

## PCR EVALUATION NOTE FOR PUBLIC SECTOR OPERATIONS

### 1. BASIC INFORMATION

#### a. Basic project data

**Project title: Rural Income and Economic Enhancement Project**

**Project code: P-EG-IE0-003**      **Instrument number(s): Loan 2000130005331; FAPA Grant 5700155001001; MIC Grant 5500155002953**

Project type: Investment      Sector: Human Development

Country: Egypt      Environmental categorization (1-3): 4

Processing Milestones	Key Events	Disbursement and Closing date
<b>Date approved:</b> 13.01.2010	Cancelled amount:	<b>Original disbursement deadline:</b> 31 December 2015
<b>Date signed:</b> 17.02.2010	Supplementary financing:	<b>Original closing date:</b> 31.12.2015
<b>Date of entry into force:</b> 9.10.2010	Restructuring: None	Revised disbursement deadline: None
<b>Date effective for 1st disbursement:</b> 22.10.2010	Extensions (specify dates): None	Revised closing date: None
<b>Date of actual 1<sup>st</sup> disbursement:</b> June 23, 2011		

#### b. Financing sources

Financing source/ instrument (MUA)	Approved amount (MUA) :	Disbursed amount (MUA) :	Percentage disbursed (%) :
Loan:	50,000,000 UA (70,000,000 USD)	50,000,000 UA (70,000,000 USD)	100%
FAPA Grant:	714,285 UA (1 Million USD)	714,285UA (1 Million USD)	100%
MIC Grant:	600,000 UA	600,000 UA	100%
Government:			
Other (ex. Co-financiers):			
<b>TOTAL :</b>	51,314,285	51,314,285	100%

Co-financiers and other external partners: None

Execution and implementation agencies: Social Fund for Development (SFD)

#### c. Responsible Bank staff

Position	At approval	At completion
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Regional Director	J. Kolster, ORNA Director	M. El Azizi, General Director RDGN
Sector Director	T. Hurley, OSHD Director	S. Pitamber, Ag. Director Human Development
Sector Manager	S. Pitamber, OSHD1 Manager	J. Murara, Ag. Mgr, AHHD1
<b>Task Manager</b>	Y. Baldeh	G. El Sokkary
<b>Alternate Task Manager</b>	G. El Sokkary	
PCR Team Leader		G. El Sokkary
PCR Team Members		A. Algindy, COEG Procurement Officer; M. Moussa, Financial Analyst (Consultant); Z. Shaheen, Gender Consultant; T. Shata, Agro expert (Consultant).
<b>d. Report data</b>		
PCR Date : December 20, 2016		
PCR Mission Date:	From: December 6, 2015	To: December 16, 2015
PCR-EN Date:		
Evaluator/consultant : John Redwood III		Peer Reviewer/Task Manager:

## 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.

This project sought to improve the socio-economic livelihood of the economically active rural smallholder farmers engaged in the production, processing and marketing of selected agricultural commodities. To achieve this objective it had two components, one for capacity building and the other for access to finance for medium and small rural enterprises primarily located in Upper Egypt.

### 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.

In 2005, Egypt embarked on an aggressive reform program, which positioned the country as one of the fastest growing economies in the Middle East and North Africa (MENA) region. However, despite this exemplary performance, poverty and vulnerability continued to be a major challenge and unequal growth had negatively impacted the elasticity of poverty reduction resulting in an increase in chronic poverty and exacerbating regional inequalities. About three-quarters of the poor lived in rural areas, with 55 percent living in rural Upper Egypt. Aware of this challenge the Government's National Development Plan (NDP) for 2007-2012 set the following goals: (i) creating 750,000 new jobs annually of which 10% would be in the agriculture and agricultural-related sectors; (ii) fostering agro investments as a catalyst to stimulate private sector development in rural economies; (iii) improving income levels of the low income citizens; (iv) improving the standard of living of the citizens, especially for the population living in Upper Egypt; and (v) empowering women economically and creating 60,000 jobs for women annually. To achieve these goals, a more market-led approach involving production decisions based on market needs rather than the traditional production-oriented approach was needed. However, Egypt's rural population was unprepared for the realities of a market-led world. Smallholder farmers struggled to be competitive in a situation where they were not well connected to markets and lacked

