

PCR EVALUATION NOTE FOR PUBLIC SECTOR OPERATIONS

1. BASIC INFORMATION			
a. Basic project data			
Project title: Rural Income Employment Enhancement Project (RIEEP)			
Project code:P-UG-IEO-003	Instrument number(s): 2100150021295		
Project type: Investment	Sector: Microfinance Sector		
Country: Uganda	Environmental categorization (1-3) : 4		
Processing Milestones	Key Events	Disbursement and Closing date	
Date approved: November, 2009	Cancelled amount: UAC 485,346.27	Original disbursement deadline: 31/07/15	
Date signed: 21/04/10	Supplementary financing:	Original closing date: 31/07/15	
Date of entry into force: April, 2010	Restructuring:	Revised disbursement deadline:	
Date effective for 1st disbursement: 12/10/10	Extensions (specify dates):	Revised closing date:	
Date of actual 1st disbursement : 12/10/10			
b. Financing sources			
Financing source/ instrument (MUA)	Approved amount (MUA) :	Disbursed amount (MUA) :	Percentage disbursed (%) :
Loan:	10,210,000	9,724,653.73	95.25
Grant:	-	-	
Government:	1,800,000	0	0
Other (ex. Co-financiers): Islamic Development Bank:	319,164	15,188.48	5
TOTAL :	12,329,164	9,739,842.21	79
Co-financiers and other external partners:			
Execution and implementation agencies:			
c. Responsible Bank staff			
Position	At approval	At completion	
Regional Director	D. Gaye, Director, OREA	Gabriel Negatu	
Sector Director	Tom Hurley, Director, OSHD	Sunita Pitamber	
Sector Manager	S. Pitamber, Manager OSHD.1	Justin Murara	
Task Manager	A. Yahie, Socio-Economist, OSHD.0	I. Budali	
Alternate Task Manager			
PCR Team Leader		Budali Issahaku	
PCR Team Members		Mohamed Alin (Microfinance Consultant)	
d. Report data			
PCR Date : 2 October 2016			
PCR Mission Date:	From: 15 August 2016	To: 26 August 2016	
PCR-EN Date: 11 July 2018			

2. PROJECT DESCRIPTION

Summary from Appraisal Report including addendum/corrigendum or loan agreement, and taking into account any modification that occurred during the implementation phase.

a. **Rationale and expected impacts:**

Provide a brief and precise description on the project/programme rationale (concerns/questions raised), expected impacts and the intended beneficiaries (directly or indirectly impacted by the project/programme). Highlight any change that occurred during the execution phase.

The RIEEP built on previous Bank interventions on the same theme of supporting micro-finance in Uganda: the Poverty Alleviation Project (PAP 1994-1998) and the Rural Microfinance Support Project (RMSP) (2000-2008).

The rationale for RIEEP was to support improved access to microfinance as a contribution to sustainable poverty reduction, employment and income generation for the rural poor in Uganda. The improvement in access would come via the building of sustainable rural microfinance infrastructure.

The target direct beneficiaries were 1.4 million of the rural population in Uganda, particularly women who did not have access to financial services.

The project aimed to build rural financial infrastructure, promote a savings and credit culture among the target rural population and enhance their business management skills through training. Overall, it sought to enhance the livelihood of the rural population, therefore contributing to GoU's efforts to reduce poverty and meet the MDG targets.

Despite significant development of microfinance in Uganda, a 2007 survey found that 62% of Ugandans still had no access to formal financial services; 71% of those who saved did not bank; 54% received credit from friends and relatives; and approximately 70% of rural populations, especially women were without access to financial services.

Because of the importance of the rural economy, the GoUs economic policy and development strategies identified rural finance as a vital tool in reducing poverty and enhancing economic growth. In response to this urgent need to support rural poverty reduction, the Government developed the Rural Financial Services Strategy (RFSS) as a key pillar of the Prosperity for All Program (PFPP) which clearly outlines the need to continue to develop financial services for small business development services as a priority vehicle to support the rural poor in enhancing their incomes.

