

Implementation Status & Results
Ethiopia
Ethiopia - Private Sector Development Capacity Building Project (P050272)

Operation Name: Ethiopia - Private Sector Development Capacity Building Project (P050272) Project Stage: Implementation Seq.No: 13 Status: ARCHIVED Last Modified Date: 02-Mar-2011

Country: Ethiopia Approval FY: 2005
 Product Line: IBRD/IDA Region: AFRICA Lending Instrument: Specific Investment Loan
 Implementing Agency(ies): Ministry of Trade and Industry

Key Dates

Board Approval Date	21-Dec-2004	Original Closing Date	30-Jun-2011	Planned Mid Term Review Date	11-Jan-2010	Last Archived ISR Date	26-Jun-2010
Effectiveness Date	15-Jul-2005	Revised Closing Date	31-Jul-2012	Actual Mid Term Review Date	11-Jan-2010		

Project Development Objectives

Ethiopia - Private Sector Development Capacity Building Project (P050272)

Project Development Objective (from Project Appraisal Document)

To improve the enabling environment and institutional capacity for a sustained increase in private sector investment and exports.

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

Yes No

Component(s)

Component Name	Component Cost
Component 1: Accelerating the Implementation of Privatization Program	6.14
Component 2: Improving the Business Environment through Implementation of Competition Policy and Accession to WTO	0.97
Component 3: Strengthening the International Competitiveness of the Private Sector and the Capacities of its Representative Organiza	9.19
Implementation	0.70

Overall Ratings

	Previous Rating	Current Rating
Progress towards achievement of PDO	Satisfactory	Satisfactory
Overall Implementation Progress (IP)	Satisfactory	Satisfactory
Overall Risk Rating		Medium-I

Implementation Status Overview

Implementation Progress: The project continues to make good progress towards achieving its development objective and outcomes. Most of the key issues raised during the previous Mid Term Review (MTR) mission have been addressed. Notably, the official adoption of the ECF Implementation Manual; finalization and Parliamentary Approval of the revised Competition Law; and efforts toward strengthening of the Privatization and Public Enterprises Supervising Agency (PPESA) is underway. Areas that are pending from MTR include capacity building of PPSEA's Post-Privatization Department; establishing a grievance mechanism as well as building expertise for handling social and environmental concerns of the program. With regard to the overall safeguards compliance remedial actions have been agreed with Ministry of Trade and Industry to ensure that all the necessary guidelines are met.

Results

Project Development Objective Indicators

Indicator	Baseline	Current	End Target
Indicator Name Number of private sector jobs created in participating firms and targeted sectors increased by at least 10%	Value 1917 Date 23-Nov-2004 Comment	Value National figures not yet released; ECF figures indicate that there are 2,276 new jobs created by supported firms Date 15-Sep-2010 Comment Detailed M&E report has been submitted by the ECF and other implementing agencies	Value 2200 Date 31-Jul-2012 Comment
Type Custom Indicator	Unit of Measure Text		
Indicator Name Value added per worker in participating firms and targeted sectors increased by 20%	Value Baseline data to be determined Date 30-Mar-2009 Comment	Value Awaiting survey results by the Central Statistical Agency Date 15-Sep-2010 Comment This indicator can only be determined by the National Accounts Dept.	Value Value Added per worker in participating firms to increase by 20% Date 31-Jul-2012 Comment
Type Custom Indicator	Unit of Measure Text		

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Indicator	Baseline	Current	End Target
<p>Indicator Name</p> <p>Value of exports in participatinf firms and targeted sectors increased by at least 25% and/or at least 10 firms starting to export as a result of the support.</p>	<p>Value</p> <p>US \$104 million from beneficiaries of MGS. The baseline for ECF beneficiaries is to be dtermined.</p>	<p>Value</p> <p>Participating firms attained 59.2% of their export targets compared to 38.4% of the non participating firms.</p>	<p>Value</p> <p>20% more than nonsupported firms</p>
<p>Type</p> <p>Custom Indicator</p>	<p>Unit of Measure</p> <p>Text</p>	<p>Date</p> <p>23-Nov-2004</p> <p>Comment</p>	<p>Date</p> <p>31-Jul-2012</p> <p>Comment</p>

