

## PCR EVALUATION NOTE (Form)

<b>1. Basic Project Data</b>				
Country:	Ethiopia and Djibouti	Project SAP Reference/No:	Ethiopia: 2100150008944 (Main Loan) 2100150017643 (Supplementary Loan) Djibouti: 2100150008945 (Main Loan) 2100155013217 (Protocol Agreement)	
Project Title :	Ethiopia-Djibuti Power Interconnection Project			
Sector :	Energy		Appraisal/Planned	Actual
Theme		Project Costs (MUA)		
Amount cancelled (MUA)	<b>Ethiopia</b> Main Loan UA 0.62 million  Supplementary Loan UA 0.64 million  <b>Djibouti</b> Main Loan UA 0.42 million  Protocol Agreement: Extension approved to allow for completion of S/S works & procurement	Loan/Grant (MUA) <b>Ethiopia</b> Main Loan (Nov. 2004)  Supplementary Loan (Sept. 2008)  <b>Djibouti</b> Main Loan (Nov. 2004)  Protocol Loan (Nov. 2008)	UA 20.88 million  UA 5.20 million  UA 17.6 million  UA 15.72 million	UA 20.26 million (97.03%)  UA 4.56 million (87.69%)  UA 17.18 million (97.61%)  UA 10.84 million (71.03%)
PCR Date	15/06/2011	Cofinancing (MUA) EEPCo  EdD	UA 2.32 million  UA 1.96 million	UA 6.42 million UA 1.35 million
PCR Evaluation Note Date	Dec.8, 2011	Board Approval Date	Dec. 2004	Dec. 2004
Partners		Signature Date	March 2005	Ethiopia Main: May 16, 2005 Suppl.: Nov.13, 2008 Djibouti Main: July 22, 2005 Suppl. : Nov. 13, 2008

		:Effective Date	Aug. 2005	Main: Aug. 10, 2006 (Ethiopia & Djibouti) Suppl.: 30 March 2009 (Djibouti) 7 May 2009 (Ethiopia)
		Project Completion Date	July 2009	April 2011
Project Officers (Names)	Designation (HQ or FO)		From (mm/yy)	To (mm/yy)
Evaluator/consultant:		Peer Reviewer/Task Manager:		

## 2. Project Description (summary from Appraisal Report including addendum/corrigendum/loan agreement)

### a. Rationale and Expected Impacts:

**Brief and clear description of the project/programme rationale (problem/issue to be addressed), expected impacts and impactees (intended and unintended). Highlight any changes during implementation.**

The Ethiopian Power Planning Study identified Ethiopia-Djibouti Power Interconnection Project as a potential medium for supplying cheap hydropower to Djibouti. The feasibility study of Ethiopia-Djibouti Power Interconnection Project established that the power interconnection route, which is to run in parallel with the existing Ethio-Djibouti Railway line, is the least cost option and is environmentally sustainable. Due to resource constraints, the project was not implemented. In 1999, the two Government agreed to implement the project and the feasibility study was updated in 2004, which maintained that the power interconnection route as indicated above is the least cost route, financially & economically viable and environmentally sustainable.

The expected impacts are: (i) In Ethiopia, in addition to electrifying rural towns along the transmission line corridor, it offers Ethiopia the opportunity to earn foreign exchange revenue to support GoE's electrification program to promote agriculture and rural development; (ii) It provide clean, cheap and reliable power to promote business & industrial development in Djibouti beside implies reduced investment outlays and requirement of spinning reserve.

### b. Objectives and Expected Outcomes:

Concise and clear description of planned objectives and associated outcome targets, and highlight of any modifications/revisions.

The development objective of the project is to improve electricity access in Ethiopia and Djibouti at affordable prices through regional cooperation in power trade.

The project expected outcomes for Ethiopia are; (i) Electricity access increased from 13% in 2003 to 20% in 2012; (ii) Four (4) towns electrified and 8,517 consumers connected; and (iii) USD 20 million foreign exchange generated by EEP Co in twelve (12) months following commissioning.

The project expected outcomes for Djibouti are: (i) Electricity access increased from 49.5% in 2003 to 60% in 2015; (ii) Average tariff in 2004 (22 US cents/kWh) reduced to at least by 60% in 2010; and (iii) About 400 GWh hydro-energy imported in twelve (12) months following commissioning.

### c. Outputs and Intended Beneficiaries:

Concise and clear description of outputs and associated targets and intended beneficiaries, and highlight of any revisions.

The project has many outputs depending on the project components. For the component of Development of Power Transmission Network, the outputs are: (i) 283 km of 230 kV double

circuit line constructed; (ii) 75 km of 63 kV double circuit line constructed; (iii) One 230 kV bay substation erected (double feeder); (iv) One 230/63 kV substation erected (double feeder); (v) One 230/33 kV substation erected (double feeder); and (vi) One 63/20 kV substation erected (double feeder).

For the component of Electricity Supply to Border Towns, the outputs are: (i) 230 km of 33 kV lines constructed; (ii) 41 distribution transformers erected; (iii) 12 towns electrified; and (iv) 751 customers connected compare to 8571 customers in the appraisal report

For the component of Project Supervision and Management, the outputs are: (i) JPC appointed and two (2) PIUs established; (ii) One Supervision consultant appointed; and (iii) Five (5) Project Audit reports prepared and submitted.

For the component of Institutional Support, the outputs are: (i) Internal Audit Unit established (EdD); (ii) Financial policy and procedures improved; (iii) Tariff Study prepared (EdD). Tariff study undertaken and recommendations implemented through revised Power Purchase Agreement; and (iv) 40 staff trained (EdD and EEPCo).

The project beneficiaries are the consumers that will be connected to the transmission lines in Ethiopia and Djibouti. The electricity from the project will be used by all consumer categories in both countries, including industrial, commercial, and domestic consumers.

#### d. Principal Components and/or Activities:

Concise and clear description of principal components and activities, and highlight of any revisions.

The project consists of the following components: (i) Development of Power Transmission Network; (ii) Electricity Supply to Border Towns; (iii) Project Supervision and Management; and (iv) Institutional Support.

### **3. Evaluation of Design and Implementation**

(Evaluator's assessment of (i) PCR's completeness (in covering key aspects) and fairness (evidence adequacy, quality & discussions) and (ii) actual vs. envisioned achievements resulting ratings)

#### a. Relevance of Project Design

(The evaluator assesses, independent of the PCR assessment, the Relevance of the project Design):The evaluator will also comment on the PCR conclusion regarding this section, and also judge the relevance of project design, covering realism (complexity-implementation capacity & environment); clarity and measurability of objectives and results chain; adequacy of assessment risks, environmental and social safeguards, and implementation arrangements).

