

AFRICAN DEVELOPMENT BANK GROUP



EGYPT

EL-BEHEIRA RURAL DEVELOPMENT PROJECT

**Abbreviated Project Performance Evaluation Report
(PPER)**

**OPERATIONS EVALUATION DEPARTMENT
(OPEV)**

12 February 1999

1. PROJECT HISTORY AND FORMULATION

1.1 This abbreviated Project Performance Evaluation Report (PPER) concerns the evaluation of the El-Beheira rural development project in Egypt. The project, whose total cost was estimated at UA 32.3 million, was identified and prepared by the FAO Investment Centre (FAO/IC) for ADB. Appraised by Bank experts in 1981, the project was financed with ADB and ADF funds to the tune of UA 10 million and UA 8 million respectively. The two loans, which were approved in December 1981, became effective on 17 June 1984, that is 2 years after the signing of the loan agreements (January 1982). The initial project implementation schedule, which covered 4 years (end 1986), had to be modified following delays in project start-up and during implementation, leading to two successive extensions of the deadline for the last disbursement. The project was finally completed in June 1997, that is 11 years after the completion date scheduled at appraisal.

1.2 Six components were envisaged initially. Nevertheless, during implementation, the Egyptian authorities deemed it useful – with the Bank’s approval – to add two new components in order to meet the diversification aspirations of producers; the components are “industrialization in villages” and “the development of small productive projects”.

1.3 The Project Completion Report (PCR), prepared by the Bank with the reference ADF/BD/IF/97/213 of 27 November 1997, was deemed of satisfactory quality. The major problems of design, mastery of procedures and sustainability were analyzed, and the lessons drawn are fairly relevant. Consequently, it was recommended that an abbreviated project performance evaluation report be prepared. The present report assesses and supplements the information contained in the PCR on the basis of the Appraisal Report, the Country Strategy Paper for Egypt, the Portfolio Review for Egypt and other project documents available at the Bank.

2. SECTOR OBJECTIVES, AIMS AND OUTCOME

Project Objectives

The sector objective of the project was to improve the living conditions of the beneficiary population and the country’s trade balance. The specific objective was to increase agricultural and animal production in the El Beheira Governorate, improve health and storage facilities as well as facilitate access to inputs and staple products. The objectives were relevant to and consistent with the country’s agricultural policy, centred on poverty alleviation, the reduction of food shortages and the development of cash crops.

3. IMPLEMENTATION AND OPERATIONAL PERFORMANCE

3.1 Implementation Performance

3.1.1 The project, scheduled to cover 4 years, took 13 years because of the long delay in loan effectiveness and the 2 years 5 months delay in project start-up which was due to complications in the procedure of ratification of the agreement by Parliament and to the

Borrower's inadequate knowledge of the rules of procedure. Furthermore, the delay in implementation stemmed from the fact that during appraisal due consideration was not given to the complex and much diversified nature of the project, as well as the Borrower's ability to ensure proper implementation of the project. However, at project completion, the delays did not have any significant impact on the physical outcomes, some of which were even exceeded.

3.1.2 The loan conditions were fulfilled, except the regular transmission of authenticated financial accounts by the Executing Agency. The procurement of goods and services recorded some delays during the early years, because of non-compliance with Bank procurement procedures.

3.1.3 The quarterly and annual progress reports were sometimes submitted late to the Bank. It should be pointed out that most of them were in Arabic and this made analysis by Bank experts difficult. A number of economic and engineering studies (implementation schedule, economic evaluation of small projects, etc.), which were provided for in the Appraisal Report, could not be verified by the completion mission (PCR, § 4.6).

3.1.4 Since there was no logical linkage between project objectives, activities and outputs, it was not possible to identify all the key performance and impact indicators so as to ensure better monitoring and evaluation of project impact. The outputs of the various sites were not properly monitored. No data bank on the farming models was established. Furthermore, it was not possible to obtain data figures on indicators such as: meat production, income per economic activity and farm, contribution of the project to the formation of the agricultural GDP, etc.

3.1.5 The project did not encounter any financing problems in foreign exchange and local currency. The ADF loan was disbursed totally, while the ADB loan had an undrawn balance of UA 0.414 million which, with the Bank's approval, was used for completing the remaining activities relating to land improvement and rural development (Portfolio Review Report ADF/BD/WP/97/34).