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the knowledge, skills and financial resources to participate fully in commercial transactions. In particular, limited access to finance remained a key binding constraint for the development of rural economies, especially for MSEs engaged in agribusiness. In order to help reduce these constraints, the project's expected impact was improved livelihoods of economically active smallholder farmers in the project area.

**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 Project Development Objective was to improve the socio-economic livelihood of the economically active rural smallholder farmers engaged in the production, processing and marketing of selected agricultural commodities. The project's expected outcomes were increased subloans to SME beneficiaries, increased jobs created, increased share of agribusiness lending in the portfolios of two partner financial institutions (PFIs), and increased agribusiness and/or dairy trade on the part of participating Farmer Associations. Intended beneficiaries were Farmer Association members, staff of service providers and PFIs, and micro and small-scale rural entrepreneurs.

**c. Outputs and intended beneficiaries:**

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

Desired product outputs included the training of Farmer Associations, establishment of new business linkages, development and financing of business plans, training of service providers, training of PFI staff, and increased access to credit by microenterprises and smallholder agribusinesses. Intended beneficiaries were Farmer Association members, staff of service providers and PFIs, and micro and small-scale rural entrepreneurs.

**d. Principal activities/Components:**

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

The project had two components:

1. *Capacity Building* through which it would seek to fund: (a) participatory value chain analysis for horticulture and dairy; (b) creation of business linkages between farmer associations and the private sector agribusinesses in a value chain, through improved information on market opportunities, value addition (processing), entrepreneurial and business skills development and reliable trade relations; and (c) developing the capacities of financial intermediaries to develop and introduce new and innovative financing instruments for agribusiness (including micro-insurance schemes); and
2. *Access to Finance* through which it would seek to address the financing constraints faced by agribusiness institutions. This was to be achieved through the provision of a USD 70 million long-term loan to the Government of Egypt (GoE), which would on-lend it to SFD on the same terms and conditions of the Loan Agreement between ADB and GOE. SFD, in turn, would provide these resources to commercially viable micro and small enterprises (MSEs), including farmer associations/cooperatives and service providers involved in agribusiness for working and investment capital needs through selected intermediaries with at least 60% of the loan proceeds to be disbursed to MSEs in Upper Egypt.

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### **3. PROJECT PERFORMANCE ASSESSMENT**

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## 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 relevance of project development objective was fully consistent with both the Egyptian Government's and the Bank's priorities and strategies for the sector. However, the alignment of the objective with the country's development strategy and policy priority and the Bank's strategy was not articulated in the PCR. Thus, the relevance of objectives is rated Substantial (3).

### **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.

Project design was highly relevant (4) as it sought to address the two principal constraints to the improved agricultural output, productivity and thus livelihoods of rural smallholders with an emphasis on the poor parts of the country in Upper Egypt – i.e. limited capacity and inadequate access to finance. More specifically, as the PCR points out, the project followed a three-pronged approach by providing access to finance, strengthening agribusiness lending by building capacities of partner financial intermediaries, and strengthening the value-chain component through building capacities of farmer associations and other stakeholders. The project design was innovative and particularly noteworthy by combining the objectives of market-led private sector development in agricultural value chains with a pro-poor focus and concern with the empowerment of women.

## 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 project had the following outputs:

1. No. of farmers and association members trained (% female) – 333 farmers were trained (455% above the target of 60), of which 33% were female (just short of the 35% target).
  2. No. of business linkages established – 18 were established exceeding the target (10) by 80%.
  3. No. of business plans developed and received financing – 15 were developed, 1 received financing and 7 were under consideration for financing at the time the project closed, exceeding the target for plans development (10) by 50%; however only 10% of the target for financing had been met by the time the project closed.
  4. Staff of Service Providers trained – target (5) greatly exceeded as 127 staff of 50 service providers
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were trained.

