhara, and SNNPR.

<sup>9</sup> Although in many *woredas* there are Environmental Protection and Land Administration offices with some environmental and social screening practices, this indicator will measure the changes made after the development of the ESMS operational manual, training of staff, and screening of projects based on the manual.

HIES survey published		X	Yes/no	No	Yes	Yes	-		Yes	Once	CSA reports	MoFEC/W orld Bank
DHS survey published		X	Yes/no	No	No	No	Yes		-	Once	CSA reports	MoFEC/W orld Bank
Completion of Agricultural Census with revised methodology			Yes/no	No	No	NO	-	-	Yes	Once	CSA reports	MoFEC/W orld Bank
Implementation of DQA recommend for different sectors		X	#	0	2	1	2	3	-	Annual	CSA reports	MoFEC/W orld Bank

### Annex 3: PBS III Updated Results Framework

Indicators		Core	UoM	Baseline (FY11)	Achievement Dec. 2016	Achievement May 2017 or latest available	Target values			Frequency	Data Source/Method	Responsibility for data collection
							FY15	FY16	FY17			
HIGHER LEVEL OBJECTIVE: Expanding and improving quality of basic services												
EDUCATION												
1	Net Primary enrolment rate (5-8)		%	47.3	56.65	56.65	80.0	80.0	80.0	Annual	EMIS	MoE
2	Gender parity index (5-8)		Ratio	0.99	0.94	0.94	1.00	1.00	1.00	Annual	EMIS	MoE
HEALTH												
3a	Immunization: Proportion of children vaccinated Penta-3		%	84.7	97.6 <sup>3,1</sup>	97.6 <sup>3,1</sup>	96.0	97.0	98.0	Annual	HMIS	MoH
3b.	Immunization: Proportion of children vaccinated Penta-3 <sup>10</sup>		%	57	na <sup>11</sup>	53.2	-	65	TBD	Bi Annual FY14 and 16	Mini DHS/DHS	CSA
4	Pregnant women received antenatal care during first visit to health provider	X	No.	2,403,088	3,532,551 <sup>3</sup>	3,532,551 <sup>3</sup>	2,514,180	2,550,000	2,600,000	Annual	HMIS	MoH
WATER & SANITATION												
Increased access to potable water supply coverage:												
5a	Rural water coverage within 1.5km radius		%	48.9	63.1	63.1	92.0	93.0	95.0	Annual	Admin Data: GTP	MoWE

<sup>10</sup> Children vaccinated at any time before survey

<sup>11</sup> Final DHS 2016 report not yet published

Indicators		Core	Uo M	Baseline (FY11)	Achievement Dec. 2016	Achievement May 2017 or latest available	Target values			Frequency	Data Source/Method	Responsibility for data collection
							FY15	FY16	FY17			
											Target	
5b	Rural water coverage within 1.5km radius (new standard)		%	na	63.1	63.1	71.0	75.0	81.0	Annual	MOW E MIS	MoWE
6a	Proportion of households using a latrine		%	20.0	na	na	62.0	-	58	Annual	DHS/ Mini-DHS	CSA
6b	Proportion of households using a latrine		%	62.0	44	44	70.0	72.0	74.0	Annual	Admin Data	MoH
<b>AGRICULTURE</b>												
7	Increased agricultural activity: major food crops productivity		Quintal/ha	16.5	21.38	21.38	22	22	22	Annual	Ag Sample Survey/ Admin system	MoA/CSA
<b>ROADS</b>												
8	Average time to nearest all-weather road		Hours	3.5	1.71	1.71	1.5	1.4	1.3	Annual	Reports from RSDP	ERA
<b>PROJECT DEVELOPMENT OBJECTIVE:</b> To contribute to the higher level objective of expanding access and improving the quality of basic services by funding block grants that ensure adequate staffing and operations, and by strengthening the capacity, transparency, accountability and financial management of sub-national governments.												
<b>EDUCATION</b>												

Indicators		Core	UoM	Baseline (FY11)	Achievement Dec. 2016	Achievement May 2017 or latest available	Target values			Frequency	Data Source/Method	Responsibility for data collection
							FY15	FY16	FY17			
1a	Student Teacher ratio (Grades 5-8) (Staffing) <sup>12</sup>		%	51.0	36	36	43.5	42.0	41.0	Annual	EMIS	MoE
1b	Proportion of qualified primary school teachers (Staffing) <sup>13</sup>		%	52.7	93.4	93.4	95.0	96.0	97.0	Annual	EMIS	MoE
<b>HEALTH</b>												
2	Ratio of health extension workers to population (Staffing) <sup>14</sup>		%	1:2646	1:2129	1:2129	1:2500	1:2500	1:2500	Annual	HMIS	MoH
<b>AGRICULTURE</b>												
3	Agriculture extension services beneficiaries (Direct beneficiaries)		No.	9,044,000	15,791,000	15,791,000	14,600,000	14,800,000	14,900,000	Annual	MoA reports	MoA
<b>WATER</b>												
4	Reduced non-functioning water supply schemes (Operations)		%	25.5	11.2	11.2	10	10	10	Annual	Annual	MoWE reports
<b>ROADS</b>												
5	Roads in fair and good condition	X	%	82.0	87	87	86.7	87.0	88.0	Annual	ERA MIS	ERA
<b>SOCIAL ACCOUNTABILITY</b>												

<sup>12</sup> Teachers with at least a certificate level qualification.

<sup>14</sup> Based on total number of HEWs deployed at the beginning of the fiscal year



Indicators		Core	UoM	Baseline (FY11)	Achievement Dec. 2016	Achievement May 2017 or latest available	Target values			Frequency	Data Source/Method	Responsibility for data collection
							FY15	FY16	FY17			
6	Citizens who are informed about Woreda budget		%	19.0	na	42	25.0	25.0	25.0	Annual	Survey report	EMCP
7	Citizens' who report that Woreda officials have actively sought the views of people in their kebele on improving quality of basic services	X	%	48.0	na	54.8	55.0	55.0	55.0	Annual	Survey report	MA
<b>FINANCIAL MANAGEMENT</b>												
8	Number of Woreda's producing IBEX and IFMIS and based financial management reports	X	No.	NA	945	945	900	900	900	Annual	MoFED EMCP	MoFEC
<b>INTERMEDIATE RESULT 1</b>												
<b>Improved availability of qualified staff and operational resources for delivery of basic services</b>												
1	Health extension workers		No.	38,298	42,336	42,336	40,000	40,000	40,000	Annual	Admin data	MoH
2	Qualified primary school teachers		No.	141,696	169,122	169,122	245,000	275,000	300,000	Annual	Admin data	MoE
3	Woreda road desks with appropriate staff		No.	155	600	600	560	600	650	Annual	ERA MIS	ERA
4	Development agents with specialization on Agro-ecological zones and high value crops		No.	2,102	not available	not available <sup>15</sup>	4,600	5,000	5,000	Annual	MoA MIS	MoANR

<sup>15</sup> The definition of this indicator has changed over time and is no longer followed in the surveys.