3.1.6 In the final analysis, there was a 21% total cost overrun in UA because of the contribution by the Egyptian Government, which amounted to UA 23.3 million as against the initial estimates of UA 14.931 million, or an actual rate of 156%. As regards local currency, the actual financing stood at about 440% of the estimates due to the depreciation of the Egyptian pound from LE 0.81 at appraisal to LE 4.73 for UA 1 in 1994.

3.1.7 In view of the foregoing, the implementation performance was deemed satisfactory on the whole.

3.2 Operational, Economic and Financial Performance

3.2.1 The PCR indicated that the project had improved the economic rate of return of the farms. The increase in the income of agricultural production per hectare is well demonstrated in the PCR (§ 7.1).

3.2.2 The lack of sector data made it impossible to assess the degree of improvement of the living conditions of the population in the project area: the increase in the income of farms, improvement of food security, etc.

3.2.3 Data analysis of the “outcomes” and “objectives” in the logical framework shows that the objectives in land development and construction of infrastructure have been amply achieved, and even exceeded in certain cases (PCR, Ch. 5). However, with respect to the “Land Development” component, in view of the equipment provided, the outcomes should have been more substantial. This relatively low performance was due mainly to the use of the equipment up to 60% of the time outside the project by OEMVT, which was in charge of the project. Furthermore, gypsum was applied to only 35% of the developed areas whereas it was supposed to correct soil salinity.

3.2.4 The outcomes of the two components not initially envisaged, namely “small productive projects” and “industrialization in villages” were quite substantial. The operational performance was deemed satisfactory in the light of the physical outcomes of the project.

3.2.5 The internal rate of return of 26% as estimated in the PCR as against the 24% at appraisal shows that the economic rate of return is satisfactory. However, there are no reliable data to confirm this outcome during project evaluation.

3.2.6 The bulk of project resources were from external financing. No special problems were encountered in project financing. However, its cash situation could have been improved if the subsidies granted by the project to the farmers were reduced, since the related activities provide substantial economic benefits to the beneficiaries.

4. PERFORMANCE OF THE BORROWER, EXECUTING AGENCY AND THE BANK

4.1 No particular financial and technical shortcoming was found among the suppliers as well as foreign and local contractors.

4.2 The performance of the project executing agency was deemed satisfactory in view of the physical outputs. However, in addition to the weaknesses noted in § 3.1.2, mention should be made of the absence of an efficient monitoring/evaluation system within the project executing agency to collect, update and analyze data with a view to assessing the internal efficiency of the project on the basis of predetermined performance indicators. Project supervision, monitoring and evaluation, entrusted to the Institute of Economic Research in Damanhour, was rather inefficient. Monitoring and evaluation were not consistent with the major concerns of the Institute, which focus on basic research.

4.3 Bank performance was not satisfactory for the following reasons: i) Bank procedures were not well explained at the right time to the Borrower and the project management team; (ii) no logical linkage was established between the project objectives, outcomes and activities before implementation; (iii) during supervision missions, recommendations relating to fundamental issues of the project, as well as to the preparation and regular transmission of authenticated project accounts were not given special attention; and (iv) the initial schedule of the project was inappropriate.

5. PROJECT SUSTAINABILITY

5.1 The project had a significant impact on the economic rate of return of the farms, as well as improved transport and fostered local economic development. This contributed to motivating the farmers to continue the project activities.

5.2 The skills acquired by the project employees (various training courses, expertise) are an important asset to proper management of project activities. The political environment was also favourable and enhanced by the measures taken by the Egyptian Government to reduce State control mechanisms to the minimum, and to give more room to market conditions and the private sector. Reforms were initiated as from the 80s to deregulate prices and the marketing of agricultural products in the country (Egypt: Country Strategy Paper, 1996-1998, § 2.2.6).

5.3 At the financial level, the Egyptian Government made substantial budget allocations to the project regularly. This financial support is likely to continue. Nevertheless, these Government resources are not enough for huge investments required every three or four years to carry out sub-soiling operations and gypsum application to improve yields. Furthermore, the participation of farmers in the operating costs of infrastructures was not considered; this could have improved the cash situation of the project and contributed significantly to its sustainability.

5.4 As regards the environment, there is a real risk of soil deterioration by erosion and nitrate contamination of groundwater. A detailed analysis of the situation is given in the PCR (Chapter 9).