5. No. of PFI staff and SFD staff trained (% female) – target (150 and 40) exceeded by 115% as 409 staff were trained and the target for the share of females (35%) was met.
6. No. of micro enterprises accessing agricultural credit (% female) – target exceeded by 291% (78,264 vs. 20,000) and the female share (46%) also surpassed the appraisal target (40%).
7. No. of small-scale agribusinesses accessing agricultural credit (% female) – 86% (3,429 vs 4,000) of the appraisal target was met, with the female share (36%) exceeding the respective target (25%).

Most project output targets were exceeded, in some cases significantly so, with the only major exception being for the share of business plans that had been approved for financing at the time the project closed. Therefore, this evaluation rates performance in this regard as Satisfactory (3).

**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 project's outcomes were:

1. Increase in number of disbursed SME sub-loans to beneficiaries – the target was greatly exceeded as the project resulted in a total of 81,693 loans (i.e., 3,429 small loans and 78,264 microloans), or which 45% went to women, against a target of 9,186 (3,323 small and 5,863 microloans), 45 % were expected to go to women.
2. Increase in no. of jobs created (% of women) – the target here was also substantially exceeded (79,447 actual jobs compared with an appraisal target of 50,000); however, neither the appraisal target nor the share of actual jobs going to women is reported in the PCR.
3. Percentage share of agribusiness lending in Partner Financial Institutions' (PFI) portfolios – the targets in this regard were likewise surpassed – i.e., there was a 53% increase in the volume of the agribusiness portfolio at the National Bank of Egypt (NBE), reaching 30% of its SME portfolio and a 21.1% increase in the portfolio of the Industrial and Development Workers Bank (IDWB) compared with appraisal targets of 25% and 16%, respectively.
4. Increase in agribusiness and /or dairy trade of Farmer Associations – while no target was set at appraisal in this regard, the PCR concluded that the outcome was achieved and observed more specifically that: “following the assessment 74 Farmer Associations (FA) in 4 governorates, 30 were selected to benefit from capacity building activities, of which 20 FAs worked in horticulture (Minya, Assiut and Suhag governorates) and 10 in dairy production (Beni Suef and Minya). The training was completed about 6 months before project completion and resulted in some initial collective trade boosted primarily through the series of farmer markets set up by the project. The FAs trade volume totalled about 25% of total sales conducted during these markets. In addition, a couple of FAs traded amongst themselves for some time.” However, it also observed that “this is an area where further strengthening is required, in addition to more advanced support and advice on legal forms of association, to enable the FA to become active in trade.”

In summary, as the outcome targets were achieved or surpassed, project performance in this regard is rated Highly Satisfactory (4).

**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).

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Considering that achievement of project outcomes was rated Highly Satisfactory (4) and delivery of Outputs Satisfactory (3), following the guidelines, the overall project development outcome rating should be Highly Satisfactory (i.e., 3.5 rounded up to 4). However, it should be added that, as the project objective was to improve the socio-economic livelihood of the economically active rural smallholder farmers engaged in the production, processing and marketing of selected agricultural commodities, the outcome indicators did not measure achievement with respect to this objective directly – i.e., the extent to which the project actually improved the livelihoods of the target group – and thus, while likely, the PCR did not definitively show that this objective was fully attained. Thus, the rating is reduced to Satisfactory (3).

**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 actual number of total and female beneficiaries reported in the PCR were both substantially exceeded in relation to the appraisal targets in most cases with the only exception being the number of small-scale entrepreneurs (3,429 vs. 4,000). However, on the whole, project performance was very positive in this regard.