Indicators		Core	UoM	Baseline (FY11)	Achievement Dec. 2016	Achievement May 2017 or latest available	Target values			Frequency	Data Source/Method	Responsibility for data collection
							FY15	FY16	FY17			
INTERMEDIATE RESULT 2												
Improved transparency and fiduciary assurance regarding the use of public funds												
TRANSPARENCY												
5	Woredas that post refined and simplified budget and expenditure template to the public		No.	70	100	100	100	100	100	Annual	Survey report	EMCP/MoFEC
6	Basic service units that post the standardized service delivery template		No.	25	74	74	50	60	70	Annual	Survey report	EMCP/MoFEC
AUDIT COVERAGE												
7a	Office of Regional Auditor General (ORAG)		%	30	50	50	45	50	60	Annual	Audit report	EMCP/MoFEC/ORAG
7b	Office of Federal Auditor General (OFAG)		%	90	100	100	97	100	100	Annual	Audit report	EMCP/MoFEC/ORAG
7c	Woredas that implemented prior period Audit recommendations		%	5	not available	not available	30	40	60	Annual	Audit report	EMCP/MoFEC/ORAG
PROCUREMENT												
8a	Number of woredas staffed with procurement specialist with regional procurement training and with clear career path		No.	5	288	288	300	400	500	Annual	EMCP report	EMCP

Indicators		Core	UoM	Baseline (FY11)	Achievement Dec. 2016	Achievement May 2017 or latest available	Target values			Frequency	Data Source/Method	Responsibility for data collection
							FY15	FY16	FY17			
8b	Woredas that post all procurement award decisions		No.	5	256	256	600	700	900	Annual	EMCP report	EMCP
<b>INTERMEDIATE RESULT 3</b>												
<b>Improved citizens' engagement on quality of basic services delivery</b>												
9	Woredas where PBS Social Accountability Implementing Partners (SAIP) facilitate the use of Social Accountability tools		No.	50	223	223	223	320	400	Annual	Survey	MA
10	SAIP Woredas that have developed joint action plans for service quality improvement based on interface meetings between service users and providers		No.	na	223	223	264	300	400	Annual	Survey	MA
11	Regions with functioning GRMs consistent with best international practice		No.	2	6	6	5	11	11	Annual	Survey	EMCP/COPCU/Federal Ombudsman
12	Number of regions preparing and adopting standardized manual and guidelines Grievance Redress Mechanisms		No.	3	0	4	6	11	11	Annual	GRM Reports	MOFEC

Indicators		Core	UoM	Baseline (FY11)	Achievement Dec. 2016	Achievement May 2017 or latest available	Target values			Frequency	Data Source/Method	Responsibility for data collection
							FY15	FY16	FY17			
13	Regions submit the PBS the quarterly and annual Interim Financial Reports (IFR) to COPCU without major inconsistencies		No.	4	11	11	7	11	11	Annual	Continuous audit	COPCU
<b>INTERMEDIATE RESULT 4</b>												
<b>Strengthened M&amp;E systems at Federal, Regional and sub-national levels</b>												
15	Number of PBS sectors with their indicators assessed through implementation of EDQAF		No.	2	1	1	2	2	2	Annual	EDQAF reports	CSA
16	Woredas that rolled out the Education EMIS		No.	0	900	900	900	900	900	Annual	EMIS project implementation report	MoE
17	Proportion of health centers implementing the HMIS		No.	72	96	96	100	100	100	Annual	HMIS	MoH
18	Woredas that rolled out the WASH MIS		No.	50	450	450	900	900	900	Annual	WASH MIS	MoWE
19	Number of regions implementing MoANR MIS		No.	0	4	4	5	11	11	Annual	MoA MIS	MoA
20	Number of regions implementing ERA MIS		No.	0	na	na	11	11	11	Annual	ERA MIS	ERA
<b>INTERMEDIATE RESULT 5</b>												
<b>Improved environmental and social management capacity</b>												

Indicators		Core	UoM	Baseline (FY11)	Achievement Dec. 2016	Achievement May 2017 or latest available	Target values			Frequency	Data Source/Method	Responsibility for data collection
							FY15	FY16	FY17			
21	Environmental and Social Management System (ESMS) Operational Manual developed		Yes/No	No	Yes	Yes	No	Yes	Yes	Annual	Admin Data	MOFEC
22	Number of Woreda-based staff trained in environmental and social management based on ESMS manual		No.	0	0	tbc	0	100	100	Annual	Admin Data	MOFEC
23	Number of regions with customized Environmental and Social Management System Operational Manual		No.	0	0	0	0	2	4	Annual	Admin Data	MOFEC

#### Annex 4: BSTP Updated Results Framework

	RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
			Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
IMPACT	Reduced poverty and improved standard of living of Ethiopian	1	Population below poverty line (%)	NPC annual Report	26.0% (2012/13)	23.4%	Progress will be reported in the coming reporting period	22.2%	
OUTPUT	Expanded and	2	% skilled attended	MoH report	65%	77	72.7	80%	

	RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016		Target (2017/18)	Remarks
			Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016				
enhanced quality of basic services at the local (Woreda) level			births							
		3	Proportion of qualified primary school teachers (disaggregated by sex & region)	MoE report	70.2% (58%-F)	National	93.40	84% (79%-F)		
						Tigri	97.40			
						Afar	89.00			
						Amha	97.43			
						Oromia	95.15			
						E Somale	41.00			
						Ben-Gu	97.06			
						SNNPR	93.66			
						Gambella	95.60			
						Harari	94.60			
						A.Abab	97.80			
						D.Dawa	96.65			
		4	Rural Primary completion rate (grade 8) (sex and region disaggregated)	MoE report	47%	National	F(53.3)	T(54.3)	61%	
						Tigrai	86	84		
						Afar	13	16		
						Amhara	66	62		
						Oromia	40	43		
						E Somale	19	22		
						Ben-Gumuz	47	57		
						SNNPR	56	61		
						Gambella	116	126		
						Harari	47	53		
						A.A	157	140		
						D.Dawa	36	38		
		5	Rural water supply coverage within 1.km radius	MoWIE report	59%	64	63.1		85%	
	Strengthened accountability and transparency in service delivery	6	PEFA: PI-10: Public access to key fiscal information	PEFA report	Amhara – B Oromia – C SNNPR – C Tigray – B		The progress will be reported after PEFA study is conducted		A B+ B+ A	

	RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
			Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
					Somali - C			B+	
		7	PEFA PI-26: Scope, nature and follow-up of external audit	PEFA report	Amhara – C+ Oromia – C+ SNNPR – D+ Tigray – B+ Somali - C+		The progress will be reported after PEFA study is conducted	B B B A B	
		8	HLG-1: Predictability of transfers from higher-level government	PEFA report	Oromia – B+		The progress will be reported after PEFA study is conducted The PEFA plan will be reported in the coming reporting period if any	A	
	Enhanced citizens' engagement in service delivery	9	Citizens who report that Woreda officials have actively sought views of people in their Kebele on improving quality of basic services (sex disaggregated)	Social Accountability Program (ESAP2) Internal Assessment Report,	38%	No target set for the bridging period.	56% Disaggregation will be reported if regions collected	Baseline for the 3 <sup>rd</sup> phase will be established in the program design document.	
	<b>Component 1: Enhanced Quality and Equity to Basic Services</b>								
<b>OUTPUTS</b>	Increased budget predictability and additionality to woredas for basic services through block grants	10	Total amount of block grants allocated to regions and woredas per year	Annual budget Proclamation	ETB 62 billion	ETB 699	ETB 962	ETB142.8 billion	

RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
		Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
Improved quality of basic services in health, education and water and sanitation at woreda level	11	Health Sector Transformation Plan (HSTP) approved (prior action)	HSTP document	Draft	Plan to be approved for the year 2015	It was approved in august 2015. It was also reported as first tranche triggering factor	HSTP approved	
	12	Education Sector Development Plan (ESDP V) approved (prior action)	ESDP document	Draft	Plan for the year 2015	It was approved before august 2015. It was also reported as first tranche triggering factor	ESDP V approved	
	13	# of health extension workers qualified to level 4 standard increased.	MoH report	4,000 (100%-F)	5798	11735	10,000 (100%-F)	
	14	PPP Strategy in Health developed	PPP Strategy document	0	Planned to prepare in 2015	The preparation is achieved and Posted on MoH website and officially used for users	implemented in 3 projects	
	15	Roll-out teachers licensing guidelines (#teachers licensed) % M/F	MoE report	10%	The sector planned to prepare the directives and start licencing of	<ul style="list-style-type: none"> <li>The directive is prepared and made ready for licencing of teachers</li> <li>The number of competent teachers will be reported in may 2017</li> </ul>	38%	



RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
		Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
					teachers for the year 2015/16			
	16	Establishment of Curriculum Research Institute	MoE report	0	Conduct situation analysis report available	NA	1	
	17	Proportion of households using latrine.	MoH report	84	It was planned to reach about 74%	97	90	HH access to any types of latrines in the community
	18	Guidelines for PHCU developed and operational	MoH report	0=no staff trained	Plan to be achieved for the year 2016	The sector is working on how to PHCU through preparing guideline. the detail will be reported in May 2017	25% staff trained	
	19	# Health Development Army leaders and model families' competency assessed based on new assessment framework	Assessment document	0	The country planned to strengthen HAD leaders and conduct assessment	The sector has worked and has established Development army with <ul style="list-style-type: none"> <li>• A total of 439,497 development groups,</li> <li>• 2,125,190 one to five network groups</li> <li>• pilot training started as per HEP</li> </ul>	600,000	

RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
		Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
						manual revised in Addis Ababa and Tigray for competency <ul style="list-style-type: none"> <li>• 99%(1255HH) of the trainees completed training</li> <li>• 85%of trainees assessed,</li> <li>• 89% of assessed became competent in level one</li> </ul>		
	20	Establishment of National Regulatory Board for Service Delivery in Water	Establishment document	Non	Planned to work for the regions along with development partners (South-South cooperation in Brazil)	The task planned to work with south- south cooperation. Thus, <ul style="list-style-type: none"> <li>✓ Technical agreement signed,</li> <li>✓ official agreement is planned for February with Brazil,</li> </ul> Preparatory work will start on January 2017, Follow additional works	Regulatory body established	
Enhanced equity in delivery of basic services in health, education and water and sanitation at woreda level	21	Pastoralist Education Strategy Revised	Revised Strategy document	Old strategy		The progress will be reported in May 2017	Strategy Revised	
	22	National Council for Pastoralist Education established.	Establishment document	0		The progress will be reported in May 2017	Council members appointed	
	23	Health Extension Programme for	Health Extension	0		The sector has preparing operational	501 HEWs deployed	

RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
		Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
		Pastoralist Areas Developed and operational	program document			manual for pastoral areas. The progress will be reported in May 2017		
		Strategy for Health Extension Programme in pastoral areas approved by Minister			Approve the strategy for health extension manual	<ul style="list-style-type: none"> <li>the sector is working on operational manual for pastoral areas</li> <li>the manual will be approved and endorsed by users</li> </ul>		
	24	Report on State of Health Inequality in Ethiopia produced	Health Inequality report	None	Planned to prepare report for 2015/16	Final health sector inequality report for 2016/16 approved by higher official and posted in MoH website	Available Annually	
	25	# households enrolled in community based health insurance (CBHI)	MoH report	157,553	The plan was to implement CBHI in 160 woredas	<ul style="list-style-type: none"> <li>the program started in Four regions Amhara, Oromia, SNNPR and Tigray and making about 320 woredas Eligible</li> <li>Stated in 191 woredas more than the annual plan in EFY2008 in providing services</li> <li>With Total membership reached</li> </ul>	2,009,053	

RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
		Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
						11,525243 <ul style="list-style-type: none"> <li>New member ship in 2008 were 959830</li> <li>Enrolment rate is 36%</li> </ul>		
<b>Component 2: Strengthen Accountability, Transparency and Citizen's Engagement</b>								
Enhanced transparency and accountability through citizen engagement	26	Directive on woredas' pre-budget issued by MoFEC	Directive issued	0	It was planned to reach 15% of woreda Participated on discussion as per the directive for pre-budget discussion at woredas level	<ul style="list-style-type: none"> <li>The directive prepared and made available for implementation. it was also sent to woredas to apply for discussion</li> <li>The performance reached about 37.2% of woredas, with 46.2% women participation</li> </ul>	15% of woredas have conducted pre-budget discussion (25% women)	
	27	Road Map for consolidating and scaling up social accountability adopted by Steering Committee	Road map document	0	Planned to prepare road map and get approved by the SA steering committee	<ul style="list-style-type: none"> <li>The road map to expand and deepen SA has been approved by the steering committee and it is being implemented.</li> </ul>	Planned to continue its implementation	

	RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
			Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
		28	Rollout plan for social accountability approved by Steering Committee and operational in woredas	Rollout plan document	0	Planned to prepare rollout plan and get approved by the SA steering committee.	Rollout plan documented, elaborated, and adopted by the steering committee. The successor program design has started and the identification mission is working.	300 woredas	
		29	Guidelines for implementing FTA-SA linkages developed and operational	Guidelines document	0	The system linking FTA-and SA planned to be prepared	<ul style="list-style-type: none"> <li>• The FTA-SA linkage guideline is prepared and distributed to BoFEDs and SAIPs for use.</li> <li>• The four core areas of linkages (capacity development, participatory planning &amp; citizen-state constructive collaboration, joint monitoring, and documentation &amp; information dissemination) are being implemented in all 223 ESAP woredas based on the guideline.</li> </ul>	Planned to further strengthen and scale up the linkage.	
		30	Guidelines for the integration of citizen's score card in health sector developed	Guidelines document	0	Availability of guideline and number	NA	1	

RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
		Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
					of woredas in which score card is using			
	31	# of regions which have GRM structures and standard regulations increased	EIO document	6	The standard GRM manual prepared and adopt in the wo regions	<ul style="list-style-type: none"> <li>• The GRM standard manual prepared and validated by workshop</li> <li>• Final documents will be sent to regions at end of December 2016</li> <li>• Regions confirm that they are adopting as working document for their regions</li> <li>• Final and two regions officially confirmed document will be submitted at end of January to AfDB</li> </ul>	11	
	32	# of regions that adopt standardized procedures manuals for GRM	EIO report	0	At least Two regions planned to adopt	Two regions are making ready to adopt the manual;	4	
	33	Roll out legalization of WASH Committees (regions fully legalized WASH	MoWIE report	0	Legalization of WASH Committee at regional	<ul style="list-style-type: none"> <li>• All regions aware that WASH committees are to legalized to provide an effective service for the communities</li> </ul>	3	

	RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
			Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
			Committees)			levels	and maintain water point through collecting fees and deposit in saving accounts with name of cooperative <ul style="list-style-type: none"> <li>• Currently two regions (Ben-Gumz, , SNNPR )legalized by regulations in as cooperatives organs and</li> <li>• Amhara and other regions have also started working in the process of legalization</li> </ul>		
	Improved performance and financial management in woredas.	34	EMCP Action Plan approved	PFM Action plan document	0	Preparation and approval of the PFM Action Plan.	The PFM project Action Plan is prepared at each implementing agency and regions/city administrations. The plan is consolidated and submitted to concerned bodies.	Implement the action plan.	
		35	Training manual developed and operational for Woreda Councils on budgeting, expenditure oversight & audit follow up	Training manual document	0	Preparation of training manual for the woreda council budget and	<ul style="list-style-type: none"> <li>• The training manual is being prepared and finalized</li> <li>• It was sent to regions to provide training for the woreda council  Budget and Finance standing committee</li> </ul>	25% of woreda councils budget standing committee trained on finance and budget – at	

	RESULT CHAIN	No	PERFORMANCE INDICATORS				Status as of December 15, 2016	Target (2017/18)	Remarks
			Indicators	Source of Data	Baseline (2014/15)	Annual target for 2015/2016			
						finance standing committee members	members • The training will be given in the coming three months	least 25% women	
		36	Operational guideline for PFM Woreda Benchmarking Rating developed	Benchmarking manual	0	Finalizing the manual preparation	• The Benchmark manual is finalized and sent to regions through conducting workshop	1	
		37	PFM benchmarking rating system established in all regions	MoFEC report	4	Rolling out of manual to regions	<ul style="list-style-type: none"> <li>• Regions provided awareness and skill training for the officials and evaluators invited from zones and regions</li> <li>• Regions evaluated the public financial management at woredas level in all regions</li> <li>• Four regions submitted the benchmark or performance rating report of woredas (Tigray, Harari, Dire Dawa, Gambella)</li> </ul>	11	



# **Annex 5: Status of DLI's and Conditions**

## **ESPES DLI's and Disbursement as at 30 May 2017**

<b>No.</b>	<b>DLI</b>	<b>Target</b>	<b>Status</b>	<b>Amount attached to the DLI in USD million</b>
DLI :2	Increased proportion of qualified female Agricultural extension workers (Diploma DA s)	17% (End of FY2008)	Since it is completed ahead of time it is submitted to the WB and fund is released but the DLI is supposed to be for May 2017. Amount USD 10.0	
DLI:4	Increase in the total number of students enrolled (net)in grade 5-8 in	50000 (FY2009)	Since it is completed ahead of time it is submitted to the WB and fund is released but the DLI is supposed to be for May 2017.	

	all regions except Addis Ababa		Amount USD 20.0	
DLI 5a	Improved geographic equity in health service delivery outcome, based on Penta3 vaccine for bottom 10 woredas	Penta 3 bottom 10%: 51.7%	The Ministry of Health has sent the report to CSA on May 2, 2017 for verification	10.0
DLI6	Improved environmental and social management capacity at woredas levels	200 woreda – based staff in 2 regional states (selected from Gambella, Somali, Dire Dawa, Benishangul-Gumuz, Harari, and Afar) and 2 regional states (selected from Tigray, Oromia, Amhara and SNNP) have been trained in the environmental and Social management system operational manual	Validation workshop was conducted on May 9-10, 2017. Training will start on June 5, 2017 for 200 woreda staffs. Verification will be finalized by CSA by June 15 2017	20.0
DLI 7	Enhanced transparency and accountability through citizen engagement	Rollout plan for social accountability has been prepared & is operational in 223 woredas (existing and new)	The rollout plan is prepared and sent to CSA for verification.	10.0
DLI 8	Establishment of a government system for bench marking woredas public financial management ("PFM") performance (the "PFM" bench marking rating")	An evaluation of the PFM Benchmarking rating system is completed	The report was sent to OFAG for verification.	10.5
DLI9	Oversight functions of regional procurement regulatory bodies has been improved	Each of Oromia, Amhara, SNNP and Tigray regions has reported on their performance in the agriculture, health, and education sectors at regional levels, based on the procurement performances indicators.	Data has been collected from all regions. Verification report is being prepared by FPPAA	4.0
DLI 10b	Strengthened capacity of woredas Council Finance and Budget Standing committee members to provide effective oversight transparency and accountability for budget	25% of woredas have conducted (through their respective BOFEDs) training for their Finance and Budget Standing committee of their respective Woreda Councils on the process budgeting, expenditure oversight and audit follow-up	Tigray, SNNP & Benshangul Gumuz have conducted the training for their woreda councils and submitted the report to MoFEC. MoFEC has submitted the report to OFAG for verification	6.0
DLI11	Improved development information and data for the services delivery	DHS has been carried out and the results published		12.0

			Sub Total	72.5
DLI8	DLI8: Establishment of a government system for benchmarking Woreda public financial management (“PFM”) performance (the “PFM Benchmarking Rating”)	Based on the operational manual, the woreda PFM benchmarking rating has been rolled out to all Regions	This DLI is supposed to be implemented by November 2016, but pushed to May 2017. >Woreda evaluation is completed by all Regions > Verification is being done by OFAG > Verification report is expected to be submitted by OFAG to MoFEC .	10.5
DLI11	Improved development information and data for the services delivery	Health Data Quality Assessment	This DLI is supposed to be implemented by November 2016, but pushed to May 2017. > CSA has sent the report to the verifier (National Planning Commission) by May 12, 2017 > NPC is expected to send the verification report to MoFEC	12.0
			Sub -Total	22.5
			Total	95.0

#### BSTP Disbursement conditions as at 30 May 2017

	Tranche Period and Conditions	Amount in million UA	Implementing body	Status
A	First Tranche (2015/2016)	60		USD84,133,800 transferred to Treasury on June 2016 (Sene 2008FY)
Conditions	1 Evidence of opening a foreign currency denominated Account with the National Bank of Ethiopia for purposes of receiving the proceeds of the Loan;		MoFEC	Done

