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## NEWS RELEASE

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### Contacts

*In Washington:* Rachel McColgan-Arnold  
(202) 458-5299

[rmccolgan@worldbank.org](mailto:rmccolgan@worldbank.org)

*In Addis Ababa:* Gelila Woodeneh  
(011) 6627700

[gwoodeneh@worldbank.org](mailto:gwoodeneh@worldbank.org)

### IDA commits \$540 million to protect and enhance Basic Service Delivery in Ethiopia

**WASHINGTON, May 14, 2009** – The World Bank’s Board of Executive Directors approved today \$540 million in International Development Association (IDA) funding for the **Protection of Basic Services (PBS) Program Phase II Project** for Ethiopia. Since 2006, PBS has complemented government resources to improve the decentralized delivery of basic services in five sectors—education, health, agriculture, water and sanitation, and rural roads. In the second 3-year phase (FY09-FY11), the Government of Ethiopia (GOE) is expected to allocate approximately \$700 million equivalent a year, while 12 donor partners, including the IDA, plan to provide an additional \$400 million or so a year.

Over the past two decades, Ethiopia has made significant progress in improving social indicators and reducing poverty. In 1991, only one in five primary school children were in school; one in five children died before reaching their fifth birthday and one in ten before their first birthday; and maternal mortality was a staggering 1,400 deaths per 100,000 live births. Today, prospects for the country that is home to 77 million people have improved significantly: Grade 5 Primary completion rates have risen to 69 percent – up 43 percent from two decades ago; net primary enrollment rates have quadrupled to 83 percent in 2008; and under-5 child, infant and maternal mortality rates have fallen by almost forty percent by 2005. Access to safe drinking water has improved from 19 percent in 1991 to 52.5 percent by 2007. In the last few years, PBS has contributed to accelerating the encouraging trends.

*“This expansion in basic services has been especially beneficial for the poor, most of whom live in rural areas. With the strong commitment of the Government of Ethiopia and with the help of this progress, attainment of several of the Millennium Development Goals is no longer a distant possibility for Ethiopia”,* said **Trina Haque and Sunil Rajkumar**, the Bank’s Task Team Leaders for the project. Underscoring that the operation emphasizes the value of local level transparency and accountability to deliver better basic services, **Haque and Rajkumar** noted: *“When parents who send their children to school know that money was budgeted to pay for teachers’ salaries, they become empowered to expect that teachers will show up in classrooms and teach their children.”*

PBS II is supported by eleven other development partners, including the African Development Bank, the Governments of Austria, Ireland, Italy, Japan, Netherlands, Spain, CIDA (Canada), DFID (UK), KFW (Germany) and the European Commission. Collectively, they are expected to provide about \$737 million.<sup>1</sup> *“PBS is a shared commitment by GOE and 12 donors to protecting the financing of basic services. But, this ‘compact’ also creates the process through which donor partners and GOE engage in*

<sup>1</sup> All figures quoted hereafter are in USD equivalent.

*serious dialogue on how to improve the access and the quality of basic services, and to monitor the outcomes,”* said **Ken Ohashi, the world Bank’s Country Director for Ethiopia and Sudan**. He added that the implementation of PBS II is based on a core set of principles of “ensuring sustainability in additionality, accountability and fairness, fiduciary standards and effectiveness in service delivery.”

In approving the Protection of Basic Services Program Phase II Project, the World Bank’s Board of Executive Directors commended the Government of Ethiopia for its continued commitment to the delivery of decentralized basic services. They noted that this type of operation which can respond not only to immediate needs but also contribute to safeguarding Ethiopia’s medium- and long-term development potential is particularly relevant in the current situation of global economic crisis. In light of the new Ethiopian legislation on civil society organizations (CSOs), it was also noted that there is a need to ensure CSOs have adequate space and voice to follow through with transparency and accountability initiatives

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For more information on the project, please visit

[www.worldbank.org/ethiopia](http://www.worldbank.org/ethiopia)