**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.

The PCR lists a large number of unanticipated additional outcomes all of which were positive. Among the most important of these were: (i) Informal partnerships/alliances were forged between suppliers and producers, including amongst women; (ii) the National Bank of Egypt set up a dedicated Business Development Services & M/E unit for agribusiness development to support the implementation of the Agro-finance strategy; (iii) access to finance was well promoted in Upper Egypt, with 56% of the small loans on-lent in Upper Egypt by banks; for many of the project beneficiaries, it was their first time to receive a loan (76% in Suhag, 52% in Minya) and for almost half of the beneficiaries, the loans were obtained to start a new project (60% in Fayoum, 54% in Minya etc); and (iv) nutrition was promoted and 2222 small herd vaccinated against foot and mouth disease during household dairy processing training in rural areas.

## **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.

Project implementation was very timely, having originally been planned for five years, but in fact taking only four according to the PCR. Thus, this evaluation agrees with the proposed Highly satisfactory (4) rating.

**i. Resource use efficiency:**

Provide and 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).

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This assessment likewise concurs with the PCR's Highly Satisfactory (4) rating for this item as almost all outputs exceeded the targets and project funds were nearly fully utilized.

**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 ex-post ERR (32%) was highly positive but somewhat lower than that estimated ex-ante (37.8%). Thus, the PCR's proposed Satisfactory (3) rating is reasonable.

**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 project reportedly fully complied with the associated covenants, as well as the environmental and social safeguards and the audit requirements. It was also fully compliant with the Bank's procurement rules. Even though despite the difficult socio-economic and political context from 2011 up to 2014, and, as a result consultancy services were hard to procure and delays were experienced because of security and other concerns, overall project implementation proceeded with almost all of the activities carried out as planned and the project targets achieved and surpassed. This all took place without any extension for the loan, and with only a one-year extension for each of the grants. Quarterly progress reports were submitted on time and allowed to monitor the implementation rate. The three financing instruments were fully disbursed and commitment rates were satisfactory particularly given the fact that with the exception of some savings that occurred as a result of exchange rate fluctuations. Counterpart funding, mostly through in-kind contributions, was likewise implemented as agreed. However, the PCR did not evaluate all of the ten criteria required to confirm the proposed Highly Satisfactory (4) rating, which is thus reduced to Satisfactory (3).

## **SUSTAINABILITY**

**l. Financial sustainability:**

Provide an assessment of the extent to which funding mechanisms and modalities (e.g. 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.

Financial sustainability will depend primarily on the actual rate of repayment of project subloans about which the PCR does not provide any information, in all likelihood because only one business plan had received financing at the time the project closed. However, in general, repayment rates by micro and small enterprises, especially those managed by women, tend to be high. Thus, this assessment believes that the PCR's proposed 3 rating is reasonable.

**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

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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 proposed Satisfactory (3) rating for this item also appears well-justified. According to the PCR, the project contributed to the strengthening of capacities and the institutional sustainability of a number of stakeholders involved in the agribusiness value-chain, including three participating financial intermediaries (NBE, IDWB, and SFD) by developing an agro-finance strategy tailored to each one, building capacities of their staff in management and agro-finance lending and exposing them, through a study tour to Frankfurt Business and Management School, to models of successful cooperatives, agriculture insurance as well as by providing financial resources for on-lending to rural MSEs. It also built capacities of the NGOs involved in microfinance, through training of board of directors and executive staff in management and micro-lending and by providing a number of them with a loan tracking system to improve their lending capacities as well as credit for onwards lending, and strengthened the capacity of 30 Farmer Associations working in horticulture and in dairy processing in four governorates of Upper Egypt. However, the PCR also observed that “on-going capacity building continues to be required to assist stakeholders in fine-tuning and honing the skills acquired, particularly for farmer associations that remain to be vulnerable.”

**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 (e.g. 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 ownership and sustainability of partnerships likewise seems to be Satisfactory (3), as concerns both the participating PFIs and Farmer Associations.