The project is normal in design but complex in implementation. Even though it was the first of its kind implemented by the two countries, the technical capacities and strong political commitment contributed to ease the implementation of the project. Although the responsibilities for the project implementation were clearly defined to respective PIU within EEPCo and EdD and within each utility, the main performance in Ethiopia was weakness noted that causes project implementation delay. The project design includes risk analysis that gives low rate for these risks. In our view, one of these risks that depends on installation of hydrogenation in Ethiopia is not assure and cause high risk.

The project design did environmental safeguards and neglected the social safeguards. During design review, demand-supply analysis revealed the need to construct 230 kV double circuits instead of single circuits as appraised, in order to avert line capacity constraints in the medium term. The transmission line was therefore redesigned.

#### b. Project Cost (including Borrower Contribution), Disbursements, and Adherence to Schedules (as relevant to project performance):

Assessment of the extent of project implementation aspects –project activity and outputs costs (estimate - actual; reasons for any changes); disbursements (planned - actual; reasons for any gaps and delays); timeliness of project completion (and reasons for any delays).

The PCR shows adequately the project costs disbursement and timeliness.

The project costs were estimated by UA 46.25 million out of which UA 38.48 million were to be financed by the bank and UA 6.42 million & UA 1.35 million to be financed by Ethiopia & Djibouti respectively.

Due to the weak performance in Ethiopia that causes project implementation delay and due to redesign & construction of the 230 kV with double circuits instead of single circuit as appraisal, the cost of the project increased. The Bank submit supplementary loan by UA 5.2 million & UA 15.72 million to Ethiopia & Djibouti respectively.

The project objectives were achieved within the allocated financial and human resources. In fact saving (UA 1.68 million) were realized on completion of the project from both sides Ethiopia and Djibouti. However, the objectives of the project were achieved with ten (10) months implementation delays.

**c. Implementation Arrangements, Conditions and Covenants, and related Technical Assistance:**

Assessment of the extent of achievements in implementation arrangements (planned – actual); performance of consultants; compliance with project covenants; attached technical assistance (PCR availability if TA is at least UA 1 million).

The PCR treated adequately implementation arrangements. The responsibilities for the project implementation were clearly defined to respective PIU within EEPCo and EdD and within each utility a PIU was established to assist in the design and management of the project. A joint Steering Committee was established to oversee the implementation of the project, and provide direction if and when it is needed.

Preparation of the detailed design and procurement documents was done after appraisal. Due to the weak performance in Ethiopia that causes project implementation delay and due to redesign & construction of the 230 kV with double circuits instead of single circuit as appraisal, the cost of the project increased. The PCR did not show any action to be taken from the bank side regarding the delay in implementation.

**d. Monitoring & Evaluation Design, Implementation, & Utilization (Evaluator assessment):**

Assessment of planned and actual M & E design, implementation and utilization:

- Design (quality of M&E logical model): --Extent to which the project M & E system was clear, adequate and realistic to generate and analyze pertinent data:
- Implementation: Extent to which relevant data was collected, analyzed and reported (indications in PCR of M&E implementation and its effectiveness)
- Utilization: Extent of use of data generated for decision-making and resource allocation (indications in PCR of M&E use)

The monitoring indicators and monitoring plan were agreed upon between the Bank and Borrowers/Executing Agencies and clearly indicated in the Appraisal Report to be twice a year. The PCR shows that there is one mission every year that causes weak monitoring because the monitoring will depend only on the Borrower/Executing Agencies reports. Therefore, M&E design was satisfactory but M& E implementation was weak since the monitoring indicators and monitoring plans that were agreed upon for project execution were not followed up.

**e. Other Issues (such as Safeguards, Fiduciary):**

Assessment of the extent of treatment (in PCR & appraisal report) of compliance with environmental safeguards, fiduciary requirements, etc:

The PCR treated adequately the Borrowers/Executing Agencies compliance with environmental and fiduciary issues. The Borrowers/Executing Agencies generally complied with the loan condition requirement to settle compensation before commencement of construction. In addition, an Environmental, Health, and safety Management Plans were developed and implemented. The Borrowers/Executing Agencies honored the Bank fiduciary requirements.

#### **4. Evaluation of Performance**

(Evaluator's assessment: i) commenting on the PCR's completeness and fairness; ii) re-rating of the performance indicators)

##### **a. Relevance of project objectives**

(Assessment of the ex-ante and ex-post relevance: Ex-ante and ex-post relevance of objectives (at appraisal & evaluation) in terms of consistency with country development priorities, the Bank's country or regional strategy and corporate priorities. The assessment of the ex-ante relevance of objectives will also cover the extent to which the objectives were realistic given the available inputs and timeframe.

The evaluation rates highly satisfactory the relevance of the project objectives at appraisal and at completion. The project was supported in line with the Bank's Strategy for Regional Cooperation and Economic Integration (2000), which encompasses promoting regional infrastructure development. It also complement (i) Bank's support to the Cooperative Regional Assessment of Power Trade Opportunities and Feasibility Study of Power Interconnection between Ethiopia, Egypt and Sudan promoted by Nile Basin Initiatives (NBI); (ii) Ethiopia-Sudan Interconnection Project funded by the World Bank; and (iii) the objectives of the new Partnership for Africa's Development (NEPAD). Which attaches importance to regional infrastructure projects development. Thus, the project will be an integral link in establishing interconnected power systems and eventually, a Power Pool for electricity trade among the countries in the Region.

##### **b. Effectiveness in Delivering Outputs**

Assessment of the extent of delivery of outputs (or key conditions in the case of Program Loans), including the provisions of reasons for any deviations:

The evaluation confirms the PCR rating highly satisfactory the project effectiveness in delivering outputs. The classification of the outputs depends on the following components: (i) Development of Power Transmission Network; (ii) Electricity Supply to Border Towns; (iii) Project Supervision and Management; and (iv) Institutional Support.

##### **c. Effectiveness in Achieving Outcomes**

Assessment of the extent of achievement of the expected outcomes (from the logframe) using direct/indirect evidence –achievements or expected achievements. In the absence of sufficient data (as direct evidence), indirect evidence (such as outputs and processes pertinent to the chain of causality) should be used especially in assessing the extent to which outcomes/objectives are expected to be achieved. The absence of sufficient data for assessing effectiveness should be indicated (and described in details under PCR quality).

The evaluation agrees with the PCR ratings very satisfactory. The project effectiveness in achieving its outcomes exceeds in some outcomes and decreased in other outcomes. In Ethiopia, electricity access increased from 13% in 2003 to 41% in 2010, an overachievement compare to appraisal estimate of 20% in 2012. In Ethiopia, twelve (12) towns electrified and 751 consumers connected (compare to 4 town electrified and 8,517 consumer connected). USD 14.6 million foreign exchange generated by EEP Co in twelve (12) months following commissioning (compare 20 USD 20 expected). In Djibouti, electricity access is increased from 49.5% in 2003 to 55% by 2010, very close to the 60% estimated for 2015. In Djibouti, account receivables increased to over 12 months of collection by end 2010 in opposite to expected reduction to 60 days. In Djibouti, about 243 GWh energy imported in twelve (12) months following commissioning while the expected was 400 GWh.