The economic impact of the project was expected to be important. It would support at least 1.4 million clients and create one full time and an average of 2 part time jobs in every new micro-enterprise established. The credit facility would inject 2,934 loans to enable rural poor households tap financial resources and take advantage of potentially profitable investment opportunities. This was expected to: (i)

generate at least 1.4 million employment opportunities for rural clients, of whom 50% are women, through the provision of loans and enhanced skills through training and business development services; (ii) bring about positive changes on business growth, high return on capital and increase their earnings as the loan size increased while the loan portfolio will grow by 75%; (iii) significantly increase household productive assets, earnings and returns on borrowed capital at market rate of interest; and (iv) increase household savings which will provide incentives to build up funds for investment or future household consumption.

The project had no direct environmental impact.

It was expected to have a strong gender impact because the majority of clients of Ugandan MFIs were women: loans to female clients constituted around 75% of the loan portfolio and 80% of the savings portfolio (MFPED 2000). The Project aimed to reach at least 50% female beneficiaries in all regions, with the expectation that the income of female-headed households would increase at least by USD 320 per month as a result of the injection of new access to finance.

b. Objectives/Expected Outcomes:

Provide a clear and concise description of the project objectives, expected outcomes, and intended beneficiaries. In so doing, highlight any revision/amendment.

The Goal was to contribute towards reducing rural poverty in Uganda.

This was expected to benefit rural communities in all districts through increased employment and household income. As a result, it was expected that by 2014, the population below the poverty line would be reduced from 31% to 24%; and per capita income of target clients would be increased from \$490 in 2007 to \$550 by 2014.

To achieve this goal, the project purpose was to facilitate access to and utilization of affordable financial and business development services for 1.4 million rural poor Ugandans.

The outcomes were expected to be enhanced institutional capacity and maximized outreach and delivery of financial services to rural areas, particularly women

The outcome indicators were that the loan portfolio grew from 35% to 75%; enterprises generated at least 50% average return on capital; 1.4 million employment opportunities were created, up from the current rate of 380,000, 50% of which were for women and gender parity was reached in accessing financial services.

The beneficiaries remain as in section A.

c. Outputs and intended beneficiaries:

Provide a clear and concise description the expected outputs and intended beneficiaries. In so doing, highlight any revision/amendment.

The main outputs were that intermediaries and clients were served and loans issued; staff of the Microfinance Support Centre Ltd. (MSC) were trained; loan products were developed; and a tracking survey was conducted.

The main indicators and beneficiaries were as follows:

1. The number of rural clients increased from 380,000 to 1.4 million, with 50% women

-
2. The number of loans disbursed to financial intermediaries increased from 989 to 2,934
 3. The capacity of 1000 intermediaries was strengthened;
 4. 120 staff of MSC and 2,880 staff of Micro-Finance intermediaries acquired business development skills;
 5. Gender parity was maintained in rural clients accessing credit;
 6. MSC maintained its 95% repayment rate.

d. Principal activities/Components:

Provide a clear and concise description of the principal activities/components. In so doing, highlight any revision/amendment.

The Project Appraisal Report does not include a detailed breakdown of project activities. A very schematic Gantt chart is presented on page vi and the logframe includes a column entitled outputs/activities but it does not give any more detail than is presented in section c above

3. PROJECT PERFORMANCE ASSESSMENT

IMPORTANT NOTE: It was not possible to undertake an independent evaluation of this project because the only documents available to the evaluation were the project appraisal and the PCR. The following sections simply review the PCR. The PCREN has not been able to provide its own scores, only to suggest corrections to the PCR scores in a couple of places.

RELEVANCE

a. Relevance of the project development objective:

Evaluation of the relevance ex-ante and ex-post (including during the implementation phase). The relevance of the project objective (during the evaluation ex-ante and the post-evaluation) in terms of alignment with country's development priorities and strategies, the beneficiary needs (including any changes that may have occurred during the implementation), applicable Bank sector strategies, the Bank country/ regional strategy, and general strategic priorities of the Bank. This criterion equally assesses the extent to which the project's development objective was clearly stated and focused on outcomes and the realism of the intended outcomes in the project setting.

The PCR ranking is 3. The justification for this score seems to be reasonable.

b. Relevance of project design (from approval to completion):

The evaluator should provide an assessment of the relevance of the project design regardless of the one provided in the PCR. The evaluator will also comment on the PCR conclusion for this section, and will provide an evaluation of the relevance of the project design. The latter assesses the soundness and the timing of eventual adjustments, or technical solutions to ensure the achievement of the intended results (outcomes and outputs), the adequacy of the risk assessment, environmental and social protection measures, as well as the implementation arrangements. For Programme Based Operations (PBO), an assessment will be made on the relevance of the prior actions, the policy dialogue and the extent to which the operation could have been more pro-poor in its design.