**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 project was classified as Environment Category 4, which signified little, if any, environmental risks. In its on-lending operations, SFD uses an Environmental and Social Management Plan (ESMP) to assess the potential environmental and social impacts associated with the sub-projects it finances. A similar practice is used by SFD's partner financial intermediaries, in line with Egypt's Environmental guidelines. As a result, sub-projects can only be financed if cleared by the environmental agency and obtaining an environmental permit. In addition, following the mid-term review, dedicated training was administered to service providers and loan beneficiaries on “Hygiene, Safety and Environment” as well as “Safe Handling, Packaging and Simple Dosage Measurement.” As indicated above, moreover, Bank environmental and social requirements were adequately complied with according to the PCR. Accordingly, a Satisfactory (3) rating is also merited for this item.

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## **4. PERFORMANCE OF STAKEHOLDERS**

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**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.

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Bank performance is rated Good (3) According to the PCR, disbursement requests were expedited through the Bank, the flow of funds was adequate, and it provided adequate supervision missions in the form of skills mix and practicality of solutions. In addition, the Bank demonstrated flexibility during implementation, facilitated by the solid and regular day-to-day coordination at the local level between the two institutions. This oversight was further enhanced by the fact that Bank field office staff in Egypt work with the SFD on several projects simultaneously, which provides them with a solid overview and understanding of the capacities and the needs at hand, and allowing for greater synergies

**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 considered SFD's performance as "very satisfactory, particularly given the very difficult country context following the Arab Spring Uprisings and the transitional period thereafter." During the tumultuous period from 2011-15, SFD experienced at least 4 management changes, but project implementation continued with only minor delays. The PCR also argued that "special consideration" should be given to the "excellent performance of the project team within the Agribusiness Unit, the outstanding collaboration by the regional offices of Minya, Assiut, Suhag and Beni Suef (all in Upper Egypt), the innovative approach to lending demonstrated by the microfinance central sector, and the solid direct lending collaboration" as well as to "the strong coordination and monitoring by the Monitoring and Evaluation unit and the collaboration of the finance department [which] were instrumental in the success of the project." This having been the case a Very Good (4) rating indeed seems appropriate.

**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 performance of the project's service provides likewise appears to have been Good (3).

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## 5. SUMMARY OF OVERALL PROJECT PERFORMANCE

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**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 post project performance evaluation (e.g. PPER, PER or PRA) is complete.

Overall, this appears to have been, as the PCR suggests, a Highly Satisfactory (4) project. Its proposed outcomes and development objective were achieved and the majority of its planned outputs delivered and in most cases the associated targets were exceeded despite the difficult circumstances at the time its implementation occurred. Efficiency was high and sustainability on all aspects seems likely, while Bank, Borrower, and other stakeholder performance were all positive.

**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.

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The project M&E system appears to have been adequately designed, implemented, and utilized, as well as to have provided the output, outcome, and financial data presented in the PCR.

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## 6. EVALUATION OF KEY LESSONS LEARNED AND RECOMMENDATIONS

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### 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.

Among the lessons drawn by the PCR, the following, all of which are addressed to project design teams, are particularly worth highlighting:

1. To ensure positive outcomes, the design of agribusiness projects should use a multi-pronged approach across the value chain and agribusiness cycle, focusing on building capacities across the cycle and filling gaps particularly related to access to finance.
2. As much as possible, capacity building activities should start before the lending activities to trigger enhanced uptake of funds.
3. Continuous capacity building is key for the success of such investment projects, particularly when innovative methods or transformational activities are introduced.

### 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.

The PCR makes two key recommendations with which the present assessment occurs: (i) ensure enhanced project and outcome monitoring through enhanced indicators, gender disaggregated data, and in case of multiple players, harmonized definitions; and (ii) agribusiness financing should continue to be a priority for PFIs beyond the project life.

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## 7. COMMENTS ON PCR QUALITY AND TIMELINESS

The overall PCR rating is based on all or part of the criteria presented in the annex 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).

