

News Release
2015/143/ECR

World Bank Board Discusses Inspection Panel Case in Ethiopia

WASHINGTON, February 27, 2015--The World Bank's Board of Executive Directors has discussed the investigation report by the Inspection Panel, of the Ethiopia-Promoting Basic Services program, Phase 3 (PBS 3) and approved the Management Action Plan in response to the Panel's findings. PBS has provided services to people in Ethiopia since 2006, covering education, health, agricultural support, water supply and rural roads.

The Bank's Board authorized the Inspection Panel investigation of PBS 3 in July 2013. It followed claims made by Anuak community members from Ethiopia that the World Bank's support to PBS 3 was linked to alleged human rights abuses. Those allegations concerned the government's Commune Development Program (CDP) in Gambella. The government, which cooperated with the Panel during this investigation, has denied the allegations.

The Inspection Panel report concluded that the involuntary taking of land and use of force and intimidation were not consequences of PBS and that the Bank is not responsible for these alleged harms. However, the Panel found that PBS did not fully assess and mitigate the risks arising from the Government's implementation of CDP, particularly in the delivery of agricultural services to the Anuaks.

*"The World Bank Group needs to work ambitiously in challenging environments such as Gambella that have high numbers of people living in poverty because our mission is to end extreme poverty by 2030," said **World Bank Group President Jim Yong Kim**. "Our institution's core principles include to do no harm to the poor. In this case, while the Inspection Panel found that the Bank was not responsible for any harm, it did point out areas where we could have done more to help the Anuak people and other vulnerable groups. We draw important lessons from this case to better anticipate ways to protect the poor and be more effective in fighting poverty. We thank the Inspection Panel for its important work and conclusions."*

Executive Directors noted that PBS had brought important benefits to help advance the Millennium Development Goals in Ethiopia. For example, the country's mortality rate for ages 1 to 4 has declined from 72 per thousand in 2006 to 31 in 2014, access to antenatal care has risen from 28% of the population to 41% and net enrollment for school grades 1 to 8 has risen from 77% to 90%.

Executive Directors also welcomed Management's follow-up action plan, which includes further strengthening of citizen engagement, safeguards, and financial management under PBS 3, including:

- Building up the capacity of district-level Ethiopian civil servants to implement the Bank's safeguard policies,
- Increasing citizen participation in budget decision making at district level,
- Supporting the effectiveness of the Ethiopian Institution of the Ombudsman (EIO),
- Training grievance redress officers in Districts to become more effective.

Looking forward, Executive Directors, Management and the Inspection Panel all agreed it was essential that the Bank do more to support inclusive development in Ethiopia, including for Anuaks and other vulnerable communities in Gambella. The Bank will continue to work with the Government of Ethiopia to help develop solutions to complex sustainable natural resource and land management issues, including:

- Support for small holder farmers in Gambella under forthcoming operations coming to the Board,
- Ensuring that all national programs to improve the quality of services and alleviate hunger help to address the needs of all people across Gambella,
- The World Bank will strengthen its work on improving the development prospects of refugees and other people living in borderland areas such as Gambella as part of its new Horn of Africa Initiative, launched by President Kim in October, 2014; and,
- A proposal for IDA funding of \$80 million for a Public Financial Management operation, which would complement the work done under PBS, will be submitted for Board approval later this year.

“The Inspection Panel is an integral part of the Bank’s architecture, and its aim is to contribute to the fulfillment of the Bank’s mission. Moving forward, the Panel welcomes the Board’s approval of management’s actions to incorporate lessons, make adjustments to PBS to better manage risks, and most importantly, to provide concrete support to vulnerable groups, including the affected Anuak communities in Gambella,” said **Inspection Panel Chairman, Gonzalo Castro de la Mata.**

Executive Directors welcomed Management’s intentions to work towards ensuring better development outcomes for affected communities and to learn lessons for the World Bank Group to become even more effective in serving its clients. They reiterated the value of the Inspection Panel as an effective accountability mechanism.

“I am pleased that our World Bank Board of Executive Directors has recognized the significant development achievements made possible by Ethiopia under the PBS program and appreciates the ways in which we are supporting the growth and transformation of the country,” said **Makhtar Diop, World Bank Vice-President for the Africa region.** *“As indicated in our response, we can do more to improve the living conditions of people in the Gambella region. I am fully committed to implementing, in close cooperation with the Government of Ethiopia, additional measures that will improve delivery of critical services to these communities. As President Kim has said repeatedly, we are not bystanders. The panel’s report points out where we need to redouble our development efforts, and where we can do more to support broad-based development for all people, especially those who have been displaced and refugees living in conflict-prone borderlands in the Horn of Africa such as the Gambella region.”*

World Bank management will update the Executive Directors over the coming 12 months on the implementation of its action plan.

Media Contacts:

World Bank in Washington, DC:

Phil Hay, +1 (202) 473-1796, cell + 1 (202) 492 7238 phay@worldbank.org

Inspection Panel

John Garrison, +1 (202) 473-4742, Jgarrison@worldbankgroup.org

For the complete Inspection Panel Investigation Reports and World Bank Management Reports and Recommendations in Response to the Inspection Panel Reports please visit the Inspection Panel website: <http://www.inspectionpanel.org>