The PCR ranking is 3. This ranking seems to be rather optimistic given the PCR's own evaluation that the design was over-ambitious both in its extent and in terms of the number of beneficiaries that it targeted. It was also unclear on its core strategy. Perhaps as a result the PCR might also have added that the design gave very little guidance as to the precise activities that were to be carried out to deliver the expected outputs. And there was no M&E system built into the design. Overall therefore it would have been easy to justify a score of 2

EFFECTIVENESS

c. Effectiveness in delivering outputs:

Evaluation of the extent to which the project achieved its stated results (obtained from the logical framework) based on the last

Implementation Progress and Results Report (IPR) and by considering accurate reporting of direct or indirect evidence on intended and unanticipated outputs. In the absence of sufficient data (as direct evidence), indirect evidence (such as project outcomes and other pertinent processes/elements of the causal chain) should be used particularly in the evaluation of the extent to which the project is expected to achieve its stated results/ objectives. The absence of sufficient data to assess the effectiveness should be indicated (and clearly detailed in the PCR quality evaluation section). The PCR score should equally be indicated in this section.

The PCR ranking is 3 with a summary that “The output assessment was satisfactory since all outputs were achieved as planned”. It is difficult to understand why the PCR makes this statement since it is not supported by the PCR’s own evaluation. The PCR states that the project failed to achieve the expected number of beneficiaries or the target of gender parity in the loan book. It blames this on poor project design (over-ambitious and no strategy to achieve gender parity) and yet it rated the design as a 3.

The number of loans did increase more than expected but this was accompanied by a decline in the quality of the loan book.

Only the training outputs were delivered as planned (over-delivered in fact).

The outputs had mixed results, as the PCREN rightly points out, the number of loans increased, but there was a marked decline in quality of the loan stock. A key objective of the project is to attain gender parity, this has almost halved from 60% access in 2007 to 33% which is highly unsatisfactory. Only half 52% of the targeted rural population were reached.

Under Institutional and Business Development Services, the outputs were reached and exceeded; however, it should be noted that the main objective of the project is to facilitate access to and utilization of affordable financial and business development services for 1.4 million rural poor Ugandan which was not achieved.

The evaluation and the Review recommend Unsatisfactory (2) rating

d. Effectiveness in delivering outcomes:

Evaluation of the extent to which the project achieved its intended set of outcomes (including for Program Based Operations (PBOs) where complementary measures are necessary for their implementation, namely public awareness, policy dialogue and institutional arrangements for instance). The evaluator should make an assessment based on the results of the last project Implementation Progress and Results (IPR). The evaluator shall indicate the degree to which project outcomes (intended and unanticipated) as well as reasons for any eventual gap were discussed in the PCR.

The PCR ranking is 3. However, the evaluation finds the justification for this score is very weak. None of the quantitative indicators shows successful achievement of an outcome. The evaluation is generally impressionistic based on a limited field visit undertaken by the mission in the absence of the planned tracking survey. It seems difficult to justify a score of 3 in these circumstances.

For the review also, the outcome achievements is not satisfactory, the growth loan portfolio only achieved 32%; loan portfolio did better at 90% and depth of reach was only 52%. Reaching the gender parity too was not achieved, with only a third of the women reached. This is against 60% women assessing microfinance in 2007 according to the PAR, an assessment by FINSCOPE Uganda which showed that the cliental base increased from 300,000 in 1997 to 3.5 million in 2007, 60% of whom are women.

The Evaluation and Review both recommend an Unsatisfactory (2) rating.

e. Project development outcome:

The ratings derived for outcomes and output are combined to assess the progress the project has made towards realizing its development objectives, based on the rating methodology recommended in the Staff Guidance Note on project completion reporting and rating (see IPR Guidance Note for further instruction on development objective rating).

In line with its 3 rankings for outcomes and outputs, the PCR scores the PDO as a 3. It is however very difficult to agree with its conclusion that “The project achieved its development objectives and deemed satisfactory. The project outcomes were largely achieved and those for outputs exceeded the Target.” The discussions of the outputs and outcomes section above do not support this conclusion and the Evaluation and Review agree that the rating should be 2.

f. Beneficiaries:

Using evidence, the evaluator should provide an assessment of the relevance of the total number of beneficiaries by categories and disaggregated by sex.