Intermediate Results Indicators

Indicator	Baseline	Current	End Target
<p>Indicator Name</p> <p>Component 1(i):27% by end of Y3 and 55% by end of Y5 of total value of assets of SOEs transferred to private sector managemnt and/or ownership: at least 10 SOEs sold to private sector buyers per year</p>	<p>Value</p> <p>Zero</p>	<p>Value</p> <p>46% of total asset values privatized by September 2010.</p>	<p>Value</p> <p>55% of total asset values to be privatized</p>
<p>Type</p> <p>Custom Indicator</p>	<p>Unit of Measure</p> <p>Text</p>	<p>Date</p> <p>23-Nov-2004</p> <p>Comment</p>	<p>Date</p> <p>30-Jun-2011</p> <p>Comment</p>

Indicator	Baseline	Current	End Target
<p>Indicator Name</p> <p>Component 2(i): Revised Comp. Policy enacted.</p>	<p>Value</p> <p>Previous law found to be faulty and recommendation for its revision</p>	<p>Value</p> <p>Revised law has been enacted.</p>	<p>Value</p> <p>Revised law enacted and implemented</p>
<p>Type</p> <p>Custom Indicator</p>	<p>Unit of Measure</p> <p>Text</p>	<p>Date</p> <p>30-Mar-2008</p> <p>Comment</p>	<p>Date</p> <p>15-Sep-2010</p> <p>Comment</p>

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Indicator	Baseline	Current	End Target
<p>Indicator Name Component 2(ii): Establishment of an independent Comp. Commission and tribunal with wider public and private sector representatives.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value Competition Commission under Ministry of Trade and Industry including its Secretariat</p> <p>Date 30-Mar-2008</p> <p>Comment</p>	<p>Value The institutional framework is expected to be enacted in the first quarter of 2011.</p> <p>Date 15-Sep-2010</p> <p>Comment</p>	<p>Value 6-10 cases published by the Competition Commission</p> <p>Date 31-Jul-2012</p> <p>Comment</p>
<p>Indicator Name Component 2(iii): At least 4 cases p.a. addressed in 2008/09-2009/10 period.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value zero</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value No change: 35 cases handled by commission in its present status; but quality of cases is low</p> <p>Date 15-Sep-2010</p> <p>Comment The Competition Commission has suspended its activities until the revised Competition Law is implemented.</p>	<p>Value At least 10 cases adjudicated and published</p> <p>Date 31-Jul-2012</p> <p>Comment</p>
<p>Indicator Name Component 2 (iv): Studies on Ethiopia WTO accessions prepared, disseminated to and discussed by WTO Task Force.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value zero</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value Three studies completed and validated for WTO accession impact assessment for Telecoms, Financial and Transport sectors.</p> <p>Date 15-Sep-2010</p> <p>Comment Capacity Building for negotiating skills at expert level # 15 high level negotiators to be trained; Second Working Party meeting planned for December 2010.</p>	<p>Value Advanced stage of the WTO Accession Process</p> <p>Date 31-Jul-2012</p> <p>Comment</p>

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Indicator	Baseline	Current	End Target
<p>Indicator Name Component 3 subcomponent A, (i) Number of Matching Grant support given to private firms for export expansion.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value zero Date 23-Nov-2004 Comment</p>	<p>Value 26 firms supported to date by these ECF matching grants support Date 15-Sep-2010 Comment</p>	<p>Value 40 firms supported by the ECF Date 31-Jul-2012 Comment</p>
<p>Indicator Name Component 3, (ii): .Supported exporters increase their exports at a rate 25 percent higher than non-supported firms.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value zero Date 23-Nov-2004 Comment</p>	<p>Value Exporters increase exports by 59.2% as compared to 38.4% among the non participating firms. Date 15-Sep-2010 Comment</p>	<p>Value 25% higher than not supported firms Date 31-Jul-2012 Comment</p>
<p>Indicator Name Component 3, (iii): At least 25% growth in the value of exports in thee targeted sectors.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value tbd Date 23-Nov-2004 Comment</p>	<p>Value Export sales increased by US \$17 million, 261% in the last years of implementaiton. Date 15-Sep-2010 Comment</p>	<p>Value 25% increase Date 31-Jul-2012 Comment</p>