##### **d. Efficiency in Achieving Outputs and Outcome**

Assessment of the extent to which the outputs and outcomes were efficiently delivered (timeliness; cost-efficiency/effectiveness). Evidence will include the rates of return (ERR; FRR), extent of timeliness (time over/under-run), cost savings/over-run and indications of efficient project implementation. In commenting on the PCR's rating, the extent of use of

these sources of evidence should be taken into account. In the presence of insufficient evidence, an appropriate rating should be applied.

Results indicate that the FIRR at completion is about 11.06%, lower than the 14.5% estimated at appraisal. The project revenues are formed by the revenues from energy export to Djibouti and from distribution to border towns. Appraisal estimates appear to be higher than the one at completion: initially assumed to be 300 GWh per annum, the energy exports are projected to be at a lower level; energy consumption at border towns at appraisal (303 KWh per year) looks very much higher than at completion; export tariff at appraisal was assumed to be at 6 US cent/KWh whereas the tariff is set to be of 7 US cent/KWh during dry season off-peak hours and wet season peak hours. There will be no power export to Djibouti during dry season peak hours.

In spite of the above captured statements, the project financial viability remains satisfactory and is shown to be sensitive to changes in energy export to Djibouti; energy demand in border towns, O&M rates.

The economic analysis of at completion shows that the interconnection project has proven to be a success. Some economic benefits have not been estimated due to lack of accurate statistical data. However, the EIRR stands at 28.05%, just a little bit lower than the 29% estimated at appraisal. Economic viability is among others, highly sensitive to changes in the actual generation cost in Djibouti.

Overall, the interconnector project financial and economic viability is confirmed at completion.

#### e. Project/Development Outcome (PO)

Assessment of the extent to which the relevant objectives were efficiently/timely achieved or likely to be achieved. This should lead to a calculated rating, reflecting the ratings of outputs/relevance, outcomes/effectiveness and Timeliness/efficiency. Two PO ratings will be provided: (i) as per the PCR operational definition (Outputs; outcomes; timeliness) and (ii) as per OPEV guidelines (Relevance; effectiveness; efficiency (including timeliness). The evaluator can override the calculated rating, and provides the justification accordingly. The three components are equally weighted.

The evaluation confirms the PCR rating satisfactory the project development outcomes. The project outputs are very relevant to the Borrowers/Executing Agencies goals. The project activities were completed with ten (10) months delay. Poor performance of transmission and substation contractors contributed to implementation delay.

#### f. Risk to sustained achievement of Project Outcomes

(At the time of evaluation, the risk that the project outcomes (or expected outcomes) will not be maintained (or achieved): While commenting on the risk factors, stated in the PCR, a solid rationale (including additional factors that are important in decreasing/increasing risks) should be provided for the rating of the overall risk to development outcome. The risk should be assessed as very high (4); substantial/high (3); moderate (2) and negligible (1).

The PCR rates the project overall risk as moderate. Our evaluation rates the project overall risk as follows:(i) EEPCo will continue to provide non-firm energy to Djibouti (2-moderate); (ii) Hydropower generation in Ethiopia is under planning stage (3-substantial/high); and (iii) EdD did not implement the recommendation of Tariff Study to encourage business & industrial developments. Also EdD did not take measures to reduce the level of account receivables in order to generate sufficient revenue to ensure the sustainable operation of the utility (3-substantial/high).

#### g. Additional Outcomes/Impacts (positive and negative, not captured in the logframe):

These include gender, safeguards, institutional, social and socioeconomic issues. Assessment of the extent of the importance of additional and important outcomes stated or not covered in the PCR. The review should comment on the PCR's coverage of these outcomes.

The project has a positive impact on gender. Re-allocation of the time, ordinary used in fuel-wood collection (undertaken mainly by women and children), to more productive activities

such as education.

The project provided short-term employment for about 1,190 people in Ethiopia and 460 in Djibouti. Furthermore, it generated opportunities for jobs and transfer of know-how to sub-contractor in Djibouti and Ethiopia. The electrification would support households, health centers, small business and thus providing additional employment and income to local communities

The project complement (i) Bank`s support to the Cooperative Regional Assessment of Power Trade Opportunities and Feasibility study of Power Interconnection between Ethiopia, Egypt and Sudan promoted by Nile Basin Initiatives (NB);(ii) Ethiopia-Sudan Interconnection Project funded by the World Bank, and (iii) the objectives of the New Partnership for Africa`s Development (NEPAD), which attaches importance to regional infrastructure projects development. Thus the project will be an integral link in establishing interconnected power systems and eventually, a Power Pool for electricity trade among the countries in the Region.

#### h. Performance of Borrower

Assessment of borrower (including executing & implementing agency) performance over the entire project cycle (design; implementation; closure) focusing on the indications of evidence in the PCR (see detailed components in annex).

The Borrowers/Executing Agencies generally complied with the loan condition requirement to settle compensation before commencement of construction. In addition, an Environmental, health, and Safety Management Plans were developed and implemented. The Borrowers/Executing Agencies complied with the Bank`s Fiduciary requirements. In Ethiopia, the main performance weakness noted then was implementation delays of projects implemented by EEPCo. The project activities were completed with ten (10) months delay.

#### i. Bank Performance

(preparation/appraisal –partly ensuring QAE: supervision quality): Assessment of Bank performance over the entire project cycle (design; implementation; closure) focusing on the indications of evidence in the PCR (see detailed components in annex).

The Bank included other conditions to Djibouti loan in order to improve the performance of EdD. Except the establishment of an Internal Audit Unit in EdD, the Bank has not been successful to have fulfilled the remaining other conditions (reduction of account receivables and electricity tariffs, the latter due to late approval of the interconnection tariff).

The Bank send seven (7) supervision missions over 7 years (2005-2011). According to the appraisal report, it was agreed to be twice a year. The factor for supervision is 1.0 times/year and the Bank can not accept a factor with less than 1.5 times/year. This is a deficiency in Bank supervision and causes a delay in project starting and project ending.

#### i. Overall Assessment

The evaluator`s summary claim on the overall performance of the project/programme, and in the case of this being different from that of the PCR, the basis for the difference(s) should be highlighted. And if the accessible evidence (from PCR and other sources) to the evaluator is insufficient, then a partly `satisfactory rating (to be reviewed) `should be given until a PPER can be done.

The overall project performance is fair. The project was executed according to the set out objectives. All project outputs and outcomes were nearly achieved. 751 customers out from 8,571 customers had been connected. The actual foreign exchange generated by EEPCo in twelve (12) months was USD 14.6 million instead of 20 USD million as was expected. In Djibouti, the average electricity tariff increased by about 60% instead of reduction by 60% as was expected.

In Ethiopia, the main performance weakness noted then was implementation delays of

projects implemented by EEPCo.

The lack in supervision contributed to both late project's starting and ending. This led to Borrowers/Executing Agencies to ask for supplementary financing from the Bank due to high tender prices.