	2	Evidence of the approval of the Growth and Transformation Plan (GTP) II by the Borrower's Parliament.		NPC	Done
<b>B</b>		<b>Second Tranche (2016/2017)</b>	<b>60</b>		<b>USD82,105,800 transferred to Treasury on May 9, 2017 (Ginbot 1, 2009FY)</b>
<b>Conditions</b>	1	Submission by the Ministry of Finance and Economic Cooperation (MoFEC) a copy of the Standardized Procedures Manual for Grievance Redress Mechanism (GRM) and a letter from MoFEC confirming the adoption of the GRM in 2 regions;		EIO	Done
	2	Submission by MoFEC a copy of the 2015/2016 Health Inequality Report of the Borrower		MoH	Done
	3	Submission of a letter from MoFEC transmitting a copy of the training manual for woreda councils on the processing of budgeting, expenditure oversight, and audit follow-up.		MoFEC	Done
<b>C</b>		<b>Third Tranche (2017/2018)</b>	<b>60</b>		
<b>Conditions</b>	1	Submission by MoFEC a copy of the Strategy for Health Extension Programme in pastoral areas;		MoH	- Draft manual is prepared - regional consultation workshop conducted
	2	Submission of a letter from MoFEC confirming the establishment of the National Council for Pastoralist Education;		MoE	Not yet started
	3	Submission by MoFEC a copy of the approved rollout plan for Social Accountability approved by the Social Accountability Steering Committee and the list of new woreda implementing Social Accountability;		MoFEC	-the rollout plan is prepared and approved by the steering committee -The list of new SA woredas will be known after ESAP3 implementation
	4	Submission of a letter from MoFEC confirming the submission of the Draft Bill for Establishment of the National Regulatory Board for Service Delivery in Water to the Council of Ministers.		MoWIE	-The establishment of Regulatory Board is for Regions not for Federal

**EU Health SBS General (Fixed tranche) and Specific Conditions (variable tranche) as at 30 May 2017**

General Condition		Result					
Health Sector Policy & Performance		The report has shown that the general eligibility criterion on Health sector policy is considered to be satisfied					
Macroeconomic Framework and Trends		The review has demonstrated that the general eligibility criterion on macro-economic policy and performance is satisfied					
Public Finance Management Reform		The implementation of the PFM reform program has continued to progress during the period and the general eligibility criterion of PFM is therefore satisfied					
Progress in Budget Transparency and Oversight		The Government has demonstrated good progress increased budget transparency and oversight, both at regional and at Federal level where efforts are currently ongoing to push for more transparency and accountability. The eligibility criterion is thus satisfied.					
Specific Conditions		Baseline	1 <sup>st</sup> tranche			Amounts in Euro millions	
			Target	Achieved	Weight	Maximum	Achieved
Availability of supplies at HC for quality of service essential drugs-MCH lifesaving Drugs aggregate		87%	93%	50.80%	20%	2.72	-
Reduction in gap in SBA between bottom 10% woredas & national median		42%	40%	41%	20%	2.72	1.3
% Woredas with established CBHI scheme		15%	20%	20.30%	10%	1.36	1.36
Per capita increase of FBG transfer to regions		ETB641 (FY 2008)	ETB 699 (FY2009)	ETB 962 (FY 2009)	25%	3.40	3.40
Increased allocations to national SRH/Family planning program		ETB 16 M (FY 2008)	+15% (FY 2009)	19.6m	15%	2.04	2.04.

OFAG audit on FMoH account.	unqualified	unqualified	unqualified	10%	1.36	1.36
Total				100%	13.60	9.46
Total First variable tranche disbursement compared to maximum amount						<b>70.0%</b>

**EU Second Tranche/disbursement (for November 2017)**

2	Trigger Indicator	Baseline	Target 1st tranche	Achieved 1st tranche	Target 2 <sup>nd</sup> tranche	Data source	Verification
1	ANC 3-4	32%	---	---	37%	DHS	n.a.
2	SBA	15%	---	---	18%	DHS	n.a.
3	Availability of supplies/utilities at HC for quality of services						
	- Essential drugs	87%	93%	---	95%	UNFPA Annual Survey	Annual SARA
	- Piped water at HC	44%	---	---	48%	Facility survey	Annual SARA
	- Power from grid or solar panels	57%	---	---	66%	Facility survey	Annual SARA
	- Staff house at HC (3 per HC)	0	---	---	100	Admin report	Quick survey
3	Reduction in gap in SBA between bottom 10% word as and national average	42%	40%	41%	38%	HMIS	Annual SARA/SPA
4	Per capita increase FBG	641 ETB (2008)	699 ETB (2009)	962 ETB	761 ETB (2010)	IBEX	OFAG
5	Increased allocation to National Sexual and Reproductive Health/Family planning	16M ETB (2008)	Increase by 15%	19.6M ETB	Increase by 20%	Annual budget	OFAG
7	Increase of actual expenditures in health (from previous year)	9.78 ETB (2006)	---	---	Increase by 16%	IBEX	OFAG
8	OFAG audit of MoH account	unqualified	Unqualified	Unqualified	Unqualified	Internal audit	OFAG

# Annex 6: Deliverables – related to ESPES and PBS III

No.	Deliverables/Actions	Means of Verification	By Whom	By When	Current status
<b>Financial Transparency and Accountability</b>					
1	Complete FTA impact assessment and share with stakeholders	FTA impact assessment completed and findings presented at the JRIS	MoFEC	May, 2017	The draft final report submitted, findings presented on May JRIS
2	Ensure continued linkage of FTA & SA	Joint monitoring visits continued More linkage areas identified and discussed as part of the ESAP3 design	MoFEC/Regions	May 2017	The linkage has continued strongly, JOINT monitoring with the MA continued
3	Promote FTA tools use by federal sector ministries	Draft FTA manual	EMCP	April, 2017	The draft concept paper has submitted to EMCARD/Expenditure management and Controlling Reform Directorate/.
1	Conducting annual FTA-review workshop	Workshop conducted		November 2017	New
2	Disseminating the FTA survey results and taking actions on areas that need improvement	Dissemination took place		November 2017	New
3	Undertake pre-budget discussion in all regions and two city administration with at least 45% female participation	Report at JRIS		November 2017	New
<b>Grievance Redress Mechanism:</b>					
4	Standard GRM manual completed and regions started adoption	Manual finalized, translated and disseminated to all regions	EIO	April, 2017	The GRM Standardized Manual finalized, translated to Amharic, disseminated to regions and GRM Offices have started adopting
5	Provide capacity building training on GRM at the decentralized level	Training provided in at least four regions	EIO with regional GRM offices	May 2017	Training provided for Amhara, Harari and Somali Regions and Dire Dawa City Administration GRM Officers and underway for Oromia and Tigray



6	Improve accessibility of the grievance redress services	At least two new EIO branch offices opened (in Afar and Benishangul-Gumuz)	EIO	May 2017	Two EIO Branch Offices are opened in Assosa and Semera, and are functional
1	EIO to support regions which have not yet established GRM Offices and developed their GRM procedures.			November 2017	New
2	Capacity building training and one exposure visit at International level on Practice of Grievance Redressing Mechanisms			November 2017	New
3	Media dissemination for public awareness creation about GRM by purchasing air time for GRM conducted at the central and regional levels continued			November 2017	New
<b>Social Accountability:</b>					
7	ESAP2 Impact Evaluation draft inception and end line survey reports delivered	Draft end line survey findings report delivered to stakeholders for feedback and subsequent finalization	WB with MoFEC, MA and DPs	Prior to May 2017 JRIS	Consultants are currently in the field for the project end line survey work.
8	Produce a Report on innovative ways of SA expansion to new kebelles and woredas and ESAP alignment to Budget Process	Draft report on Innovative ways produced based on bridging ESAP implementation	Management Agency	May 2017	The report has already been prepared.
1	Finalize and Endorse ESAP3 Design Document	Final ESAP3 Design Document endorsed by ESAP Steering Committee		September 2017	New
2	Finalize ESAP2 Impact Evaluation	Final Report submitted to ESAP Steering Committee		August 2017	New
<b>Public Financial Management (PFM) Reform:</b>					
9	Strengthen dialogue on public	Two quarterly meetings of PFM			One quarterly PFM-SWG meeting has been

