



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
ETHIOPIA PUBLIC PROCUREMENT SYSTEM STRENGTHENING PROJECT
APPROVED ON AUGUST 3, 2022
TO
MINISTRY OF FINANCE

GOVERNANCE

EASTERN AND SOUTHERN AFRICA

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ABBREVIATIONS AND ACRONYMS

BoF	Bureau of Finance
ESF	Environment and Social Framework
ESS	Environment and Social Standard
FM	Financial Management
FY	Fiscal Year
FPPPA	Federal Public Procurement and Property Authority
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GoE	Government of Ethiopia
GRS	Grievance Redress Service
GPP MDTF	Global Procurement partnership Multi-Donor Trust Fund
IBRD	International bank for Reconstruction and Development
IDA	International Development Association
IFMIS	Integrated Financial Management and Information System
IFR	Interim Financial Report
MAPS	Methodology for Assessing Procurement System
PDO	Project Development Objective
PP	Procurement Plan
PPSD	Project Procurement Strategy for Development
STEP	Systematic Tracking and Exchanges in Procurement
ToR	Terms of Reference
WBG	World Bank Group



BASIC DATA

Product Information

Project ID P179041	Financing Instrument Investment Project Financing
Environmental and Social Risk Classification (ESRC) Moderate	
Approval Date 03-Aug-2022	Current Closing Date 30-Jun-2023

Organizations

Borrower Ministry of Finance	Responsible Agency Public Procurement and Property Authority
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Financing (in USD Million)

SUMMARY

Total Project Cost	0
Total Financing	0
Financing Gap	0

DETAILS

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Project Development Objective (PDO)

Original PDO

Contribute for strengthening public procurement system and performance in Ethiopia by supporting issuance of new and revised legal framework, upgrading skills and producing tools and evidence on key aspects of the procurement system as identified in the MAPS recommendation.

Summary Status of Financing (US\$, Millions)

TF	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-B9280	08-Aug-2022	08-Aug-2022	08-Aug-2022	30-Jun-2023	.58	.49	.09

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Progress to date

1. *The project has shown positive progress in all major planned activities which are summarized below.*
 - (a) The preparation of procurement legal documents in the newly established Sidama and Southwest Regional states.
 - (i) Sidama: The draft procurement proclamation and procurement directive are prepared in Sidama regional states. In addition, the regional states carried out consultation with various stakeholders including procuring entities, relevant members of the regional council, PPPA and procurement officers. The documents are ready for ratification by the regional council.
 - (ii) South West Regional state The draft procurement proclamation and procurement directive are prepared in South west regional states. In addition, the regional states carried out consultation with various stakeholders including procuring entities, relevant members of the regional council, PPPA and procurement officers. The documents are ready for ratification by the regional council.
 - (b) Establishment of training program for staff in the regulatory bodies.
 - a. PPPA hired an international consulting firm to support the preparation of training modules and for providing Training of Trainers. Accordingly, the consulting firm prepared draft training modules in three functional areas which are reviewed and commented by PPPA. The consulting firm is expected to finalize the training modules in the next two to three weeks.



- b. After finalizing the training modules, the consulting firm will provide training of trainers on the documents for senior staff to be selected from federal and regional procurement regulatory bodies.
- (c) Evidence based procurement assessment and preparation of documents.
 - a. Emergency procurement procedure: A consultant hired by PPPA prepared and submitted final emergency procurement procedure after incorporating comments provided by stakeholders.
 - b. Report on sustainable public procurement: Consultants hired by PPPA prepared and submitted draft report on sustainable public procurement which is under review in PPPA and stakeholders.
 - c. Procurement record management procedure: The consultant hired by PPPA prepared and submitted final procurement record management procedure after incorporating comments from stakeholders.

(2) Activities to be completed within the proposed new project closing date: Almost all of the planned documents will be completed within the existing project closing date. However, providing training to staff in the regulatory bodies, and other stakeholders on the prepared documents remain to be completed within the extended project closing date. The team also confirm that (i)The PDO remains achievable by the proposed extended Closing Date; (ii) the Recipient’s performance is satisfactory (or moderately satisfactory); and (iii) there are no overdue audits

(3) Rationale for extending the closing date: The project implementation period was much shorter than the originally planned time frame due to the delay in the approval of funding to the project. However, PPPA carried out most of the planned activities but few activities related to training and finalization of documents are remaining. Thus, the team is considering restructuring of the project to extend the project closing date by two months and ensure proper completion of all of the planned activities. The team has received request for extension from the client. This one-month extension is as per the DFI’s clearance for reduction of the grace period from 5 to 4 months. (Email dated June 22,2023, attached as part of the restructuring paper

II. DESCRIPTION OF PROPOSED CHANGES

- A. Extension of project closing Date:
 - a. This restructuring proposes extension of the project closing date by one month from June 30,2023 up to July 30,2023.
 - b. The schedule for training of staff in the procurement regulatory bodies is extended up to July 30,2023
- B. The Summary of Performance of E&S Risk Compliance

There are progresses in the implementation of Environment and Social Risk Management (ESRM) of the project since its effectiveness. These include the project implementer has assigned an Occupational Health and Safety (OHS) trained staff to oversee the Environment, Social, Health and safety (ESHS) activities during project implementation. Public Procurement and Property Authority (PPPA) has ensured the adoption of the existing HR Manual during project staff recruitment, managing issues related to labor and working conditions, benefits and entitlements as per the Labor Proclamation. Furthermore, in addition to the adoption of the existing public grievance mechanism (GM), workers' GM has been also availed to be accessed by all workers who may have any concerns.

However, the project needs to strengthen further stakeholder engagement activities, the operationalization of the existing GMs to receive and facilitate timely resolution of grievances, provide trainings to its staff on OHS, Grievance Redress Mechanism (GRM), Stakeholder Engagement, Gender based Violence (GBV) prevention, gender and social



inclusion, etc. and regularly submit a six-monthly monitoring report on the implementation of the Environment and Social Commitment Plan (ESCP).

Describe any E&S issues and impacts associated with the change in project design. Identify and describe any potential large scale, significant and/or irreversible impacts.

Describe any potential indirect and/or long-term impacts due to anticipated future activities in the project areas.

Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Describe measures taken by the borrower to address E&S policy issues. Provide an assessment of borrower capacity to plan and implement the measure described.

Identify key stakeholders and describe the mechanism for consultation and disclosure on E&S policies, with an emphasis of potentially affected people.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Change in Overall Risk Rating		✓
Legal Covenants		✓
Institutional Arrangements		✓



Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

TF	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-B9280	Effective	30-Jun-2023		30-Jul-2023	30-Nov-2023

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

Expected Disbursements (In US\$)

Fiscal Year	Annual	Cumulative
2022	0.00	0.00
2023	543,355.02	543,355.02
2024	36,644.98	580,000.00

Note to Task Teams: End of system generated content, document is editable from here.