## **5. Key Lessons, and Recommendations (Evaluator assessment)**

### **a. Lessons Learned**

Concise statement on agreement/disagreement with any or all of the PCR's lessons. Key and pertinent (and generic) lessons from PCRs, reworded and/or new to be listed here.

1- The project was successfully implemented between Ethiopia and Djibouti having different cultures, speaking different languages and disparity in institutional and human development between the utilities. These disparities, have been overcome, thanks to, the (i) the trust developed between the utilities; (ii) political support extended by the two Governments and (iii) given that EdD had relatively limited experience in the implementation of similar projects, the close cooperation between the PIUs and appointment of experienced JPC from EEPCO played vital roles for successful completion of the project. It is therefore to be recognized that in spite of disparity in institutional capacity and culture & language differences, regional projects can be successfully implemented if and when there is a strong political commitment and institutional cooperation.

2-The condition of the loan to Djibouti requires the Borrower to create an Internal Audit Unit in EdD, make adjustment to electricity tariffs, and reduce the level of account receivables of electricity sales. The Borrower only established the internal Audit Unit in EdD. The Bank must insist on completion of loan conditions

3- In Ethiopia, the main performance weakness noted then was implementation delays of projects implemented by EEPCo. Also the lack in supervision contributed to both late project's starting and ending. This led to Borrowers/Executing Agencies to ask for supplementary financing from the Bank due to high tender prices. The Bank should stick with the number of supervision missions mentioned in the appraisal.

4-The PCR submitted after 5.5 months from project completion. The time taken by the bank to react for PCR is not reasonable and the Borrowers/Executing Agencies were not involved in the preparation of the PCR.

### **b. Recommendations**

Concise statement on agreement/disagreement with any or all of the PCR's recommendations. Key and pertinent recommendations (requiring further action by the borrower and/or Bank) from PCRs, reworded and/or new to be listed here.

1- For Interconnection Regional Power Projects, the Bank must take into consideration the strong political commitment and institutional cooperation of the countries involved in the project to be assured of the successful implementation of the project.

2-The Bank must continue engaging the Borrowers/Executing Agencies towards fulfilling the conditions of loan.

3-The Bank must insure that key conditions necessary for project sustainability are met during implementation of the project.

4-Continuous supervision of the project will help in overcome any delay and the project will start and end according to the timeliness.

5- The Bank should speed the process to issue the PCR and involves the Borrowers/Executing Agencies in the preparation of the PCR.



## 6. Comments on PCR Quality and Timeliness

PCR quality assessment will be based on some or all of the all of the following criteria and others (as appropriate):

- Quality and completeness of the PCR evidence and analysis to base ratings
- Objectivity/fairness of PCR assessment
- Internal consistency of PCR assessment: inaccuracies; inconsistencies (in various sections; between texts and ratings; consistency of overall rating with individual component ratings)
- Identification and assessment of key factors (internal and exogenous) and unintended effects (positive and negatives) affecting design and implementation:
- Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization
- Soundness of data generating and analysis processes (including rates of returns) in support of PCR assessment
- Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)
- Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis):
- Overall clarity and completeness of the PCR
- Other (to be specified)

The PCR quality will be assessed as highly satisfactory/exemplary (4: rated exemplary on most criteria & satisfactory on the rest), satisfactory (3: rated at least satisfactory on most criteria), unsatisfactory (2: rated unsatisfactory on most criteria) or highly unsatisfactory (1: rated highly unsatisfactory on most criteria). In assessing the PCR overall quality, the compliance criteria should also be taken into consideration.

Comments on the extent of compliance of the PCR with PCR guidelines and pertinent OPEV guidelines:

- PCR Timeliness; rated as timely (exemplary = 4) or late/unsatisfactory (1)
- Extent of participation of Borrower, co-financiers and Bank field office, rated as high/exemplary (4), or substantial/significant (3), or moderate (2), or negligible (1)
- Other aspects (to be specified; , e.g. completeness & relevance of annexes; supporting document list)

The PCR quality is satisfactory. The PCR covered all items of the report and was generally consistent with the guidelines. The PCR shortcomings are:

- 1- Borrowers/Executing Agencies were not involved in the preparation of the PCR.
- 2- The PCR was delivered late 5.5 months after project completion.
- 3-The information in the PCR is poor and need to be riched for some topics such as: project context, project development objectives, project design & readiness for implementation, and characteristics of project implementation,
- 4-PCR confused lessons and recommendations

## ASSESSMENT SUMMARY

7. Ratings:	PCR	OPEV Review	Reason for Disagreement/Comments
Relevance:	4	4	The project is normal in design but complex in implementation. Even though it was the first of its kind implemented by the two countries
Effectiveness in delivering outputs:	4	4	HV and LV transmission lines have been installed in Ethiopia & Djibouti beside installation of substations. Five (5) audit reports have been prepared and submitted. Preparation of tariff study and 40 staff trained.
Effectiveness in achieving outcomes:	3	3	751 customers out from 8,571 customers had been connected. The actual foreign exchange generated by EEPCo in twelve (12) months was USD 14.6 million instead of 20 USD million as was expected. In Djibouti, the average electricity tariff increased by about 60% instead of reduction by 60% as was expected.
Efficiency in achieving outputs & outcomes - Timeliness:	3	3	Disbursement of the 3 loans was completed on the original closing date (Dec. 2010). However, the closing date of the Djibouti grant was extended to 31 July 2011 to allow for the purchase of additional distribution equipment and materials. The project activities were completed with ten (10) months delay.
Efficiency in achieving outputs & outcomes – other criteria	---	---	
Overall efficiency in achieving outputs & outcomes	Not Rated	3	The project was found financially viable (FIRR of 14.4% and EIRR of 29%)
Risk to sustained achievement of project/development outcome:	4	2	a-EEPCo will continue to provide non-firm energy to Djibouti b-Hydropower generation in Ethiopia is under planning stage c-EdD did not implement the recommendation of Tariff Study to encourage business & industrial developments. Also EdD did not take measures to reduce the level of account receivables in order to generate sufficient revenue to ensure the sustainable operation of the utility.

Borrower Performance:	3	3	See section 4.h
Bank Performance:	3	3	See section 4.i
Quality of PCR:	N/A	3	Few shortcomings. See section 6.

This is a summary of PCR and OPEV ratings together with reasons for disagreement/comments. For the last column, the appropriate section of the PCR review should be cross-referenced to avoid detailed discussions. Where the evaluator is unable to validate the PCR rating for any criterion, adequate justification should be provided. As a result, of this, the overall project rating could be 'partly satisfactory'.