	financial management	SWG held	MoFEC	May 2017	<p>conducted. The discussion was on the following issues: Updates on the PFM reform, IFMIS and related activities; Updates on PFM project implementation of AABE; Updates on PFM project implementation of FPPPA; Composition of the ESPES PFM component. It is programmed to arrange the 2<sup>nd</sup> PFM SWG meeting to be held at May 29/2017</p> <p>All regions and City administrations submitted 2<sup>nd</sup> quarter report (From Tikimit 1/2009 to Tahsas 30/2009 EFY ) to EMCP Second quarter Federal report is also completed. Federal, regions / city administrations 2009 EC 2<sup>nd</sup> quarter physical and financial reports consolidated and submitted to the Bank.</p> <p>Semiannual Standalone PFM project Implementation report is consolidated and submitted to the Bank. To procure Consultancy for the preparation of manual, module and rollout program budget to three pilot regions / City (Oromia, SNNP and Addis Ababa) administration bid was floated and opened. The bidders' documents are under evaluation. To Procuring consultancy service for the preparation of guideline for single treasury account (STA) bid process is completed. Contract agreement is signed with the bid winner. The consultant starts its work. Based on newly amended Financial Administration Proclamation No 970/2016, the Administrative Penalty directive is endorsed and it is under implementation.</p> <p>Awareness creation seminar is conducted for around 500 representatives from public bodies PFM heads on the newly approved guideline of Administrative Penalty.</p>
		A) Submit the two quarterly physical and financial report as agreed			
		B) Semiannual implementation progress report covering the period from Dec 2016 to July 7 2017 for the standalone PFM project.			
		Submit Progress Report on the implementation of the various			

	<p>reforms as documented in the EMCP action plans including Accounting, internal audit, treasury and budget, institutional training at Federal and Regional level, IFMIS/IBEX,</p> <p>A) Budget</p> <p>B) Treasury</p> <p>C) Accounting</p>	<p>Due to this there is an improvement in the reporting of public bodies.</p> <p>The bid floated to procure audit tool software and hard ware was opened and evaluated. Accordingly, the bid winner document was sent to World Bank for No Objection. By the support acquired from IMF East AFRITAC team was</p> <p>Since Dec, 2016 JRIS one round Federal Institutional training was conducted in collaboration of Ethiopian Civil Service University.</p> <p>Regions (Oromia, Somali, and Gambella region) and Addis Ababa city Administration conduct institutional training at each Regional Management Institute.</p> <p>The performance of institutional training is as follows:</p> <table><tr><th rowspan="2">Region</th><th colspan="3">Participants</th></tr><tr><th>Male</th><th>Female</th><th>Total</th></tr><tr><td>Afar</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Amhara</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Oromia</td><td>487</td><td>176</td><td>663</td></tr><tr><td>Somali</td><td>77</td><td>48</td><td>125</td></tr><tr><td>SNNP</td><td>-</td><td>-</td><td>-</td></tr><tr><td>B/Gumuz</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Gambella</td><td>23</td><td>2</td><td>25</td></tr><tr><td>A. Ababa</td><td>77</td><td>152</td><td>229</td></tr><tr><td>Federal</td><td>148</td><td>156</td><td>304</td></tr><tr><td>Total</td><td>812</td><td>534</td><td>1346</td></tr></table> <p>In summary 1,346 trainees were participated in federal and Regional Institutional Training after Dec, 2016 JRIS.</p> <p>On the other hand, the remaining three Regions / City Administration (Tigray, Harari and Dire Dawa) conducted a short term PFM training for 3397 trainees.</p>	Region	Participants			Male	Female	Total	Afar	-	-	-	Amhara	-	-	-	Oromia	487	176	663	Somali	77	48	125	SNNP	-	-	-	B/Gumuz	-	-	-	Gambella	23	2	25	A. Ababa	77	152	229	Federal	148	156	304	Total	812	534	1346
Region	Participants																																																
	Male	Female	Total																																														
Afar	-	-	-																																														
Amhara	-	-	-																																														
Oromia	487	176	663																																														
Somali	77	48	125																																														
SNNP	-	-	-																																														
B/Gumuz	-	-	-																																														
Gambella	23	2	25																																														
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Federal	148	156	304																																														
Total	812	534	1346																																														

		<div>D) Internal Audit</div> <div>E) nstitutional training at Federal and Regional level</div> <div>F) IFMIS/IBEX</div>			<div>The performance is as follows</div> <table><tr><th rowspan="2">Region</th><th colspan="3">Participants</th></tr><tr><th>Male</th><th>Female</th><th>Total</th></tr><tr><td>Tigray</td><td>959</td><td>398</td><td>1357</td></tr><tr><td>Dire Dawa</td><td>990</td><td>810</td><td>1800</td></tr><tr><td>Harari</td><td>138</td><td>102</td><td>240</td></tr><tr><td>Total</td><td>2087</td><td>1310</td><td>3397</td></tr></table> <div>IFMIS training is conducted for 625 experts of budgetary institutions that implemented IFMIS. IFMIS is rolled out to 5 budgetary institutions by the vendor and training is also given for them.</div> <div>To facilitate IFMIS rollout program trainees are selected and training is under progress.</div> <div>To procure hardware and Software for MOFEC data center Specification is Prepared and Bid Floated on air, Competitors Selected and approved by bid approval committee and Commented by World Bank; IFMIS Change management Consultancy TOR is prepared and got no objection from the bank, Bid floated, competitors selected and approved by bid approval committee; IFMIS Quality Assurance firm TOR is prepared, Bid Floated, Competitors selected and got no objection from the bank; EX Hardware replacement Specification is Prepared and Bid Floated on air, Competitors Selected and approved by bid approval committee and Commented by World Bank.</div>	Region	Participants			Male	Female	Total	Tigray	959	398	1357	Dire Dawa	990	810	1800	Harari	138	102	240	Total	2087	1310	3397
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10	Conduct PFM reform workshop	Conduct PFM reform workshop to brain storm on the status of current reforms and way forward on next level of reforms including sustainability issues	DPs/MoFEC	May 2017	<div>PFM awareness creation was given for Federal Government Cabinet members.</div> <div>One-day PFM workshop was conducted for 1200 Participants from all Federal Public bodies.</div> <div>One day each for Federal Public bodies in two</div>																							
		Prepare comprehensive PFM reform strategy using consultant or own	MoFEC	May 2017																								