6. RATING OF PERFORMANCE AND OUTCOMES

6.1 The tables showing the detailed rating of the various aspects of project performance are given in Annex 4 of this report.

6.2 The implementation performance is satisfactory despite the delays in project start-up and implementation, as well as the failure to transmit the external audit accounts.

6.3 Bank performance was not satisfactory due to the shortcomings mentioned in paragraph 4.3

6.4 Project outcome was deemed satisfactory. The physical objectives of the project were achieved, and even exceeded in certain cases. However, sustainability of project impacts cannot be totally guaranteed because of the inadequacies mentioned in paragraphs 5.3 and 5.4.

7. CONCLUSIONS, LESSONS AND RECOMMENDATIONS

7.1 Conclusions

The overall project performance is deemed satisfactory. Project outcomes contributed

to improving the living conditions and increasing the income of the target population. The project, which had some inadequacies before and during implementation, was implemented within the limits of the loan and with Government budget allocations higher than estimated. However, sustainability of project outputs depends on the solving of environmental problems, the participation of beneficiaries in the operating costs and external financial contributions for the periodic implementation of huge investments required for sub-soiling and gypsum application.

7.2 Lessons

7.2.1 The lessons drawn in the PCR relate mainly to sustainability of project activities, flexibility in its implementation, its capacity to adapt to the requirements of rural communities and inadequate comparative data for situations without project and with project.

7.2.2 The Evaluation takes these lessons into account and supplements them as follows:

- i) Preparation of a project logical framework matrix allows for the identification of key performance and impact indicators needed for detailed and complete technical and economic analysis/evaluation of the project (§ 3.1.4) ;
- ii) The success of the project also depends very much on the Government honouring its financial commitments (§ 3.1.6) ;
- iii) The existence of an efficient monitoring-evaluation unit within the project contributes immensely to proper management and coordination (§ 4.2) ;
- iv) Sub-soiling and improvement of drainage are mitigation measures for soil deterioration (PCR, § 9.2);
- v) Livestock development is an important source of organic matter and fertilizers, which are recommended for use to ensure environmental protection (§ 5.3);
- vi) Involvement of beneficiaries in project formulation and management is a decisive factor of sustainability (§ 5.3);
- vii) The audit of financial accounts makes project management transparent (§ 3.1.2) ;
- viii) The success of the agricultural development project is also due to its capacity to adapt to take into account the real needs of the beneficiary rural communities (PCR, § 12.7).

7.3 Recommendations

The PPER approves the PCR recommendations and supplements them as follows:

The Bank should:

- i) systematically prepare a logical framework matrix for all development projects at preparation, and improve it during project implementation;

- ii) require the study of environmental problems and risks likely to hamper sustainability of the benefits of any development project before loan approval, as well as assessment of the scope of the phenomenon at project completion.
- iii) organize a seminar on the administration of Bank loans for the Borrower and officials of the Executing Agency before project start-up.

The Borrower should:

- i) take measures to provide appropriate human and material resources so as to avoid frequent delays in project start-up;
- ii) prepare and/or improve the logical framework of all agricultural development projects and establish an efficient internal monitoring/evaluation system within the project;
- iii) ensure the regular transmission of progress and financial reports in one of the Bank's working languages;
- iv) speed up preparation of the second phase of the project in order to consolidate the achievements of the first phase and better ensure promotion of the rural world and the transfer of technologies to farmers.

7.4 Follow-up Actions

The major follow-up actions are presented in Annex 2.

ANNEX 1

BASIC DATA

A- The Borrower

Country : Arab Republic of Egypt
Project : El-Beheira Rural Development Project
Project Numbers : ADB N CS/ARE/AGR/81/008 and ADF N ARE/AGR/81/005
Borrower : Government of Egypt
Executing Agency : Ministry of Agriculture and Rehabilitation

<u>B- ADB Loan</u>	:	Estimated	Actual
Amount (UA million)	:	10.00	9.586
Approval date	:	December 1981	12 December 1981
<u>Dates of:</u>			
a) signature	:	January 1982	26 January 1982
b) effectiveness	:	4 th quarter 1982	17 June 1984
c) first disbursement	:	4 th quarter 1982	17 December 1984
d) last disbursement	:	4 th quarter 1986	30 May 1997