**8. Priority for Future Evaluative work: Project for Performance Evaluation Report, Impact Evaluation, Country/Sector reviews or Thematic Evaluation Studies:**

- Project is part of series and suitable for cluster evaluation
- Project is a Success Story
- High priority for impact evaluation
- Performance evaluation is required to sector/country reviews
- High Priority for thematic or special evaluation studies (Specify )
- PPER is required because of incomplete validation rating

Major areas of focus in future evaluation work:

- a)
- b)
- c)

**Follow Up Action by OPEV:**

**Manager Clearance & Signing Off**

**Data sources for validation:**

- Task managers/Bank staff interviewed/contacted (in persons, by phone & email)
- Documents/reports and database

**Attachment: PCR Evaluation Note Validation Sheet of Performance Ratings**

## PROJECT COMPLETION REPORT EVALUATION NOTE

### Validation of PCR Performance Ratings

PCR Rating Scale:

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

Criteria	Sub-Criteria	PCR Work Score	OPEV Review	Reason for deviation/ Comments
<b>Relevance of project Objectives &amp; Design</b>	<b>Relevance of project Objectives</b>			
	1. Project objectives were relevant to country development priorities.	4	4	The project is in conformity with the Poverty Reduction Strategy Papers of both countries. The power interconnection project allows for the harmonization of investment program between Ethiopia and Djibouti. It provide clean, cheap and reliable power to promote business & industrial development in Djibouti beside implies reduced investment outlays and requirement of spinning reserve. In Ethiopia, in addition to electrifying rural towns along the transmission line corridor, it offers Ethiopia the opportunity to earn foreign exchange revenue to support increased electrification and thus advance agriculture and rural development.
	2. Project Objectives could in principle be achieved with the project inputs and in the expected time frame.	3	2	Project objectives were achieved after project starting delay of 19.5 months that affects the ending date and on the cost of the project. Supplementary loan from the bank to both countries with a value of UA 5.2 million (Ethiopia) and UA 15.72 million

			(Djibouti) has been granted\
3. Project Objectives were consistent with the Bank's country or regional strategy	4	4	The bank financed the project in line with its strategy to support the PRSPs as outlined in the CSPs and its Strategy for Regional Cooperation and Economic Integration (2000). The project would support integrated agricultural and rural development in Ethiopia and promote business and industrial development in Djibouti which are development priorities identified in the PRSPs.
4. Project Objectives were consistent with the Bank's corporate priorities	4	4	The project was supported in line with the Bank's Strategy for Regional Cooperation and Economic Integration (2000), which encompasses promoting regional infrastructure development including energy infrastructure. The project would (i) improve the performance of EdD and EEPCo through training of staff, (ii) improve the financial policies and procedures and provide direction on tariff revision in EdD, (iii) provide the interconnection tariff to apply for power trade between the two countries. The project would thus promote the efficient and sustained the two countries. The project would thus promote the efficient and sustained operations in the two utilities in support of the Bank's corporate priorities.
5. Ex-post Relevance of objectives	----	4	The project was the first of its kind implemented by the two countries
<b>Relevance of project Design -Project Design &amp; Readiness for Implementation</b>			
1. The log frame presents a logical causal chain for achieving the project development objectives.	3	3	The revised Logframe presented the casual linkage between project developmental goal/objectives, activities and outputs.
2. The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	3	3	The Logframe at appraisal did not include outcomes. The re-appraisal clearly expressed the objectives and outcomes in measurable and quantifiable terms. The outcomes can be easily deduced from the Logframe.

	3. The log frame states the risks and key assumptions.	3	3	The Logframe identified the assumptions and risks involved in the implementation of the project. However, the timeliness of risks were not stated in the Logframe.
	4. Project complexity was matched with country capacity and political commitment.	4	4	The project is normal in terms of design but is complex in terms of implementation, coordination and operation. Even though it was the first of its kind implemented by the two countries, the technical capacities and strong political commitment contributed to ease the implementation of the project. In addition, strong PIUs were established and extensive training was provided to EEPCO and EdD staff to assist in the operation of the interconnection system.
	5 Project design includes adequate risk analysis.	4	3	The project design identified two main risks, namely: (i) lack of institutional capacities in the utilities to operate the Interconnection and (ii) possible shortage of hydro-energy surplus in Ethiopia for export to Djibouti. To address the former risk, the relevant staffs of EEPCo and EdD were trained under the project and it is required for continues staff cooperation during interconnection operation. The latter risk is mainly related to drought which is localized. The risk is minimized partially giving that Ethiopia's hydroelectric dams are diversely located in different river basis within the country, and feed electricity into the Interconnected System which Djibouti will be supplied from. It means that other electricity generation projects are needed in future. Furthermore, the realization of the planned generation projects will increase the capacity in Ethiopia to ensure the availability of continuous surplus power for export. The risk of supply storage in Djibouti will be mitigated by continued implementation of the generation expansion plan in Djibouti to fully meet the

				country`s demand
	6. Baseline data were available or were collected during design.	3	3	Much of the baseline data necessary for project appraisal were collected in the context of the Feasibility Study (electricity access, customer willingness to pay for electricity, etc.) while for the detailed design were collected during implementation. During design review, demand-supply analysis revealed the need to construct 230 kV double circuits instead of single circuits as appraised, in order to avert line capacity constraints in the medium term. The transmission line was therefore redesigned.
	7. Project procurement, financial management, monitoring and/or other systems were based on those already in use by government and/or other partners.	3	3	The project as designed made limited use of country systems, or those already in use by other partners. The exceptions include (i) procurement, where the World Bank Standard Bidding Documents for large projects (adopted to reflect Rules of Procedure of the Bank) were used even though the World Bank was not a co-financier of the project; (ii): Safeguards, where the Governments` procedures on environment and social aspects were used: and (iii) financial management systems of Borrowers/Executing Agencies were used.
	8. Responsibilities for project implementation were clearly defined.	4	4	The responsibilities for the project implementation were clearly defined to respective PIU within EEPCo and EdD and within each utility a PIU was established to assist in the design and management of the project. A joint Steering Committee was established to oversee the implementation of the project, and provide direction if and when it is needed.
	9. Necessary implementation documents (e.g. specifications, design, procurement documents) were ready at appraisal.	3	2	Preparation of the detailed design and procurement documents was done after appraisal. During design review, demand-supply analysis revealed the need to construct 230 kV double circuits instead of single

				circuits as appraised, in order to avert line capacity constraints in the medium term. The transmission line was therefore redesigned.
	10. Monitoring indicators and monitoring plan were agreed upon during design.	3	2	The monitoring was depending only on QPRs submitted by EAs, supervision mission and review of annual audit report. The plan mentioned for monitoring in appraisal was not followed.
<b>Achievement of Project Outputs*</b>	Development of Power Transmission Network	4	4	a-283 km of 230 kV double circuit line constructed b-75 km of 63 kV double circuit line constructed c-One 230 kV bay substation erected (double feeder) d-One 230/63 kV substation erected (double feeder) e-One 230/33 kV substation erected (double feeder) f-One 63/20 kV substation erected (double feeder)
	Electricity Supply to Border Towns	3	3	a-230 km of 33 kV lines constructed b-41 distribution transformers erected c-12 towns electrified d-751 customers connected compare to 8571 customers in the appraisal report
	Project Supervision and Management	4	4	a-JPC appointed and two (2) PIUs established b-One Supervision consultant appointed c-Five (5) Project Audit reports prepared and submitted
	Institutional Support	3	4	a-Internal Audit Unit established (EdD) b-Financial policy and procedures improved c-Tariff Study prepared (EdD). Tariff study undertaken and recommendations implemented through revised Power Purchase Agreement. d-40 staff trained (EdD and EEPCo)
	Overall Output weighted Score	4	4	
<b>Achievement of Project Outcomes</b>	In Ethiopia, electricity access increased from 13% in 2003 to 20% in 2012	4	4	In Ethiopia, electricity access increased from 13% in 2003 to 41% in 2010, an overachievement compare to appraisal estimate
	In Ethiopia, four (4) towns electrified and 8,517 consumers connected	3	3	In Ethiopia, twelve (12) towns electrified and 751 consumers connected