The PCR reports the beneficiary ratio as 52%

g. Unanticipated additional outcomes (positive or negative, not taken into consideration in the project logical framework):

This includes gender, climate change, as well as social and socio-economic- related issues. Provide an assessment of the extent to which intended or unanticipated additional and important outcomes have been taken into consideration by the PCR. The assessment should also look at the manner the PCR accounted for these outcomes.

In the absence of the tracking survey, the PCR was in a difficult position to say anything about employment multiplier effects. It cites some reports from the MSC that demonstrate that indirect jobs were created. It then attempts to quantify the number by multiplying the number of members of Savings and Credit Cooperative Societies by 4. But this approach must vastly over-estimate the impact of the project itself.

EFFICIENCY

h. Timeliness:

The timeliness of project implementation is based on a comparison between the planned and actual period of implementation from the date of effectiveness for first disbursement. For Programme Based Operations (PBOs), the timely release of the tranche(s) are assessed through this same criterion.

The PCR ranking is 4 which seems correct given that the project was completed in the planned time frame

i. Resource use efficiency:

Provide an assessment of physical implementation (based on outputs delivered) against resources used (based on cumulative commitments) at completion for all contributors to the project (the Bank, Government, and others). This criterion would normally not apply to PBOs, as there is often no direct link between the outputs and the amount of contribution (in which case the rater would indicate N/A).

The PCR ranking is 3 which seems correct given that the project expenditure profile

j. Cost-benefit analysis:

Provide an assessment of the timeliness of the development outputs, and the extent to which costs of the costs have been effective and have been provided in the most efficient manner. The PCR rating should be discussed. The evaluator should verify whether the benefits of the project (achieved or expected) exceed its actual costs. To achieve this, evidences will mainly be based on a comparison between Economic Rates of Return (ERR) calculated at appraisal, the mid-term review and completion. When commenting PCR ratings, the degree of utilization of valid sources for evidence justifying the rating assigned should be taken into consideration. The evaluator should ensure of the validity of assumptions and that the same model was used for the calculation of others ERRs. For PBOs for which this calculation model does not apply, an assessment could be done with regards to the contribution of policy reforms to economic growth. In the absence of sufficient evidence, an appropriate rating should be assigned.

The PCR ranking is 3. It is difficult to justify this (or any other ranking) with the evidence presented by the PCR. The ranking is based on impressionistic evidence of the current situation with no baseline against which to compare it.

The PAR did not undertake any ERR, the PCR has no clear basis for awarding a satisfactory (3) rating. The PCR should just have left the rating as N/A.

k. Implementation progress:

The assessment of the Implementation Progress (IP) on the PCR is derived from the updated IPR and takes into account the all applicable IP criteria assessed under the three categories : i) Compliance with covenants (project covenants, environmental and social safeguards and audit compliance), ii) project systems and procedures (procurement, financial management and monitoring and evaluation), and iii) project execution and financing (disbursement, budget commitments, counterpart funding and co-financing).

The PCR ranking is 3 which seems justified by the narrative

SUSTAINABILITY

l. Financial sustainability:

Provide an assessment of the extent to which funding mechanisms and modalities (eg. Tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits after completion, with particular emphasis on financial sustainability. For PBOs, the assessment should focus on financial sustainability of reforms, as well as the Bank's policy dialogue to promote financial sustainability of the reforms.

The PCR ranking is 2 which is justified by the narrative

m. Institutional sustainability and strengthening of capacities:

Provide an assessment of the extent to which the project has contributed to the strengthening of institutional capacities – including for instance through the use of country systems – that will continue to facilitate the continued flow of benefits associated with the project. An appreciation should be made with regards to whether or not improved governance practices or improved skills, procedures, incentives, structures, or institutional mechanisms came into effect as a result of the operation. For PBOs, this should include an assessment on the contributions made to building the capacity to lead and manage the policy reform process; the extent to which the political economy of decision making was conducive to reform; the Government's commitment to reform; and how the design reinforced national ownership.

The PCR ranking is 3. This ranking may be justified by the amount of training undertaken. On the other hand, the Evaluation finds this view somewhat optimistic given the financial situation in which the MSC finds itself, as discussed in the section of financial sustainability.