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The PCR was issued 12 months after the closing date and thus was not delivered in a timely way. This shortcoming notwithstanding it is comprehensive and of generally good quality.

## 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

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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
<b>RELEVANCE</b>	4	3.5	
Relevance of project development objective	4	3	The alignment of the objective with the country’s development strategy and policy priority and the Bank’s strategy was not articulated in the PCR.
Relevance of project design	4	4	
<b>EFFECTIVENESS</b>	4	3.5	Outputs were not fully achieved.
Development objective (DO)	4	3	Project outcome achievement was Highly Satisfactory with respect to the outcome indicators and output delivery was Satisfactory as there was a substantial shortfall in relation to the number of business plans that had received financing by the time the project closed. However, the outcome indicators did not directly measure project achievements in relation to its stated objective with regard to improved livelihoods of the target population.
<b>EFFICIENCY</b>	3.75	3.5	
Timeliness	4	4	
Resource use efficiency	4	4	
Cost-benefit analysis	3	3	
Implementation progress (IP)	4	3	The PCR failed to evaluate the ten criteria necessary to support the proposed 4 rating.
<b>SUSTAINABILITY</b>	3	3	
Financial sustainability	3	3	
Institutional sustainability and strengthening of capacities	3	3	
Environmental and social sustainability	3	3	
<b>OVERALL PROJECT COMPLETION RATING</b>	3.69	3.375	
Bank performance:	?	3	The PCR does not present a rating but the PCREN rating is consistent with its comments.
Borrower performance:	?	4	The PCR does not present a rating but the PCREN rating is consistent with its comments.
Performance of other shareholders:	3	3	
Overall PCR quality:	NA	2	Timeliness of the PCR was not good but its quality was.

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**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**

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**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	<b>Very Good</b> – Fully achieved with no shortcomings
3	<b>Good</b> – Mostly achieved despite a few shortcomings
2	<b>Fair</b> – Partially achieved. Shortcomings and achievements are roughly balanced
1	<b>Poor</b> – 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	4	4	
	Relevance of project design (from approval to completion)	4	4	
<b>OVERALL RELEVANCE SCORE</b>		<b>4</b>	<b>4</b>	
EFFECTIVENESS*	<b>Effectiveness in delivering outcomes</b>			
	Outcome1	4	4	
	Outcome2	4	4	
	<b>Effectiveness in delivering output</b>			
	Output1	4	4	
	Output2	4	3	Only 10% of the target for financing of business plans had been met at the time the project closed.
	<b>Development objective (DO)</b>			
	Development objective rating	<b>4</b>	<b>3.5</b>	
	<b>Beneficiaries</b>			
	Beneficiary1	<b>4</b>	<b>4</b>	
	Beneficiary2	<b>4</b>	<b>4</b>	

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments
<b>Unanticipated outcomes (positive or negative not considered in the project logical framework) and their level of impact on the project (high, moderate, low)</b>				
	Institutional development	4	4	
	Gender	4	4	
	Environment & climate change	NA	NA	
	Poverty reduction	NA	NA	
	Private sector development	NA	NA	
	Regional integration	NA	NA	
	Other (specify)	NA	NA	
<b>EFFECTIVENESS OVERALL SCORE</b>		<b>4</b>	<b>3.5</b>	
EFFICIENCY	Timeliness (based on the initial closing date)	4	4	
	Resource used efficiency	4	4	
	Cost-benefit analysis	3	3	
	Implementation progress (from the IPR)	4	4	
	Other (specify)	NA	NA	
<b>OVERALL EFFICIENCY SCORE</b>		<b>3.75</b>	<b>3.75</b>	
SUSTAINABILITY	Financial sustainability	3	3	
	Institutional sustainability and strengthening of capacities	3	3	
	Ownership and sustainability of partnerships	3	3	
	Environmental and social sustainability	3	3	
<p>*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).</p> <p>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).</p>				