		force			<p>phases.</p> <p>One day for all Universities' presidents and relevant directors.</p> <p>One-day PFM awareness creation workshop was conducted for Federal house of people's representative members</p> <p>The 2<sup>nd</sup> generation PFM reform strategy document is under progress and draft is produced.</p> <p>IMF East AFRITAC given Technical assistance and feedback.</p> <p>The work is in progress.</p> <p>Two days Awareness creation on the newly internal audit directive was conducted for 350 federal public bodies' internal audit and human resource development heads.</p> <p>One-day Sensitization program on the directive of internal auditors was taken place for 167 internal auditors by MoFEC Minsters.</p>
		Improve internal audit function for Public bodies	MoFEC	May 2017	
11	Strengthen AABE	AABE reports on the progress of implementation of its strategic plans. AABE conducts at least two technical meetings with AABE SWG subgroup as decided by the PFM SWG.	AABE	May 2017	<p>Implementation of strategic plan progressing as scheduled</p> <p>AABE SWG has not been delivered bilaterally, but we have been participated in the PFM SWG meeting</p>
12	Woreda PFM Benchmark evaluations	<p>Post results in MoFEC website</p> <p>Woreda PFM Benchmarking exercise</p> <p>Evaluate the whole process of the Woreda PFM Benchmarking exercise</p>	MoFEC COPCD	May 2017	<p>Evaluation completed in 99.79% of woredas; Summary report is prepared by MoFEC; Verification conducted with at least 10% of the woredas, report prepared and submitted for higher official of OFAG for signature; It will be posted in the web site</p>
13	Improve the oversight function	Improve on audit coverage-OFAG in consultation with ORAGs submits action plan to improve on audit coverage	OFAG	May 2017	

		OFAG prepare and submits a progress report on the oversight reforms			
		OFAG determine base line for the quality of audit work with AFROSAI-E.			
1	Strengthen dialogue on public financial management	Two quarterly meetings of PFM SWG held	MoFEC	November 2017	New
		Submit the quarterly physical and financial report for PBS III as agreed and Semiannual implementation progress report covering the period from Jan 2017 to June 2017 for the standalone PFM project.			
		Submit EFY 2010 EMCP action plans by July 2017 and submit a Progress Report on the implementation of the various reforms as documented in the EMCP action plans by the next JRIS			
2	Impact of PFM Reforms be assessed and conduct visioning exercise	Conduct impact assessment of the various PFM reforms. Disseminate result and collect feedback.	MoFEC	September 2017	New
		Conduct PFM reform workshop with DPs, including discussions on PFM reform strategy		October 2017	
		Prepare/Update/revise plans to improve internal audit challenges strategy for improving Internal audit function for Public bodies in general and at local levels in particular		November 2017	

3	Strengthen AABE	The Board officially reports on the progress of implementation of its strategic plans including activities undertaken in EFY 2009 and plans for EFY 2010 and submits these to DPs through MoFEC	AABE	July 2017	New
		The Board presents at the JRIS on its plans and progresses		November 2017	New
4	Woreda PFM Benchmark evaluations	Finalize the remaining activities of May 2017 DLIs	MoFEC	November 2017	New
		In consultation with Regions, prepare long, medium and short term plans to address gaps noted in the low performing Woredas			New
5	Follow up audit report issues	Report on action taken to address the OFAG audit Findings-Disclose on website of MoFEC actions taken by MoFEC and actions taken by public bodies	MoFEC	September 2017	New
6	Improve the oversight function	OFAG prepare and submits a progress report on the oversight reforms including progress taken actions to improve audit coverage	OFAG	November 2017	New
		OFAG presents at the JRIS its plans and progresses			
		Submit AFROSAI-E report on the work conducted to determine baseline for the quality of audit			
Project Financial Management					

14	Address FM issues identified during field supervisions and in regional reports	FM Action Plan prepared as per the findings in the field/supervision mission report and progress report prepared	MoFEC, DPs	May 2017	Action plan prepared and submitted and feedback collected from Afar and Tigray that corrective action taken on the findings
15	Continue with external/continuous audit reporting arrangements and exert stronger focus on ensuring action taken on findings	Q1 and Q2 EFY2009 external/continuous audit report delivered including from repeat Woredas	MoFEC	May 2017	Q1 & Q2 EFY2009 external/continuous audit report delivered.  Action plan prepared on the findings of the Q1 & Q2 EFY 2009 continuous audit report. Feedback from regions on actions taken on findings submitted to DPs  Done
		Action plans delivered to address audit findings of the Q1 and Q2 EFY2009 continuous audit report. Feedback from regions on actions taken on findings of the above-mentioned external/CA reports delivered to DPs	MoFEC	May 2017	
		MOFEC COPCD team conducted visits to regions to verify that actions are being undertaken as per action plans and feedbacks	MoFEC	May 2017	
16	Financial Audit issues	EFY 2008 financial audit report of the PBS/ESPES is delivered	MoFEC	January 7, 2017	Feedback on the audit findings raised on the EFY 2008 financial audit of the program is submitted to the WB
17	Submit IFRs on time that are up to standard addressing weaknesses in quality	EFY2009 1 <sup>st</sup> and 2 <sup>nd</sup> quarter IFRs of PBS/ESPES submitted on time and accepted  Support regions in the preparation of reports	MoFEC	By the due dates of each IFR	IFRs submitted on time that are up to the standard addressing weakness in quality
1	Report the progress made on FM action plan of supervision reports, field trips/regional reports, etc.	Follow up on FM action plans; Progress reported through FM monthly meetings to be conduct monthly PBS FM meeting regularly with good participation	MoFEC	November 2017	New
2	Closely follow up on budget utilization	Prepare EFY 2010 Budget of PBS and secure No objections		August 2017	New



		Closely follow up and review EFY 2010 budget utilization for PBS and PFM project		November 2017	
3	Follow up on audits-final financial and continuous audits and exert stronger focus on ensuring action taken on findings	<p>Resolve and address the EFY 2008 pending audit issues</p> <p>Close EFY 2009 accounts and send closing procedure checklists and support regions by conducting field trips to ensure all is in order</p> <p>Q3 and Q4 EFY2009 external/continuous audit report delivered including from repeat 4Woredas</p> <p>Action plans delivered to address audit findings of the Q3 and Q4 EFY 2009 continuous audit report. Feedback from regions on actions taken on findings of the above-mentioned external/CA reports delivered to DPs. MOFEC COPCO team conducted visits to regions to verify that actions are being undertaken as per action plans and feedbacks</p>	MoFEC	November 2017	New
4	IFRs are submitted on time that are up to standard addressing weaknesses in quality	Submit IFRs of PBS/ESPES and PFM project submitted on time and accepted. Support regions in the preparation of reports	MoFEC	By the due dates of each IFR	New
<b>Procurement:</b>					
18	Prepare report on the performance of the pilot Certification Training and start implementing action plan to address gaps	Report shared to the WB including action plan and status report showing the progress in addressing identified gaps	PPA	May 2017	The Pilot professionalization training was conducted; 198 (99%) out of the planned 200 participants were addressed; Report had already been prepared and submitted to the office; Gaps were identified on: Training module, Trainers