	USD 20 million foreign exchange generated by EEPCo in twelve (12) months following commissioning	3	3	USD 14.6 million foreign exchange generated by EEPCo in twelve (12) months following commissioning
	In Djibouti, electricity access is increased from 49.5% in 2003 to 60% by 2015	4	4	In Djibouti, electricity access is increased from 49.5% in 2003 to 55% by 2010, very close to the 60% estimated for 2015
	In Djibouti, average electricity tariff in 2004 (22US cents/kWh) reduced to at least by 60% by 2010	1	1	In Djibouti, average electricity tariff in 2004 (22US cents/kWh) increased by about 60% (35 US cents/kWh) by 2010
	In Djibouti, account receivables reduced to 60 days of collection by 2010	1	1	In Djibouti, account receivables increased to over 12 months of collection by end 2010
	In Djibouti, about 400 GWh energy imported in twelve (12) months following commissioning	3	3	In Djibouti, about 243 GWh energy imported in twelve (12) months following commissioning
	<b>OVERALL PROJECT OUTCOME SCORE</b>	3	3	
Additional Outcomes (not captured in the logframe) -their importance rated as high; substantial; moderate; negligible	<b>Institutional Development</b>	---	4	a- Audit Unit in EdD to do auditing for any project in future b-Experience in financial policy and procedures. c-Experience in tariff Study and Power Purchase Agreement.
	<b>Gender</b>	---	3	Re-allocation of the time, ordinary used in fuel-wood collection (undertaken mainly by women and children), to more productive activities such as education.
	<b>Environment &amp; Climate Change</b>	---	4	Reduction of greenhouse gas emissions which are the causes of global warming
	<b>Poverty Reduction</b>	---	3	The project provided short-term employment for about 1,190 people in Ethiopia and 460 in Djibouti. Furthermore, it generated opportunities for jobs and transfer of know-how to sub-contractor in Djibouti and Ethiopia. The electrification would support households, health centers, small business and thus providing additional employment and income to local communities
	<b>Private Sector Development</b>	---	---	
	<b>Regional Integration</b>	---	4	The project complement (i) Bank's support to the Cooperative Regional Assessment of Power Trade

				<p>Opportunities and Feasibility study of Power Interconnection between Ethiopia, Egypt and Sudan promoted by Nile Basin Initiatives (NB);(ii) Ethiopia-Sudan Interconnection Project funded by the World Bank, and (iii) the objectives of the New Partnership for Africa`s Development (NEPAD), which attaches importance to regional infrastructure projects development. Thus the project will be an integral link in establishing interconnected power systems and eventually, a Power Pool for electricity trade among the countries in the Region.</p>
	<b>Other (Specify)</b>	---	---	
Efficiency in achieving outputs & outcomes	Timeliness (in adhering to the original closing date)	3	3	<p>Disbursement of the 3 loans was completed on the original closing date (Dec. 2010). However, the closing date of the Djibouti grant was extended to 31 July 2011 to allow for the purchase of additional distribution equipment and materials. The project activities were completed with ten (10) months delay. Poor performance of transmission and substation contractors contributed to implementation delay.</p>
	Rates of returns (Specify if applicable)	---	4	<p>The project was found financially viable (FIRR of 14.4% and EIRR of 29%)</p>
	Other Criteria (Specify)			
	<b>OVERALL PROJECT EFFICIENCY</b>	---	4	
Risk to Sustained achievement of Project Outcome**	Key Risks (Specify common risk factors to be a basis for rating)	4	2	<p>a-EEPCo will continue to provide non-firm energy to Djibouti  b-Hydropower generation in Ethiopia is under planning stage  c-EdD did not implement the recommendation of Tariff Study to encourage business &amp; industrial developments. Also EdD did not take measures to reduce the level of account receivables in order to generate sufficient revenue to ensure the sustainable operation of the</p>

				utility.
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\* The output ratings have to be weighted by the relative output costs (see PCR format).  
The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.

\*\* Overall risk to sustained achievement of project outcome is rated as follows:

- (i) **High (H) : 4**
- (ii) **Substantial/significant ( S) : 3**
- (iii) **Moderate (M) : 2**
- (iv) **Negligible (N): 1**
- (v) **UTS**
- (vi) **NA**

Criteria	Sub-Criteria	PCR Work Score	OPEV Review	Reason for disagreement/ Comments
Bank Performance	<b>Design and Readiness</b>			
	1. Project Objectives were relevant to country development priorities.	4	4	The project is in conformity with the PRSP of both countries. The power interconnection project allows for the harmonization of investment program between Ethiopia and Djibouti. It provide clean, cheap and reliable power to promote business & industrial development in Djibouti beside implies reduced investment outlays and requirement of spinning reserve. In Ethiopia, in addition to electrifying rural towns along the transmission line corridor, it offers Ethiopia the opportunity to earn foreign exchange revenue to support increased electrification and thus advance agriculture and rural development.
	2. Project Objectives could in principle be achieved with the project inputs and in the expected time frame.	3	2	Project objectives were achieved after project starting delay of 19.5 months that affects the ending date and on the cost of the project. Supplementary loan from the bank to both countries with a value of UA 5.2 million (Ethiopia) and UA 15.72 million (Djibouti) has been granted\
	3. Project Objectives were consistent with the Bank's country or regional strategy	4	4	The bank financed the project in line with its strategy to support the PRSPs as outlined in the CSPs and its Strategy for Regional Cooperation and Economic Integration (2000). The project would support integrated agricultural and rural development in Ethiopia and promote business and industrial development in Djibouti which are development priorities identified in the PRSPs.
4. Project Objectives were consistent with the Bank's corporate priorities	4	4	The project is normal in terms of design but is complex in terms of implementation, coordination and operation.	