C- ADF Loan:

Amount (UA million)	:	7.37	7.37
Approval date	:	December 1981	21 December 1981
<u>Dates of:</u>			
signature	:	January 1982	26 January 1982
effectiveness	:	4 th quarter 1982	17 June 1984
first disbursement	:	4 th quarter 1982	17 December 1984
last disbursement	:	4 th quarter 1986	30 May 1997

D- The Project:

Total cost (UA million)	:	32.3	39.2
<u>Sources of finance:</u>			
ADB	:	10.00	9.586
ADF	:	7.37	7.37
Gvt	:	14.30	22.30
Implementation period	:	4 years	11 years
PCR date and reference	:	ADF/BD/IF/97/213 of 27 November 1997	

E- Performance Indicators:

Cost overrun: UA 6.9 million (21%) and ADB loan balance of UA 0.414 million

Delay with respect to schedule : 7 years behind the scheduled completion of the project

Performance:

- a) overall project performance** : Satisfactory (2.45)
- b) implementation performance** : Satisfactory (2.2)
- c) Bank performance** : Not satisfactory (1.78)

EGYPT- EL-BEHEIRA RURAL DEVELOPMENT PROJECT
RECOMMENDATIONS AND FOLLOW-UP ACTIONS MATRIX

Main Remarks and Conclusions	Recommendations	Follow-up Actions	In Charge
<p>Project Formulation and Merit</p> <p>1. The initial appraisal did not identify and develop all the possible and relevant project activities and consider environmental problems.</p> <p>2. The initial schedule was unrealistic and did not take into account the Borrower's capacity to start the project in time and implement project activities within the prescribed period.</p> <p>3. The follow-up and impact indicators are not well defined</p>	<p>1.1. Appraisal should be based on detailed engineering studies to identify and schedule all possible economic activities and consider the risks including environmental problems.</p> <p>2.1- The Borrower's ability to effectively fulfill the conditions should be carefully analyzed beforehand.</p> <p>3.1- It is necessary to consider drawing up the project logical framework after project preparation and updating it at the appraisal</p>	<p>1.1- Intensify implementation of the Bank's operational guidelines in project preparation.</p> <p>1.2.- Conduct a study on the risks, including environmental problems</p> <p>2.1- Intensify the assessment of the capacities of the Executing Agency and any other institution participating in project implementation.</p> <p>3.1 Set prioritized objectives, quantifiable appropriate key indicators and specify in particular the periodicity of the gathering and</p>	<p>1.1- Bank (OCDN)</p> <p>2.1- Bank (OCDN)</p> <p>3.1- Bank (OCDN)</p>

4. The cost overruns are too high.	phase in order to take into account any new factors 4.1- Project viability requires that the gap between the estimates and actual expenses be within a reasonable range.	dissemination of information, and the intended receptors of the information 4.1- Carry out detailed field investigations during appraisal, and use the appropriate local resource persons to better determine project costs.	4.1- Bank (OCDN)
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<p><u>Fulfilment of conditions</u></p> <p>1. The authenticated accounts were not transmitted to the Bank.</p>	<p>1.1- The financial reports, including the audited accounts, must be sent regularly to the Bank in accordance with the loan agreement</p>	<p>1.1- During supervision missions, call the Borrower/Executing Agency to order, and if necessary, impose the required sanctions</p>	<p>Bank (OCDN)</p>
<p><u>Project implementation</u></p> <p>1. Due to the limited power of the management unit, it could not control the use of equipment by OEMVT which used it more than 60% of the time outside the project.</p> <p>2. The management unit was not familiar with Bank procurement procedures</p> <p>3. All the key performance and impact indicators were not identified and used.</p> <p>4. Bank supervision did not tackle key issues such as cost recovery for services to farmers and sustainability of post-project activities.</p> <p>5. The terms of reference of</p>	<p>1.1- The Executing Agency should have the power to control not only the proper implementation of project activities but also the use of project equipment.</p> <p>2.1- Bank procedures and rules should be known in time by the Executing Agency</p> <p>3.1- The indicators should be well identified during project preparation.</p> <p>4.1- Supervision should also consider analysis and guidance aspects such as: sustainability of post-project activities, cost recovery for services, etc.</p> <p>5.1- Consultants should not be recruited only</p>	<p>1.1- Systematically establish a contractual basis with all the private and/or public partners participating in the project and specify the required penalties.</p> <p>2.1- Organize training seminars/workshops on procedures for the project staff of the Agency</p> <p>3.1- Prepare the logical framework matrix so as to better identify measurable project performance and impact indicators.</p> <p>4.1-Conduct reflection on key issues concerning the project and make recommendations to the competent authorities and donors.</p> <p>5.1- Identify the problems and specify the</p>	<p>1.1- Executing Agency -Government.</p> <p>2.1- Bank (OCDN/CADI)</p> <p>3.1- Bank (OCDN)</p> <p>4.1- Project Unit</p> <p>5.1- Project</p>

