

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: 14 Status: ARCHIVED Archive Date:

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	27-Mar-2011
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	Substantial	Substantial

Implementation Status Overview

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Implementation Progress: With the project's closing date of July 31, 2012, the Bank team has continued to support the Project Coordinating Unit (PCU) and the implementing agencies (IAs) to help meet project objectives and proactively address any issues where course correction may be needed. Progress on actions agreed during the January 2011 Mission were reviewed. Since the January-February 2011 Mission, the Project has made significant progress towards achieving its Development Objective (PDO) and end-project outcome targets. Of the three components, #Accelerating Implementation of Privatization Program#, and #Strengthening International Competitiveness of the Private Sector and the Capacity of its Representative Organizations#, continued to make good progress towards end project targets. The third and the smallest component, #Improving Business Environment through Implementation of Competition Policy and Accession to WTO#, made limited progress and is expected to partially achieve its outcome indicators.

Disbursements: To date, the Project has disbursed US\$13 million of the US\$17 million accounting for 77 percent of the total project allocation. There has been an impressive increase in the disbursements from the matching grants component (ECF) - disbursements have almost doubled since the last mission. This can be attributed due to the implementation and completion of the benchmarking activities that comprise the bulk of the disbursed amount for this component. The privatization component has made solid strides in terms of both the disbursement record and the progress towards component outcomes.

Locations

No Location data has been entered

Results

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Number of private sector jobs created in participating firms and targeted sectors increased by at least 10%	<input type="checkbox"/>	Text	Value	1917		2200
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012
			Comments		An average of 16.5% increase in job creation has been witnessed amongst the beneficiary firms from the date of their application.	
Value added per worker in participating firms and targeted sectors increased by 20%	<input type="checkbox"/>	Text	Value	Baseline data to be determined		Value Added per worker in participating firms to increase by 20%
			Date	30-Mar-2009	21-Oct-2011	31-Jul-2012
			Comments		This indicator can only be determined by the National Accounts Dept.	
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.	<input type="checkbox"/>	Text	Value	US \$104 million from beneficiaries of MGS. The baseline for ECF beneficiaries is to be dtermined.		20% more than nonsupported firms
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012

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Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
			Comments		Participant firms attained the following increases in exports per sector for the period covering January to June 2011 compared to the previous six months: 1. Leather Tannery sub sector = 33.39% 2. Leather shoe sub sector = -10.94% 3. Garment and textile = 31.35% 4. Agro processing = 203.56% 5. Chemicals and pharmaceuticals = 31.11% 5. Chemicals and pharmaceuticals = 31.11%	

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
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 management and/or ownership: at least 10 SOEs sold to private sector buyers per year	<input type="checkbox"/>	Text	Value	Zero		55% of total asset values to be privatized
			Date	23-Nov-2004	21-Oct-2011	30-Jun-2011
			Comments		Value of PE assets transferred to private sector management and/or ownership: end of 3rd year 27%; end of 4th year 37%; and end of Dec. 2009 (4.5 years) 43.6%; and 52.4% by September 2010; and 63.4% by September 2011. PPESA has privatized 40 of the original PAD slated SOEs.	

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Component 2(i): Revised Comp. Policy enacted.	<input type="checkbox"/>	Text	Value	Previous law found to be faulty and recommendation for its revision		Revised law enacted and implemented
			Date	30-Mar-2008	21-Oct-2011	31-Jul-2012
			Comments		Revised competition Proclamation enacted; Competition Authority setup, staffing and capacity building for the Authority to is expected be carried out in the coming few months	
Component 2(ii): Establishment of an independent Comp. Commission and tribunal with wider public and private sector representatives.	<input type="checkbox"/>	Text	Value	Competition Commission under Ministry of Trade and Industry including its Secretariat		6-10 cases published by the Competition Commission
			Date	30-Mar-2008	21-Oct-2011	31-Jul-2012
			Comments		Independent Authority to oversee competition and a Competition Tribunal to be established within the first quarter of 2011	
Component 2(iii): At least 4 cases p.a. addressed in 2008/09-2009/10 period.	<input type="checkbox"/>	Text	Value	zero		At least 10 cases adjudicated and published
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012
			Comments		More than 35 cases addressed by the competition commission before it was suspended during the revision period of the Completion law New cases to be reviewed from now on as per the new Proclamation.	
Component 2 (iv): Studies on Ethiopia WTO accessions prepared, disseminated to and discussed by WTO Task Force.	<input type="checkbox"/>	Text	Value	zero		Advanced stage of the WTO Accession Process
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012
			Comments		Three studies on WTO accession impact assessment, for the financial, telecommunications and transport sectors prepared and disseminated.	

