

Ethiopia**Program-for-Results Enhancing Shared Prosperity
Through Equitable Services****Chair Summary*****September 15, 2015**

Executive Directors approved an IDA credit in the amount of SDR 431.5 million (USD\$600 million equivalent) for the Enhancing Shared Prosperity through Equitable Services Program for Results (IDA/R2015-0228) on the terms and conditions set out in the President's Memorandum.

Directors acknowledged Ethiopia's track record of basic service delivery in the past decade, and its commitment to increasing Government funding in this area. Directors expressed broad support for the operation and its aim to further improve access to basic services and to support key policy reforms that will enhance public financial management and social and environmental risk management at the local level.

In this regard, Directors noted that the operation would be essential in addressing the challenges identified in the Inspection Panel report for the Ethiopia Promoting Basic Services Phase 3 Program. In particular, Directors underscored that the achievement of the Program's development objective needs to be associated with a long-term, multi-sector effort to improve capacity and strengthen safeguards and fiduciary arrangements. Directors were encouraged by the focus on citizen engagement and grievance redress, noting its potential to improve governance and accountability in service delivery.

Directors highlighted the importance of the program in leveraging the Government's broader effort in promoting equity and direct benefits for the poor disadvantaged groups, enhancing capacity and institutionalizing critical systems for service delivery, especially at the local level. Directors urged robust monitoring of results indicators, and underlined the importance of the external, independent verification and oversight process which determines the success of PforR programs. The value of data capacity, fiscal sustainability and debt management, learning lessons from previous implementation experiences, and continued collaboration with development partners were also highlighted.

This summary is not an approved record.