					<p>methodological approach, Trainees selection of Organizations, and Venue and training rooms;</p> <p>Based on the gaps identified action plan was developed; As per the plan, the training modules were reviewed and refined and developed to be user friendly and up to the standard of FPPAA's Professionalization; Refresher training was given to already trained trainers and newly recruited TOT participants; 2<sup>nd</sup> round training was planned; organizations were selected for participation but postponed by lack of venue. The venue and training room still remained a constraint</p>
19	Prepare procurement performance report based on data collected during the past year using the KPIs at selected federal and regional entities	Presentation at the JRIS focusing on procurement performance of the selected entities based of the KPIs	PPA and Regional Procurement Regulatory Bodies (Oromia, Amhara, SNNPR and Tigray)	May 2017	<p>All the four selected regions have registered their procurement performance of the 2008 as per the key performance indicators developed centrally; All the four selected regions reported their summary of their regions registry along with the Interpretation of the outcomes; All the four selected regions are registering their performance procurement as per the centrally developed Key performance indicator of the 2009 fiscal year simultaneously</p> <p>The seven (7) selected public bodies were given orientation, introduced the centrally developed KPI format, Letter was written to proceed the registration of the 2009 procurement performance, the technical committee established to provide technical support has visited the organizations twice to encourage their performance, however, despite all these efforts none of these selected Federal public bodies have attempted to register their 2009 procurement performance.</p> <p>Resistance and lack of commitment is observed on the part of the selected seven Federal public bodies concerned authorities.</p>

20	Finalize the establishment of the agreed governance structure for the e-GP and proceed to next level as per the plan	Report showing the establishment of steering and technical committee	PPA/MoFE C	May 2017	<p>The National E-GP Steering Committee is already established</p> <p>The establishment of the E-GP technical committee is under process</p> <p>The recruitment of the E-GP Project Manager is already under gone</p> <p>The recruitment of the Communication consultant for the E-GP project is under process</p>
		<ul style="list-style-type: none"> <li>e-GP readiness assessment report finalized</li> <li>Finalize the recruitment of the Project manager and communication consultant for the e-GP project</li> </ul>			
21	Regional procurement regulatory bodies conduct annual procurement Audit at least on 15% of weredas	Presentation at the JRIS regarding weredas procurement audit coverage of and main findings	Regional procurement regulatory bodies	May 2017	The four Regions (Amhara, Tigray, Oromia & SNNPR) have already finalized their procurement audit with more than 25% coverage at varying level.
22	Expedite activities to rollout the Woreda Simplified Procurement Directive	Prototype of the simplified directive sent to regions	MoFEC/PP A	End of February, 2017	Despite a serious follow-up on part of the Agency and the reform Directorate regarding the finalization of the simplified Woreda directive to be disseminated to Regions, the Legal service directorate of MoFEC couldn't finalized the task of giving a legal shape for the directive already prepared by the consultant long period ago; so members of the reform project agreed to write another memo to Expenditure Management and control Reform Directorate as a last resort.
		Reports on the status of Regions in customizing and rolling out the Directive to the weredas	BoFEDs	May 2017	
23	Meet requirements on the Independent Procurement Audit in the PBS III project	Agree on and start implementing action plan to address gaps identified by the 1 <sup>st</sup> round IPA	CoPCD and IAs	May 2017	Review of Audit not yet responded from the Bank
		Include the 2 <sup>nd</sup> round IPA in the procurement plan	CoPCD	May 2017	Not discussed on the issue
1	Share draft assessment report on the performance of the pilot Certification Training and incorporate comments from the bank	Report shared to the WB including action plan and status report showing the progress in addressing identified gaps	FFPPA	November 2017	New
2	Finalize the establishment of the agreed governance structure for the	Report showing e-GP unit, the steering and technical committee are	FFPPA/MoF	Before November	New

	e-GP and proceed to next level as per the plan	operational	EC	2017	
		Report showing the commencement to prepare situational analysis and e-GP strategy			
3	Expedite activities to rollout the Woreda Simplified Procurement Directive	Reports on the status of Regions in customizing and rolling out the Directive to the woredas	FPPPA/MoF EC/BoFEDS	November 2017	New
4	Meet requirements on the Independent Procurement Audit in the PBS III project	Start recruitment of a consulting firm to undertake 2nd round Independent Procurement Audit as per the financing agreement	COPCD	November 2017	New
5	Organize procurement retreat and reflect on the status of the procurement system strengthening activities and way forward	Retreat report shared to stakeholders	FPPPA	August 2017	New
<b>Managing for Results:</b>					
24	The Ministry of Health MIS Data Quality Assessment conducted	DQA Report by CSA	CSA	May, 2017	Data quality assessment completed by private consultants and submitted for NPC for verification
25	Address data inconsistencies and incompleteness witnessed in JRIS result reporting	Up-to-date and complete quality data that shows disaggregation by gender and region produced for next JRIS	COPCD	April, 2017	Data updated with sector implementing sectors
1	Finalize RBM manual and conduct training as per the plan	Final manual and training conducted		September 2017	New
2	Conduct M&E related training for at least Afar and Somali regions on HMIS and EMIS manuals	Training conducted		November 2017	New
3	Finalize Water Facility survey and conduct dissemination workshop	Survey completed and workshop organized		October 2017	New
4	Conduct the Mr monthly meeting regularly	Monthly meeting		November 2017	New

<b>Safeguards and Risk Management:</b>					
26	Formally establish the Safeguards Technical Working Group (TWG) and organize meetings as per TORs	Safeguards Technical Working Group (TWG) meeting held	MoFEC/CO PCD	May 2017	ToR is developed and discussed with TWG  The first meeting was conducted to approve TOR for working groups
27	Finalizing the TOR for the preparation of Guidelines and Training Modules for Public Consultation	TOR for public consultations finalized	MoFEC/CO PCD	May/June 2017	Draft ToR is prepared and make ready for comments
28	Organize a workshop on the ESMS OM involving all federal and regional level stakeholders	Workshop organized	MoFED/CO PCD	May 2017	OP manual; and training manual is prepared; Validation workshop is conducted with presence of federal and regional participants; training has been undertaken focusing on selected four regions wordas
1	Organize quarterly Safeguards Technical Working Group (TWG) meetings	Quarterly Safeguards Technical Working Group (TWG) meetings held	MoFEC/Mo EFCC/COPCD	November 2017	New
2	Prepare Guidelines and Training Modules for Public Consultation	Draft Guidelines and Training Modules for Public Consultation prepared	MoFEC/Mo EFCC/COPCD	November 2017	New
<b>Other and ESPES specific deliverables for next JRIS (May 2017)</b>					
29	Prepare a Discussion Note for establishing a coordinating mechanism between service delivery sectors at the federal and regional levels	Discussion Note shared to BSDG for discussion	BSDG supported by the World Bank		The World Bank is already doing this task
30	Ensure sector coordination is integrated in ESPES AF preparation	Sector coordination features prominently in the design of ESPES AF	World Bank with COPCD		DLI prepared and submitted to bank for negotiation; IPF budget breakdown of cost was made by MoFEC in consultation of sector; PAP is under preparation by MoFEC in collaboration with Banks
31	Develop draft reporting templates for DLI verification to be used by verifying agencies, and conduct	Templates finalized and shared with verifying agencies, workshop or other	COPCD with inputs and support		Verification template prepared and circulated for comment; Verification template commented by DPs; Meeting was conducted on the verification

	workshop or other capacity building sessions for verifying agencies on their roles and responsibilities and expected methods	capacity building events organized	by the World bank		reporting template with the involvement of implementer, verifiers program owners
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