The Review agrees with the PCREN's observations, the MSC's technical capacity with all the training programs, however, the financial sustainability without which the Institutions survival could be precarious, is not good. Lack of an operational risk management strategy is an issue that could adversely affect the Institutions sustainability.

The PCREN Evaluation and Review agree a 2 rating

n. Ownership and sustainability of partnerships:

Provide an assessment of whether the project has effectively involved relevant stakeholders, promoted a sense of ownership amongst the beneficiaries (both men and women) and put in place effective partnerships with relevant stakeholders (eg. local authorities, civil society organizations, private sector, donors) as required for the continued maintenance of the project outputs. For PBOs, the assessment should measure the extent to which the Government's capacity to conduct consultations during policy dialogue and the extent to which the Bank supported the Government in deepening the consultation processes.

The PCR ranking is 4 which is in line with the narrative. The Evaluation finds that, once again, the evidence presented seems to be very impressionistic based upon what was presumably a relatively short field mission rather than any long-term or ongoing documentary sources.

However, the Review agrees with the PCR's rating and narrative. The key stakeholders, the communities appreciate and greatly value the project for being the only source finance to some of them; the local authority officials are also said to be appreciative of the project. As the only source of finance for many of them, it is a reasonable assumption that these key stakeholders will work towards maintaining ownership and its sustainability.

The PCREN therefore accepts the PCR score

o. Environmental and social sustainability:

Provide an assessment of the objectivity of the PCR rating on the project's implementation of environmental and social mitigation/enhancement measures with regard to the Environmental and Social Management Plan (ESMP), the capacity of country institutions and systems, as well as the availability of funding to ensure the environmental and social sustainability of the operation. This criterion would normally only apply to Environmental Category I and II projects.

The PCR ranking is 4 which seems to be justified

4. PERFORMANCE OF STAKEHOLDERS

a. Bank performance:

(Preparation/approval, ensure of Quality at Entry (QAE) : quality of the supervision, completion) : Provide observations on the objectivity of the PCR ratings and feedback provided by the Borrower, and if necessary, re-assess the Bank's performance throughout the project cycle (design, implementation, completion) by focusing on evidence from the PCR in relation to 7 criteria defined in the PCR Guidance Note.

The PCR ranking is 3 which seems to be justified

b. Borrower performance:

Provide observations on the objectivity of the PCR ratings, and if necessary, re-assess the Borrower's performance throughout the project cycle (design, implementation, completion) by focusing on evidence from the PCR in relation to questions defined in the PCR Guidance Note.

The PCR ranking is 2 due to the failure to provide counterpart funds and issues about the MSC's governance. This seems to be justified

c. Performance of other stakeholders:

Provide observations on the objectivity of the PCR ratings, and if necessary, re-assess the other shareholders' performance throughout the project cycle (design, implementation, completion) by focusing on evidence from the PCR in relation to relevant questions specific to each stakeholder (co-financiers, NGO, contractors and service providers).

The PCR ranking is 2 which seems correct given that the ISDB performance

5. SUMMARY OF OVERALL PROJECT PERFORMANCE

a. Overall assessment:

Provide a summary of the project/programme's overall performance based on the PCR 4 key components (Relevance, Effectiveness, Efficiency and Sustainability). Any difference with the PCR and the reasons that have resulted in them should be mentioned. For cases with insufficient evidence (from the PCR and other documents) available, the evaluator should assign a partly satisfactory rating (to be revised) until a PPAR is complete.

The PCR ends with an overall ranking 3.13. Given the elements discussed above, this is probably optimistic and the PCREN average score is 2.71. Given the guidelines both of these scores are in the satisfactory category although there is clearly quite a big difference between them

b. Design, implementation and utilization of the M&E (appreciation of the evaluator):

Provide an assessment of planned and actual cost of the design, implementation and utilization of the M&E system. Design : To which extent the project M&E system was explicit, adequate and realistic to generate and analyse relevant data ; Implementation : To which extent relevant data was collected – Elements of M&E implementation and effectiveness in the PCR ; Utilization : degree of utilization of data generated for decision-making and resource allocation – elements of M&E utilization in the PCR.