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Indicator	Baseline	Current	End Target
<p>Indicator Name Component 3, Sub-Component B; (i) Curriculum revised and adopted.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value outdated curriculum</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value 4 of the Curricula planned for revision have been done. Curricula revised and adopted.</p> <p>Date 15-Sep-2010</p> <p>Comment This component is almost done and therefore the figures may not change much from here.</p>	<p>Value (i) Program syllabus revised and approved in year three and updated; (at least two new courses in year four and one new course annually (6 total)</p> <p>Date 31-Jul-2012</p> <p>Comment</p>
<p>Indicator Name Component 3, Sub-Component B: (ii): At least 20 graduates in Regulatory Economics and International Trade programs in year 3.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value zero</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value 20 students have graduated from the first Batch.</p> <p>Date 15-Sep-2010</p> <p>Comment This component is almost done and the figures may not change from here.</p>	<p>Value 40 graduates</p> <p>Date 10120731</p> <p>Comment</p>
<p>Indicator Name Component 3, Sub-Component B: (iii): At least 20 additional 20 graduates in Regulatory Economics and International Trade in Year 4.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value 20</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value 41 students graduated in Year 3 and 4 in International Trade and Regulatory Economics/Competition Policy</p> <p>This particular activity is done and the figure will not change from here.</p> <p>Date 15-Sep-2010</p> <p>Comment A good number of the graduates are Working outside the Ministry of Trade and Industry, but have a good chance to be employed subsequently.</p>	<p>Value At least 30 Ethiopian trained from at least five institutions and 10 percent increased annually starting FY 10 (through the projectimplemjenation years.</p> <p>Date 31-Jul-2012</p> <p>Comment</p>

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Indicator	Baseline	Current	End Target
<p>Indicator Name Component 3 sub-cmponent C: (i): 20 business start-ups established through the Business Plan Competiton (BPC) through rounds 1 and 2 each.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value zero</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value Thirteen start-ups in round 1 and 12 start-ups in round 2.</p> <p>Date 15-Sep-2010</p> <p>Comment</p>	<p>Value At least 30 businesses surviving more than 3 years</p> <p>Date 31-Jul-2012</p> <p>Comment</p>
<p>Indicator Name Component 3 sub-cmponent C: (ii): proportion of start ups established through BPC that survive after 1 and 2 years of opertion targeted to be 70% and 50% respectively.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value zero</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value 80% of businesses survived for two years from the Round 1.</p> <p>Date 15-Sep-2010</p> <p>Comment</p>	<p>Value At least 50% survival rate by the closing date of the project</p> <p>Date 31-Jul-2012</p> <p>Comment</p>
<p>Indicator Name Volume of Bank Support: Institutional Development - SME</p> <p>Type Unit of Measure Core Indicator Amount(USD)</p>	<p>Value 0.00</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value 600000.00</p> <p>Date 30-Jun-2009</p> <p>Comment Data gathered from retrofit exercise</p>	<p>Value 900000.00</p> <p>Date 31-Jul-2012</p> <p>Comment</p>
<p>Indicator Name Number of business start-ups</p> <p>Type Unit of Measure Custom Indicator Number</p>	<p>Value 0.00</p> <p>Date 23-Nov-2004</p> <p>Comment</p>	<p>Value 40.00</p> <p>Date 30-Jun-2009</p> <p>Comment Data gathered from retrofit exercise</p>	<p>Value 60.00</p> <p>Date 31-Jul-2012</p> <p>Comment</p>