consultants are not clearly defined	for well defined specific works as regards content and duration.	terms of reference for each consultant.	Unit.
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<p><u>Sustainability</u></p> <p>1. The policy of subsidizing inputs and carrying out development services for farmers did not foster their effective participation in the project.</p> <p>2. The project cannot ensure its own financial autonomy</p> <p>3. There is a clear risk of deteriorating the soil and water quality, as well as contamination of the groundwater table</p>	<p>1.1- An appropriate formula should be worked out to enable the farmers to participate in the cost of land development services.</p> <p>2.1 External financial contributions are indispensable</p> <p>3.1- Agriculture-livestock integration is necessary for the use of organic matter to reduce chemical products, provided that the animals are kept away from open air water supply systems.</p>	<p>1.1- Establish a sensitization and motivation system for the participation of beneficiaries in project development.</p> <p>2.1.1- Continue budget allocations to the project/negotiate the second phase of the project</p> <p>3.1.2- Sensitize farmers on the environmental risks and intensify the dissemination of environmental protection techniques: composting, ensilage, manure, penning of animals, etc.</p>	<p>1.1- Project Unit</p> <p>2.1.1- Government.</p> <p>3.1.3- Project Unit</p>
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EGYPT: EL-BEHEIRA RURAL DEVELOPMENT PROJECT

RETROSPECTIVE LOGICAL FRAMEWORK MATRIX

HIERARCHY OF OBJECTIVES	VERIFIABLE INDICATORS				MEANS OF VERIFICATION	ASSUMPTIONS
Sector objectives Improve the living conditions of the farmers in the project area	Appraisal	Completion	%		National Statistics and Household Budget/Consumption Surveys Service in the project area	
	1. Average income per farm (LE thousand) : 1700	680				
	2. Additional income from the project (LE thousand) : 24710	65 756	266			
Outputs 1) provide credits 2) provide health facilities 3) facilitate access to production areas 4) develop lands	Appr.	Compl.	%		Appraisal report Annual progress reports Data from the Institute of Economic Research,	Recurrent funds available for salaries, maintenance and repair of equipment
1. Amount (LE thousand)	9 272.3	10 000				
2. Number of health centres	11	22	200			
3. Rehab./levelled roads (km)	370	1 970	532			
4. Area						
- sub-soiling (ha)	26 880	62 354	232			
- gypsum application (ha)	26 880	32 030	119			
- storage drainage (ha)	26 880	25 486	95			

<p>5) Ensure storage of produce</p> <p>6) Train women and vouths</p>	<p>- drainage of farms (ha)</p> <p>5. Storage areas (000m2)</p> <p>6. Women trained in production methods</p>	<p>5 376</p> <p>1 400</p> <p>NA</p>	<p>0</p> <p>1 400</p> <p>9750</p>	<p>0</p> <p>100</p>	<p>Damahour</p> <p>Supervision report</p>
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Activities	Appr.	PCR	%		
1) Recruit/transfer staff for the project	1. Total staff : 374	396	106		
2) Undertake civil engineering works:	<u>Resources/Project costs (UA thousand):</u>				
	2. Land development : 14 314	8 190.1	57	Annual budgets of the project.	- No penalty on the loans
	Intensif. agric.: 11 512	19 987.03	174		
3) Procure rolling stock	3. Agric. Extension : 1 959	7 819.13	399	Disbursement documents	- Suppliers suitable and available
4) Pay project staff salaries	4. Rural infrastr. : 3 952	1 037.13	26		
5) Procure heavy equipment and machinery	5. Project management : 324	1 277.42	394	Audited financial reports	- Counterpart contribution of Government available and in time.
6) Prepare periodic reports and accounts of the project	6. F. S § E : 217	704.74	325		
	Total 32 278.0	39 200	121		
	<u>Financing schedule (UA thousand)</u>				
	F.E.	L.C.	Tot.	%	- Annual and audit reports transmitted
ADB Estim.	8 718	1 282	10 000		
Actual.	8 303	1 282	9 585	96	
<u>ADF</u> Estim.	7 219	128	7 367		
Actual	7 219	128	7 367	100	
<u>Govt.</u> Estim.	-	14 931	14 931		
Actual	-	23 300	23 300	156	
<u>Total</u> Estim.	15 937	16 341	32 278		
Actual.	15 522	23 678	39 200	121	