No system seems to have been implemented

6. EVALUATION OF KEY LESSONS LEARNED AND RECOMMENDATIONS

a. Lessons learned:

Provide a brief description of any agreement/disagreement with all or part of the lessons learned from the PCR after analysis of the project performance with regards to each of the key components of the evaluation (Relevance, Effectiveness, Efficiency, and Sustainability). List the PCR main new and/or reformulated pertinent (and generic) lessons learned for each of these components here. It is recommended that no more than five lessons learned are discussed. Key questions and targeted audience must also be specified for each lesson learned.

L1. Need for stronger Monitoring and Evaluation systems VALIDATED

L2. Inadequate capacity NOT VALIDATED – it is a recommendation

L3. Executing agency's long term institutional stability NOT VALIDATED – too specific to a particular period of the project

L4. Lack of communication amongst parties VALIDATED

L5. Gender imbalance at the SACCOs – NOT VALIDATED – it is a recommendation and is very project specific. But would be useful in the case of follow-up projects in this area

L6. Mid-Term review of the project Log frame. NOT VALIDATED – it is a recommendation but seems obvious and is unlikely to offer any useful guidance to the Bank

b. Recommendations:

Provide a brief description of any agreement/ disagreement with all or part of the recommendations from the PCR. List the PCR main new and/or reformulated recommendations (requiring more actions by the Borrower and/or the Bank) here.

R1. How can the sustainability of project benefits be ensured? – NOT VALIDATED – too project specific and offers little useful guidance to the Bank

R2. Long term Sustainability. – NOT VALIDATED – this should have been part of project design, not an add-on recommendation

If a future project addresses the same Micro Finance Institutions, a full understanding of Gender and its relevance for their SACCOs is essential for the SACCO leaders. Relevant training should be given and all SACCOs should be required to have and apply a Gender policy.

7. COMMENTS ON PCR QUALITY AND TIMELINESS

The overall PCR rating is based on all or part of the criteria presented in the annexe and other: The quality of the PCR is rated as highly satisfactory (4), satisfactory (3), unsatisfactory (2), and highly unsatisfactory (1). The timeliness of the PCR is rated as on time (4) or late (1). The participation of the Borrower, co-financier, and the bank's external office(s) are rated as follows: Very Good (4), Good (3), Fair (2), Poor (1).

The PCR was produced over one year after the project closure. Despite this the impression is that it was produced in something of a hurry. It is fairly clear but the PCR authors seem to have struggled because of the lack of evidence from the project on which to base their report. As a result, a lot of the evidence presented appears to be impressionistic and to be based upon a very quick field visit. Some of the scores given appear to be high compared to the narrative. The CBA is not credible because there is no baseline data against which to judge the current situation.

Overall the PCREN considers the PCR as unsatisfactory (1.83).

It was produced late (score 1) and there is no evidence of any external collaboration (score 1).

8. SUMMARY OF THE EVALUATION

This is a summary of both the PCR and IDEV ratings with justification for deviations/comments. Appropriate section of the PCR Evaluation should be indicated in the last column in order to avoid detailed comments. The evaluator must provide a reasonable explanation for each criterion the PCR rating is not validated by IDEV. Consequently, the overall rating of the project could be "equally satisfactory".

Criteria	PCR	PCREN	Reason for disagreement/ Comments
RELEVANCE			
Relevance of project development objective	3	3	
Relevance of project design	3	2	The design was over-ambitious both in its extent and in terms of the number of beneficiaries that it targeted. It was also unclear on its core strategy. Perhaps as a result the PCR might also have added that the design gave very little guidance as to the precise activities that were to be carried out to deliver the expected outputs. And there was no M&E system built into the design.
EFFECTIVENESS			
Development objective (DO)	3	2	In the PCREN's view neither outputs nor outcomes were achieved satisfactorily.
EFFICIENCY			
Timeliness	4	4	
Resource use efficiency	3	3	
Cost-benefit analysis	3	Na	
Implementation progress (IP)	3	3	
SUSTAINABILITY			
Financial sustainability	2	2	
Institutional sustainability and strengthening	3	2	The PCR ranking is 3. This ranking may be

of capacities			<p>justified by the amount of training undertaken. On the other hand, the Evaluation finds this view somewhat optimistic given the financial situation in which the MSC finds itself, as discussed in the section of financial sustainability.</p> <p>The Review agrees with the PCREN's observations, the MSC's technical capacity with all the training programs, however, the financial sustainability without which the Institutions survival could be precarious, is not good. Lack of an operational risk management strategy is an issue that could adversely affect the Institutions sustainability.</p> <p>The PCREN Evaluation and Review agree a 2 rating</p>
Environmental and social sustainability	4	4	
OVERALL PROJECT COMPLETION RATING	3.13	2.71	
Bank performance:	3	3	
Borrower performance:	2	2	
Performance of other shareholders:	2	2	
Overall PCR quality:		1.83	