				Even though it was the first of its kind implemented by the two countries, the technical capacities and strong political commitment contributed to ease the implementation of the project. In addition, strong PIUs were established and extensive training was provided to EEPKO and EdD staff to assist in the operation of the interconnection system.
	5. The log frame presents a logical causal chain for achieving the project development objectives.	3	3	The revised Logframe presented the casual linkage between project development al goal/objectives, activities and outputs.
	6. The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	3	3	The Logframe at appraisal did not include outcomes. The reappraisal clearly expressed the objectives and outcomes in measurable and quantified terms. The outcomes can be easily deduced from the Logframe
	7. The log frame states the risks and key assumptions.	3	3	The Logframe identified the assumptions and risks involved in the implementation of the project. However, the timeliness of risks were not stated in the Logframe.
	8. Project complexity was matched with country capacity and political commitment.	4	4	The project is normal in terms of design but is complex in terms of implementation, coordination and operation. Even though it was the first of its kind implemented by the two countries, the technical capacities and strong political commitment contributed to ease the implementation of the project. In addition, strong PIUs were established and extensive training was provided to EEPKO and EdD staff to assist in the operation of the interconnection system.
	9. Project design includes adequate risk analysis.	4	3	The Bank identified two main risks, namely: (i) lack of institutional capacities in the utilities to operate the Interconnection and (ii) possible shortage of hydro-energy surplus in Ethiopia for export to Djibouti. To address the former risk, the relevant staffs of EEPKO and

				<p>EdD were trained under the project and it is required for continues staff cooperation during interconnection operation. The latter risk is mainly related to drought which is localized. The risk is minimized partially giving that Ethiopia`s hydroelectric dams are diversely located in different river basis within the country, and feed electricity into the Interconnected System which Djibouti will be supplied from. It means that other electricity generation projects are needed in future. Furthermore, the realization of the planned generation projects will increase the capacity in Ethiopia to ensure the availability of continuous surplus power for export. The risk of supply storage in Djibouti will be mitigated by continued implementation of the generation expansion plan in Djibouti to fully meet the country`s demand</p>
	<p>10. Project procurement, financial management, monitoring and/or other systems were based on those already in use by government and/or other partners.</p>	3	3	<p>Given the nature of the project, preparation of the detailed design and procurement documents was done after appraisal. During design review, demand-supply analysis revealed the need to construct 230 kV double circuits instead of single circuits as appraised, in order to avert line capacity constraints in the medium term. The transmission line was therefore redesigned.</p>
	<p>11. Responsibilities for project implementation were clearly defined.</p>	4	3	<p>The responsibilities for the project implementation were clearly defined to respective PIU within EEPCo and EdD and within each utility a PIU was established to assist in the design and management of the project. A joint Steering Committee was established to oversee the implementation of the project, and provide direction if and when it is needed. The project starting implementation was delayed by 19.5 months and it was required from the joint</p>

				Steering Committee to mitigate this delay
	12. Necessary implementation documents (e.g. specifications, design, procurement documents) were ready at appraisal.	3	3	Given the nature of the project, preparation of the detailed design and procurement documents was done after appraisal. During design review, demand-supply analysis revealed the need to construct 230 kV double circuits instead of single circuits as appraised, in order to avert line capacity constraints in the medium term. The transmission line was therefore redesigned.
	13. Monitoring indicators and monitoring plan were agreed upon during design.	3	2	The monitoring indicators and monitoring plan were agreed upon between the Bank and Borrowers/Executing Agencies and clearly indicated in the Appraisal Report (Logframe). The monitoring was depending only on QPRs submitted by EAs, supervision mission and review of annual audit report. The starting of the project was delayed by 19.5 months. Also the progress was not monitored overtime.
	14. Baseline data were available or were collected during design.	3	3	Much of the baseline data necessary for project appraisal were collected in the context of the Feasibility Study (electricity access, customer willingness to pay for electricity, etc.) while for the detailed design were collected during implementation. During design review, demand-supply analysis revealed the need to construct 230 kV double circuits instead of single circuits as appraised, in order to avert line capacity constraints in the medium term. The transmission line was therefore redesigned.
	<b>Project Design and Readiness Sub-Score</b>	<b>3</b>	<b>3</b>	

Criteria	Sub-Criteria	PCR Score	OPEV Review	Justification/ Reason for deviation/Disconnect/ Comments
<b>Bank Performance</b>	<b>Supervision</b>			
	1. Bank complied with:			
	<ul style="list-style-type: none"> <li>Environmental Safeguards</li> </ul>	---	3	The bank should assure Environmental Management of the project. The interconnection route crosses desert and rocky hills totally unsuitable for agriculture. Permanent loss of 0.47 ha of grassland, shrub and bush
	<ul style="list-style-type: none"> <li>Fiduciary Requirements</li> </ul>	4	4	The Bank's Fiduciary Requirements were specified in the relevant Bank's documents, including the Standard Bidding Documents and Procurement Guidelines.
	<ul style="list-style-type: none"> <li>Social Safeguards</li> </ul>	4	4	The Bank imposed a conditions precedent to first disbursement to ensure that the Borrowers/Executing Agencies settle compensation before commencement of construction.
	<ul style="list-style-type: none"> <li>Other Project Covenants</li> </ul>	2	2	The Bank included other conditions to Djibouti loan in order to improve the performance of EdD. Except the establishment of an Internal Audit Unit in EdD, the Bank has not been successful to have fulfilled the remaining other conditions (reduction of account receivables and electricity tariffs.
	2. Bank provided quality supervision in the form of skills mix provided and practicality of solutions.	3	2	The Bank supervised the project 7 times over 7 years (2005-2011). It means a factor of 1.0 times/year while the bank does not accept lower than 1.5. In addition to Head Quarters supervisions, ETFO supported the project with field supervisions, review and processing of procurement and disbursement documents. From 1/1/2005 up to 8/10/2006 (actual starting date of the project), there is no supervision from the Bank



	3. Bank provided quality management oversight.	3	3	The time taken by the Bank to react/respond to the various requests of the Borrowers/Executing Agencies was, by and large, reasonable
	PCR was delivered on a timely basis	4	3	The PCR was sent to the Bank after 5.5 months from project completion (95%)
	<b>Supervision Sub-Score</b>	3	3	
	<b>OVERALL BANK PERFORMANCE SCORE</b>	3	3	

The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.