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Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Component 3 subcomponent A, (i) Number of Matching Grant support given to private firms for export expansion.	<input type="checkbox"/>	Text	Value	zero		40 firms supported by the ECF
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012
			Comments		Since April 2008, a total of 162 matching grant support given to private firms for export expansion	
Component 3, (ii): .Supported exporters increase their exports at a rate 25 percent higher than non-supported firms.	<input type="checkbox"/>	Text	Value	zero		25% higher than not supported firms
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012
			Comments		Participant firms attained the following increases in exports per sector for the period covering January to June 2011 compared to the previous six months: 1. Leather Tannery sub sector = 33.39 2. Leather shoe sub sector = -10.94 3. Garment and textile = 31.35% 4. Agro processing = 203.56% 5. Chemicals and pharmaceuticals = 31.11%	
Component 3, (iii): At least 25% growth in the value of exports in thee targeted sectors.	<input type="checkbox"/>	Text	Value	tbd		25% increase
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012

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			Comments		Revision of curricula for the MBA Program and MSc in Accounting and finance have been completed, approved and implemented. Undergraduate and postgraduate programs in finance have been completed and will be adopted/ implemented this academic year. Revision of curriculum for MSc program in Management science is underway.	
Component 3, Sub-Component B; (i) Curriculum revised and adopted.	<input type="checkbox"/>	Text	Value	outdated curriculum		(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)
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012
			Comments			
Component 3, Sub-Component B: (ii): At least 20 graduates in Regulatory Economics and International Trade programs in year 3.	<input type="checkbox"/>	Text	Value	zero		40 graduates
			Date	23-Nov-2004	21-Oct-2011	10120731
			Comments		41 students graduated in Year 3 and 4 in International Trade and Regulatory Economics/ Competition Policy . This component is almost done and the figures may not change from here.	
Component 3, Sub-Component B: (iii): At least 20 additional 20 graduates in Regulatory Economics and International Trade in Year 4.	<input type="checkbox"/>	Text	Value	20		At least 30 Ethiopian trained from at least five institutions and 10 percent increased annually starting FY 10 (through the project implementation years.
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012

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			Comments		<p>4 PhD students approaching the finalization of their studies abroad and expected to return in the coming 6-18 months.</p> <p>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>Component 3 sub-cmponent C: (i): 20 business start-ups established through the Business Plan Competiton (BPC) through rounds 1 and 2 each.</p>	<input type="checkbox"/>	Text	Value	zero		At least 30 businesses surviving more than 3 years
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012
			Comments		<p>Thirteen start-ups in round 1 and 12 start-ups in round 2 and 16 start-ups from round three were established through business plan competition.</p>	
<p>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>	<input type="checkbox"/>	Text	Value	zero		At least 50% survival rate by the closing date of the project
			Date	23-Nov-2004	21-Oct-2011	31-Jul-2012
			Comments		<p>Proportion of start-ups: 65% from round 1 and 80% in round 2 and 3 respectively. 15 winners from round two and 16 from round three had collected the bank loan. Out of these 5 from round two and 2 from round three have settled their bank loan and collected the award respectively.</p> <p>80% of businesses survived for two years from the Round 1; and 90 % from round 2. The performance of round three are yet to be seen.</p>	

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Volume of Bank Support: Institutional Development - SME	<input checked="" type="checkbox"/>	Amount(USD)	Value	0.00	600000.00	900000.00
			Date	23-Nov-2004	30-Jun-2009	31-Jul-2012
			Comments		Data gathered from retrofit exercise	
Number of business start-ups	<input type="checkbox"/>	Number	Value	0.00	40.00	60.00
			Date	23-Nov-2004	30-Jun-2009	31-Jul-2012
			Comments		Data gathered from retrofit exercise	

Data on Financial Performance (as of 13-Sep-2011)

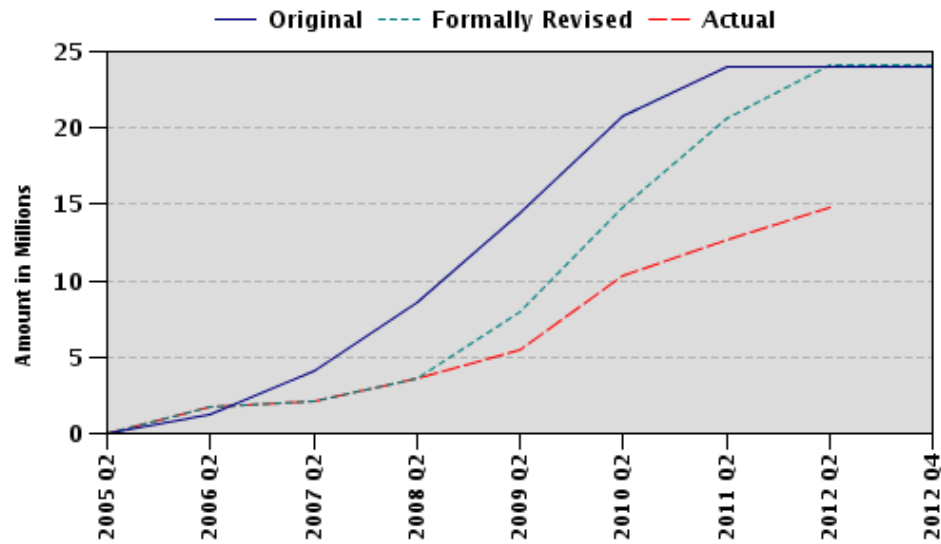
Financial Agreement(s) Key Dates

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	Closed	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	10.46	3.34	80.00
P050272	IDA-H1410	Effective	USD	5.00	4.00	1.00	4.19	0.01	105.00
P114843	TF-93486	Closed	USD	0.24	0.24	0.00	0.20	0.04	85.00

Disbursement Graph



Key Decisions Regarding Implementation

The Team reported the overall good progress with regard to two out of the three Project components. With the Project's closing date of July 31, 2012, there is a need for continued oversight support to ensure that the Project meets its outcomes, and proactively address any issues where course correction may be needed.

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