Criteria	Sub-criteria	PCR Work score	IDEV review	Reasons for deviation/comments
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BANK PERFORMANCE	Proactive identification and resolution of problems at different stage of the project cycle	3	3	
	Use of previous lessons learned from previous operations during design and implementation	3	3	
	Promotion of stakeholder participation to strengthen ownership	3	3	
	Enforcement of safeguard and fiduciary requirements	3	3	
	Design and implementation of Monitoring & Evaluation system	3	3	
	Quality of Bank supervision (mix of skills in supervisory teams, etc)	3	3	
	Timeliness of responses to requests	3	3	
<b>OVERALL BANK PERFORMANCE SCORE</b>		<b>3</b>	<b>3</b>	
BORROWER PERFORMANCE	Quality of preparation and implementation	4	4	
	Compliance with covenants, agreements and safeguards	4	4	
	Provision of timely counterpart funding	4	4	
	Responsiveness to supervision recommendations	4	4	
	Measures taken to establish basis for project sustainability	4	4	
	Timeliness of preparing requests	4	4	
<b>OVERALL BORROWER PERFORMANCE SCORE</b>		<b>4</b>	<b>4</b>	
PERFORMANCE OF OTHER	Timeliness of disbursements by co-financiers	NA	NA	
	Functioning of collaborative agreements	3	3	
	Quality of policy dialogue with co-financiers (for PBOs only)	NA	NA	
	Quality of work by service providers	3	3	
	Responsiveness to client demands	3	3	
<b>OVERALL PERFORMANCE OF OTHER STAKEHOLDERS</b>		<b>3</b>	<b>3</b>	
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 MONITRING AND EVALUATION (M&E)

Criteria	Sub-criteria	IDEV Score	Comments
M&E DESIGN	M&E system is in place, clear, appropriate and realistic	3	
	Monitoring indicators and monitoring plan were duly approved	3	
	Existence of disaggregated gender indicator	3	
	Baseline data were available or collected during the design	3	
	Other, specify	NA	
<b>OVERALL M&amp;E DESIGN SCORE</b>		<b>3</b>	
M&E IMPLEMENTATION	The M&E function is adequately equipped and staffed	3	
<b>OVERALL M&amp;E IMPLEMENTATION SCORE</b>		<b>3</b>	
M&E UTILIZATION	The borrower used the tracking information for decision	3	
<b>OVERALL M&amp;E UTILIZATION SCORE</b>		<b>3</b>	
<b>OVERALL M&amp;E PERFORMANCE SCORE</b>		<b>3</b>	

### PCR QUALITY EVALUATION

Criteria	PCR-EVN	Comments
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(1-4)		
QUALITY OF PCR		
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections	4	
2. Extent of objectivity of PCR assessment score	3	
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)	4	
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive or negative) affecting design and implementation	3	
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	3	
6. Extent of soundness of data generating and analysis process (including rates of returns) in support of PCR assessment	4	
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	4	
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis)	4	
9. Extent of overall clarity and completeness of the PCR	4	
Other (specify)	NA	
PCR QUALITY SCORE	3.67	
PCR compliance with guidelines (PCR/OM ; IDEV)		
1. PCR Timeliness (On time = 4; Late= 1)	1	
2. Extent of participation of borrower, Co-financiers & field offices in PCR preparation	?	
3. Other aspect(s) (specify)	NA	
PCR COMPLIANCE SCORE	2.335	
*** rated as Very Good (4), or Good (3), or Fair (2), or Poor (1)		

## References

1. AfDB, Egypt Rural Income and Economic Enhancement Project – Appraisal Report, October 2009.
2. AfDB, Egypt Rural Income and Economic Enhancement Project – Project Completion Report, December 20, 2016.
3. AfDB, Guidance Note on the Preparation of Project Completion Report (PCR) Evaluation Notes (RCR-EVN), 2009.