Project objectives		Appr.	Comple.		
1) increase agricultural production:	1. production (000 t.)				
	- cereals.	98.40	120.0	Appraisal report	Irrigation water available, rural exodus limited, market prices incentive
	- fruits & veget.	26.40	23.8	Annual progress reports on the project.	
	- cotton	3.00	1.8		
	- potatoes	3.90	5.2		
	- meat	143.60	160.0		
	- milk (000l)	1 905.00	1600.0		
2) increase crop yields	2.1 Yields for cereals, fruits, vegetables and cotton				
	Kg/Ha:	Appr.	Comple.		
	Cotton	2 250	2 700		
	Rice	5 952	7 143		
	Wheat	3 571	4 286		
	Broad beans	1 619	1 862		
	Maize	4 000	4 800		
	Potatoes	20 238	23 880		
	Alfalfa CL	59 524	66 667		
	Vegetable	19 048	22 857		
	Watermelon	23 810	28 571		
3) Improve production and breeding methods	3.1 Improved areas (ha) :			Annual progress reports on the project.	
		8 988	38 437		
	3. 2 Farmers affected				
		16 000	30 000	Data from the Institute	

4) Improve the health of the animals (000 head)	<p>3.3 Weaned and fattened calves (nb)</p> <p style="text-align: right;">16 315 816</p> <p>Improved rams</p> <p style="text-align: right;">--- 62</p> <p>Vaccinated and treated cattle/buffaloes</p> <p style="text-align: right;">124 310</p> <p>Vaccinated and treated minor ruminants</p>	of Economic Research, Damahour.	ADB supervision reports
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IMPLEMENTATION PERFORMANCE

INDICATORS	SCORE	REMARKS
1. Adherence to implementation schedule	1	Significant start-up and implementation delays
2. Adherence to cost schedule	2	21% project cost overrun in UA due to underestimation of cost of civil engineering works
3. Compliance with loan agreement conditions	2	The condition relating to the forwarding of authenticated accounts was not fulfilled. The conditions relating to the procurement of goods and services were fulfilled after wavering during the early years.
4. Adequacy of monitoring-evaluation and quarterly progress reports	2	The quarterly and annual progress reports were submitted irregularly to the Bank. The audited accounts of the project were not submitted.
5. Satisfactory operations (if applicable)	3	Sectoral results show an improvement in the living conditions of the population in the project area and an increase in farm income. The operation was therefore satisfactory.
<u>Overall assessment of implementation performance</u>	2	The implementation performance was deemed satisfactory on the whole. Non compliance with the implementation schedule was the weakest point.

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BANK PERFORMANCE

INDICATORS	SCORE	REMARKS
1. At identification	2	FAO/CI undertook identification of the project on behalf of the Bank. The objectives were well defined, but the logical linkage between these objectives and the outputs was not established.
2. At preparation	2	The preparation carried out by FAO/CI was generally satisfactory; however, environmental problems were ignored. Furthermore, the lack of engineering studies resulted in imprecision with respect to cost of civil engineering works.
3. At appraisal	2	The analysis of risks, including deterioration of the environment, was not satisfactory. Furthermore, the costs of some components were underestimated.
4. At supervision	1	The frequency of missions was satisfactory during the early years of the project. However, a number of fundamental issues persisted throughout project implementation: ignorance of Bank rules of procedure by project officers; sustainability of activities; participation of beneficiaries in the project cost; the regular transmission of audit reports to the Bank
<u>Overall assessment of Bank performance</u>	1.75	Bank performance was not satisfactory.