9. PRIORITY FOR FUTURE EVALUATIVE WORK: PROJECT FOR PERFORMANCE EVALUATION REPORT, IMPACT EVALUATION, COUNTRY/SECTOR REVIEWS OR THEMATIC EVALUATION STUDIES:

- Project is part of a series and suitable for cluster evaluation
- Project is a success story
- High priority for impact evaluation
- Performance evaluation is required to sector/country review
- High priority for thematic or special evaluation studies (Country)
- PPER is required because of incomplete validation rating

Major areas of focus for future evaluation work:

- a) Performance evaluation is required for sector/ country review
- b) Cluster evaluation (institutional support)
- c) Sector evaluation (budgetary support or public finance management reforms)

Follow up action by IDEV:

Identify same cluster or sector operations; organize appropriate work or consultation mission to facilitate a), b) and/or c).

Division Manager clearance

Director signing off

Data source for validation:

- Task Manager/ Responsible bank staff interviewed/contacted (in person, by telephone or email)
- Documents/ Database reports

Attachment:

- PCR evaluation note validation sheet of performance ratings
- List of references

PROJECT COMPLETION REPORT EVALUATION NOTE

Validation of PCR performance ratings

PCR rating scale:

Score	Description
4	Very Good – Fully achieved with no shortcomings
3	Good – Mostly achieved despite a few shortcomings
2	Fair – Partially achieved. Shortcomings and achievements are roughly balanced
1	Poor – very limited achievement with extensive shortcomings
UTS	Unable to score/rate
NA	Non Applicable

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments
RELEVANCE	Relevance of the project development objective (DO) during implementation	3	3	
	Relevance of project design (from approval to completion)	3	2	The design was over-ambitious both in its extent and in terms of the number of beneficiaries that it targeted. It was also unclear on its core strategy. Perhaps as a result the PCR might also have added that the design gave very little guidance as to the precise activities that were to be carried out to deliver the expected outputs. And there was no M&E system built into the design.
OVERALL RELEVANCE SCORE				
EFFECTIVENESS*	Effectiveness in delivering outcomes			
	Outcome1			
	Outcome2			
	Effectiveness in delivering output			
	Output1			
	Output2			
	Development objective (DO)			
	Development objective rating	3	2	In the PCREN's view neither outputs nor outcomes were achieved satisfactorily.
	Beneficiaries			

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments	
	Beneficiary1				
	Beneficiary2				
	Unanticipated outcomes (positive or negative not considered in the project logical framework) and their level of impact on the project (high, moderate, low)				
	Institutional development				
	Gender				
	Environment & climate change				
	Poverty reduction				
	Private sector development				
	Regional integration				
	Other (specify)				
EFFECTIVENESS OVERALL SCORE					
EFFICIENCY	Timeliness (based on the initial closing date)	4	4		
	Resource used efficiency	3	3		
	Cost-benefit analysis	3	Na		
	Implementation progress (from the IPR)	3	3		
	Other (specify)				
OVERALL EFFICIENCY SCORE					
SUSTAINABILITY	Financial sustainability	2	2		
	Institutional sustainability and of strengthening capacities	3	2	<p>The PCR ranking is 3. This ranking may be justified by the amount of training undertaken. On the other hand, the Evaluation finds this view somewhat optimistic given the financial situation in which the MSC finds itself, as discussed in the section of financial sustainability.</p> <p>The Review agrees with the PCREN's observations, the MSC's technical capacity with all the training programs, however, the financial sustainability without which the Institutions survival could be precarious, is not good. Lack of an operational risk management strategy is an issue that could adversely affect the Institutions sustainability.</p>	

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments
				The PCREN Evaluation and Review agree a 2 rating
	Ownership and sustainability of partnerships	4	4	
	Environmental and social sustainability	4	4	

*The rating of the effectiveness component is obtained from the development objective (DO) rating in the latest IPR of the project (see Guidance Note on the IPR).