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Data on Financial Performance (as of 07-Mar-2011)

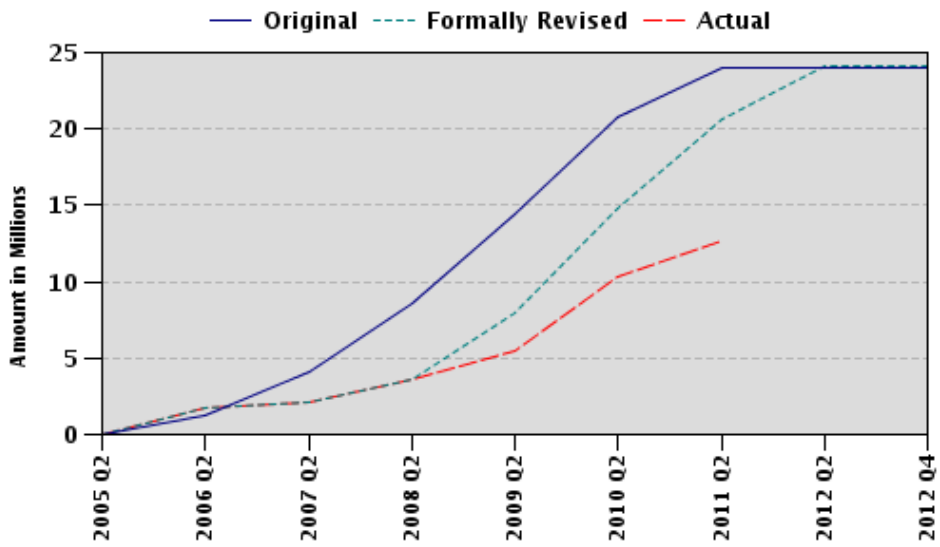
Financial Agreement(s) Key Dates

Project	Loan No.	Status	Approval Date	Signing Date	Effectiveness Date	Closing Date
P050272	IDA-40270	Effective	21-Dec-2004	10-Mar-2005	15-Jul-2005	31-Jul-2012
P050272	IDA-H1410	Effective	21-Dec-2004	10-Mar-2005	15-Jul-2005	31-Jul-2012
P114843	TF-93486	Effective	13-Feb-2009	16-Feb-2009	16-Feb-2009	03-Nov-2011

Disbursements (in Millions)

Project	Loan No.	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P050272	IDA-40270	Effective	USD	19.00	13.00	6.00	8.69	5.12	67.00
P050272	IDA-H1410	Effective	USD	5.00	4.00	1.00	4.17	0.02	104.00
P114843	TF-93486	Effective	USD	0.24	0.24	0.00	0.20	0.04	85.00

Disbursement Graph



Key Decisions Regarding Implementation

Building on the concrete achievements to-date under the existing operation, and the activities highlighted with potential financing gap at the time of the MTR mission, it was agreed that a US\$15 m Additional Finance Operation would be prepared. The proposed AF would broadly support (i) the estimated shortfall in the Ethiopian Competitiveness Facility (ECF) administering the matching grant scheme (MGS) for exporting enterprises; (ii) expansion of the ECF to “pilot” support to light manufacturing industries, through both matching grants and technical assistance (TA) for sectoral and cross-cutting issues; the TA while administered through the ECF unit, would be coordinated through the recently established Ethiopian Public-Private Dialogue Forum (EPPDF); (iii) technical assistance for development of a Special Economic Zone framework and strategy for Ethiopia; (v) the financing gap for the privatization program; and (iv) strengthening of the existing Project Coordination Unit (PCU) and ECF unit for successful implementation of the AF operation.

Restructuring History

RVP Approved on 01-Apr-2008

Related Projects

P114843- PHRD Ethiopia: Cluster Development Program, P122463-Private Sector Development Capacity Building - Additional Financing Project