EGYPT- EL-BEHEIRA RURAL DEVELOPMENT PROJECT**PROJECT OUTCOME**

N	INDICATORS	SCORE	REMARKS
I	<u>Relevance and Achievement of Objectives</u>	2.71	The objectives and their achievement are satisfactory
1.	Macro-economic Policy	3	The project is in line with the Five-Year Development Plan 1978-1982
2.	Sector Policy	3	The project is consistent with the sectoral policy which is based on the need to reduce poverty in rural areas, improve food insufficiency and generate foreign exchange
3.	Physical outputs	3	Most of the physical objectives of the project were achieved. However, performance with respect to land development was tarnished to a certain extent due to use of the equipment by OEMVT more than 60% of the time outside the project.
4.	Financial results	2	The financial results were satisfactory on the whole. Emphasis was not laid on the participation of beneficiaries in recurrent costs, and production proceeds were not assessed.
5.	Poverty reduction, social aspects and women in development	3	The project contributed to improving the living conditions of the population: improvement of the road network and health facilities, increase in farmers' incomes as a result of an increase in crop yields and zoosanitary improvement; women also benefitted from specific support activities of the project such as technical training, literacy, etc.

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PROJECT OUTCOME

6.	Environment	2	Project appraisal did not consider environmental aspects. However, during project implementation, a few measures were taken to mitigate deterioration of soil fertility with the use of animal organic matter and compost for agriculture.
7.	Private sector development	3	The project contributed to promotion of private economic initiatives among youths, women and in villages (village industrialization)
8.	Others		N. A.
II	<u>Institutional Development</u>	2.75	The institutional framework is satisfactory
1.	Institutional Framework including restructuring	3	The institutional framework was effectively strengthened.
2.	Financial and Management Information Systems including Audit Systems	2	The information system had a serious shortcoming: failure to submit the audited accounts in one of the Bank's official languages. Expenses were not distributed by category in foreign exchange and local currency by source of finance.
3.	Transfer of Technology	3	The project enabled farmers to acquire improved production methods and procure farming equipment: grinding mills, rice hullers, cereal mills, etc. There was an increasing demand for agricultural machinery.
4.	Staffing by qualified persons (including turnover), training and counterpart staff	3	Staff was seconded and/or recruited on a contractual basis and deemed satisfactory. On-the-job training was provided to extension staff.

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PROJECT OUTCOME

III	<u>Sustainability</u>	2.38	Prospects for project sustainability are all the more satisfactory since it is important to consider environmental problems and ensure the participation of beneficiaries in paying for all or part of the recurrent costs.
1	Continued Borrower Commitment	4	The EG has always made adequate budget allocations to the project and does not seem to intend stopping this financial support.
2	Political Environment	3	The political environment seems favourable and enhanced by measures taken by the EG to further reduce State control mechanisms and give more room to market conditions and the private sector.
3	Institutional Framework	2	The institutional framework is appropriate. However, the control power of the coordination unit must be strengthened; this will ensure rational use of the equipment intended for land development.
4	Technical Viability and Staff Retraining	2	The current structure adequately covers the technical supervision and retraining needs. However, there are some shortcomings in the monitoring-evaluation system
5	Financial Viability including cost recovery systems	2	It is precarious due mainly to the incentives (subsidies) granted to the farmers participating in the project despite the actual rate of return of their activities on the developed land, and which is a substantial shortfall for project sustainability.
6	Economic Viability	3	The project had a significant impact on the economic rate of return of the farms, the improvement of transport and the village local economic development.

EGYPT: EL-BEHEIRA RURAL DEVELOPMENT PROJECT**PROJECT OUTCOME**

	Environmental Viability	1	There is a great risk of deterioration of the soil and water quality as well as contamination of the groundwater table by nitrate. No special measure was taken.
	Operating and maintenance facilitation	2	The desire of the GOE to make budget allocations is an asset. It would be necessary to reduce subsidies to farmers to ensure sustainability of these mechanisms. However, the allocations will not be enough for the huge investments to renew land operations every 3-4 years.
IV	<u>Rate of Return</u>	2	It stands at 26% at completion as against the 24.5% initially estimated. However, it was impossible to verify the reliability of this recalculated rate for lack of basic data in the PCR: yields and production per crop, prices of foodstuffs, etc.
V	<u>OVERALL ASSESSMENT</u>	2.45	The project outcome is, on the whole, satisfactory