The ratings for outputs and outcomes are determined based on the project's progress towards realizing its targets, and the overall development objective of the project (DO) is obtained by combining the ratings obtained for outputs and outcomes following the method defined in the IPR Guidance Note. The following method is applied: Highly satisfactory (4), Satisfactory (3), Unsatisfactory (2) and Highly unsatisfactory (1).

Criteria	Sub-criteria	PCR Work score	IDEV review	Reasons for deviation/comments
BANK PERFORMANCE	Proactive identification and resolution of problems at different stage of the project cycle			
	Use of previous lessons learned from previous operations during design and implementation			
	Promotion of stakeholder participation to strengthen ownership			
	Enforcement of safeguard and fiduciary requirements			
	Design and implementation of Monitoring & Evaluation system			
	Quality of Bank supervision (mix of skills in supervisory teams, etc)			
	Timeliness of responses to requests			
OVERALL BANK PERFORMANCE SCORE		3	3	
BORROWER PERFORMANCE	Quality of preparation and implementation			
	Compliance with covenants, agreements and safeguards			
	Provision of timely counterpart funding			
	Responsiveness to supervision recommendations			
	Measures taken to establish basis for project sustainability			
	Timeliness of preparing requests			
OVERALL BORROWER PERFORMANCE SCORE		2	2	

PERFORMANCE OF OTHER STAKEHOLDERS	Timeliness of disbursements by co-financiers			
	Functioning of collaborative agreements			
	Quality of policy dialogue with co-financiers (for PBOs only)			
	Quality of work by service providers			
	Responsiveness to client demands			
OVERALL PERFORMANCE OF OTHER STAKEHOLDERS		2	2	
The overall rating is given: Very Good, Good, Fair and Poor.				
(i) Very Good (HS) : 4				
(ii) Good (H) : 3				
(iii) Fair (US) : 2				
(iv) Poor (HUS): 1				

DESIGN, IMPLEMENTAION AND UTILIZATION OF MONITIRING AND EVALUATION (M&E)

Criteria	Sub-criteria	IDEV Score	Comments
M&E DESIGN	M&E system is in place, clear, appropriate and realistic	UTS	
	Monitoring indicators and monitoring plan were duly approved	UTS	
	Existence of disaggregated gender indicator	UTS	
	Baseline data were available or collected during the design	UTS	
	Other, specify		
OVERALL M&E DESIGN SCORE			
M&E IMPLEMENTATION	The M&E function is adequately equipped and staffed	UTS	
OVERALL M&E IMPLEMENTATION SCORE			
M&E UTILIZATION	The borrower used the tracking information for decision	UTS	
OVERALL M&E UTILIZATION SCORE			
OVERALL M&E PERFORMANCE SCORE			

PCR QUALITY EVALUATION

Criteria	PCR-EVN (1-4)	Comments
QUALITY OF PCR		
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections	2	A lot of the evidence presented appears to be impressionistic and based upon a very quick field visit
2. Extent of objectivity of PCR assessment score	2	Some of the scores seem to be very optimistic
3. Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies; (in various sections; between text and ratings; consistency of overall rating with individual component ratings)	2	The scores seem sometimes to be high compared to the narrative
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive or negative) affecting design and implementation	UTS	No real information on which to judge
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	UTS	No information
6. Extent of soundness of data generating and analysis process (including rates of returns) in support of PCR assessment	UTS	No way to verify the data presented. The PCR often seems based on impressionistic evidence. The CBA is not credible because there is no baseline data
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	1	Totally inadequate
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis)	2	The lessons and recommendations tend to be very parochial and of little use in designing future interventions
9. Extent of overall clarity and completeness of the PCR	2	There is a lack of supporting evidence on which to base the judgement. The PCR seems to have been written in something of a hurry. It is fairly clear but the evidence just seems to have been lacking for the PCR authors to produce a convincing report.
Other (specify)		
PCR QUALITY SCORE	1.83	
PCR compliance with guidelines (PCR/OM ; IDEV)		
1. PCR Timeliness (On time = 4; Late= 1)	1	The PCR was produced over one year after the project closure
2. Extent of participation of borrower, Co-financiers & field offices in PCR preparation	1	No evidence of Borrower and Co-financiers participation provided by the PCR
3. Other aspect(s) (specify)		
PCR COMPLIANCE SCORE	1	
*** rated as Very Good (4), or Good (3), or Fair (2), or Poor (1)		

References