- (i) **Very Good** (HS) : 4
- (ii) **Good** (H) : 3
- (iii) **Fair** (US) : 2
- (iv) **Poor** (HUS): 1

Criteria	Sub-Criteria	PCR Score	PCR-EVN Validation	Justification/ Reason for deviation/Disconnect/ Comments
<b>Borrower Performance</b>	<b>Design and Readiness</b>			
	1. Responsibilities for project implementation are clearly defined.	4	4	The Borrowers/Executing Agencies generally complied with the loan condition requirement to settle compensation before commencement of construction. In addition, an Environmental, Health and Safety Management Plans were developed and should be implemented.
	2. Necessary implementation documents (e.g. specifications, design, procurement documents) are ready at appraisal.	3	3	Preparation of the detailed design and procurement documents was done after appraisal. During design review, demand-supply analysis revealed the need to construct 230 kV double circuits instead of single circuits as appraised, in order to avert line capacity constraints in the medium term. The transmission line was therefore redesigned.
	3. Monitoring indicators and monitoring plan are agreed upon and baseline data are available or are being collected	3	2	The monitoring was depending only on QPRs submitted by EAs, supervision mission and review of annual audit report. The starting of the project was delayed by 19.5 months. Also, the project completed with 10 months delay. Overall, the

				progress was not monitored overtime.
	<b>Project Design and Readiness Sub-Score</b>	3	3	
	<b>Implementation</b>			
	1. Borrower complied with:			
	<ul style="list-style-type: none"> <li>Environmental Safeguards</li> </ul>	4	3	The interconnection route crosses desert and rocky hills totally unsuitable for agriculture. Permanent loss of 0.47 ha of grassland, shrub and bush without substitution.
	<ul style="list-style-type: none"> <li>Fiduciary Requirements</li> </ul>	4	4	The Borrowers/Executing Agencies complied with the Bank's Fiduciary requirements
	<ul style="list-style-type: none"> <li>Social Safeguards</li> </ul>	4	4	The Borrowers/Executing Agencies generally complied with the loan condition requirement to settle compensation before commencement of construction.
	<ul style="list-style-type: none"> <li>Other Project Covenants</li> </ul>	2	2	The Borrowers fulfilled the conditions for loan effectiveness with 12 months delay. Except establishment of an Internal Audit Unit in EdD, GoD has not fulfilled the remaining other conditions (reduction of account receivables and electricity tariffs).
	2. Borrower was responsive to Bank supervision findings and recommendations.	2	2	The Borrowers were responsive to the Bank Supervision Mission findings and recommendations except in not meeting the other conditions of Djibouti loan.
	3. Borrower collected and used of monitoring information for decision-making.	3	3	The information collected by the Borrowers through field supervision, contractors/consultants reports, PIUs progress/Audit reports, Aide Memoires of Bank's Supervision Mission assisted to monitor the progress of implementation and quality of outputs
	<b>Implementation Sub-Score</b>	3	3	
	<b>OVERALL BORROWER PERFORMANCE SCORE</b>	3	3	
<p>The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.</p> <p>(i) <b>Very Good (HS) : 4</b></p> <p>(ii) <b>Good ( H) : 3</b></p>				

- (iii) Fair (US) : 2  
 (iv) Poor (HUS): 1

### M &E Design, Implementation & Utilization

Criteria	Sub-Criteria	PCR Score	PCR-EVN Validation	Justification/ Reason for deviation/Disconnect/ Comments
<b>M &amp; E Design</b>	<b>M &amp; E Design</b>			
	Clear, adequate and realistic M & E system in place	4	3	a-It is not mentioned the tasks required from PIU within EEPCo and EdD to fulfill the monitoring and evaluation criteria b-It is not clear the duty of the JSC during M&E stage
	Monitoring indicators and monitoring plan are agreed upon during design	3	2	There plan mentioned in the appraisal has not been followed. Only QPRs submitted by EAs, supervision mission (7 supervision missions during entire project 2005-2011 with rate 1.0 less that 1.5 accepted by the bank) and review of annual audit report. BOR must have clear actions to be taken.
	Gender disaggregated indicators provided	---	3	Re-allocation of the time, ordinary used in fuel-wood collection(undertaken mainly by women and children), to more productive activities such as education.
	Baseline data were available or collected during design	3	3	Much of the baseline data necessary for project appraisal were collected in the context of the Feasibility Study (electricity access, customer willingness to pay for electricity, etc.) while for the detailed design were collected during implementation. During design review, demand-supply analysis revealed the need to construct 230 kV double circuits instead of single circuits as appraised, in order to avert line capacity constraints in the medium term. The transmission line was therefore redesigned.
	Others (specify)	---	----	
	<b>Design Score</b>		<b>3</b>	<b>3</b>
<b>M &amp; E</b>	<b>M &amp; E Implementation</b>			

<b>Implementation</b>	Adequately staffed and equipped M & E function	---	2	-Plan in the appraisal was not followed -low no. of supervision missions.
	Borrower collected and analyzed relevant M & E	2	2	Borrower did not meet the condition of Djibouti loan
	Others (specify)			
	<b>Implementation Score</b>	---	2	
<b>M &amp; E Use</b>	Borrower used monitoring information for decision-making.	2	2	Borrower did not meet the condition of Djibouti loan
	M&E information used in project reporting (progress reports; PCR)	--	2	-Information of project delay because of the contractor is not acceptable. -Once the monitoring activities is low, then the reports did not show the real situation
	Others (specify)			
	<b>Use Score</b>	---		
	<b>OVERALL M &amp; E PERFORMANCE SCORE</b>	---	2	

### PCR Quality Assessment

Criteria	PCR-EVN (1-4)	Comments
<b>QUALITY OF PCR</b>		
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections:	3	The PCR did not expand some topics (such as, project context, implementation, ..) for more information in Annex 6
2. Extent of objectivity of PCR assessment scores	3	Fairly objective scores
3. Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies (in various sections; between texts and ratings; consistency of overall rating with individual component ratings)	3	Rating is consistent with text in all sections
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive and negatives) affecting design and implementation:	3	The PCR identified and covered well all internal and exogenous effects affecting design and implementation including shortage of power in Djibouti and excess of power in Ethiopia using future hydrogenation.
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	3	Social safeguards are adequately covered while the environmental safeguards are

		not covered. PCR covered well the Bank`s Fiduciary requirements.
6. Extent of soundness of data generating and analysis processes (including rates of returns) in support of PCR assessment:	3	Results indicate that the FIRR at completion is about 11.06%, lower than the 14.5% estimated at appraisal. However, the EIRR stands at 28.05%, just a little bit lower than the 29% estimated at appraisal.
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	3	Annexure can be more used for more explanation of project context, implementation, ...
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis):	2	PCR confused lessons and recommendations. Other lessons can be obtained to overcome the Bank supervision shortage.
9. Extent of overall clarity and completeness of the PCR	3	The PCR covered all items of the report and was generally consistent with the guidelines. The PCR and needs to be enrich in information.
Other (to be specified)		
PCR Quality Score	3	
<b>PCR Compliance with Guidelines (PCR/OM; OPEV)</b>		
<b>1. PCR Timeliness (On time = 4; late = 1)</b>	1	Submitted after 5.5 months
<b>2. Extent of participation of Borrower, Co-financiers &amp; field office in PCR preparation***</b>	3	The Borrower did not participate in writing the PCR
<b>3. Other aspect (Specify, e.g. completeness &amp; relevance of annexes; supporting document list) ***</b>	3	More information can be added to the annexes
<b>PCR Compliance Score</b>	3	
*** rated as high/exemplary (4), or substantial/significant (3), or moderate (2), or negligible (1)		