



## 1. Project Data

**Project ID**  
P146143

**Project Name**  
Emergency Employment Investment Project

**Country**  
Egypt, Arab Republic of

**Practice Area(Lead)**  
Social Protection & Labor

**L/C/TF Number(s)**  
TF-17007

**Closing Date (Original)**  
02-Jan-2018

**Total Project Cost (USD)**  
72,092,606.55

**Bank Approval Date**  
06-Jun-2014

**Closing Date (Actual)**  
02-Jan-2018

	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	85,787,136.88	85,787,136.88
Revised Commitment	80,042,133.60	85,787,136.88
Actual	72,101,138.88	72,092,606.55

**Prepared by**  
Rasmus Heltberg

**Reviewed by**  
Soniya Carvalho

**ICR Review Coordinator**  
Eduardo Fernandez  
Maldonado

**Group**  
IEGHC (Unit 2)

## 2. Project Objectives and Components

### a. Objectives

The objectives of this project were to: (i) create short-term employment opportunities for the unemployed, unskilled and semi-skilled workers in selected locations in Egypt; (ii) contribute to the creation and/or maintenance of community infrastructure and services; (iii) improve access to basic infrastructure and community services among target population; and (iv) improve the employability of young men and women through short-term training or other support services to facilitate transitions to wage and self-employment (Source: Grant Agreement). The objectives were worded in the same way in the Project Appraisal Document.



**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

Component 1: Employment-intensive Small-scale Infrastructure Subprojects (estimate at approval € 0.98 million, actual at closing € 1.08 million)

This component aimed to generate employment. It financed labor-intensive small infrastructure (canal weed reduction, river bank protection, road paving, school rehabilitation) subprojects in select governorates.

Component 2: Labor Intensive Community Service Sub-projects and Youth Employment Activities (estimate at approval € 56.86 million, actual at closing €57.96 million)

This component aimed to generate employment, especially for women, and enhance access to basic community services. It provided grants to NGOs and community development associations to address cleanliness, environmental awareness, early childhood education, mother and child health support, literacy campaigns, and youth engagement in rural and urban areas in select governorates.

Component 3: Improving Workers' Employability through Youth Employment and Entrepreneurship Programs (estimate at approval € 5.88 million, actual at closing €5.49 million)

This component aimed to facilitate the transition into paid or self-employment. It financed two types of youth employment support activities, separate for urban and rural areas, targeted to young men and women out of school and not in full time employment in target districts.

Component 4: Project Implementation and Capacity Building Activities (estimate at approval € 3.43 million, actual at closing €0.54 million)

This component aimed to support project implementation, capacity building for implementing agencies, and public information campaigns including to create visibility of EU as the donor.

**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

Project costs:

The total project cost at appraisal was estimated at € 67.62 million (US\$93,320,000 equivalent). It actually disbursed € 64.65 million (US\$72,101,138.88 equivalent). Currency fluctuations account for some of the



variation in project costs between appraisal and project closing, especially when the variation in US\$ equivalent.

Financing and links to a parallel project:

The project was fully financed by the European Union through a Bank-administered and Recipient-executed Trust Fund, processed under emergency procedures. The World Bank hence acted as administrator of the EU trust fund that financed this project, which was a standalone complementary financing to the IBRD-financed Emergency Labor Intensive Investment Project (ELIIP; P126339). This project was financed in parallel with and fully coordinated with the IBRD project. The two projects had similar and partially overlapping objectives and followed the same implementation arrangements. However, the two projects financed activities in different geographic areas.

Efficiencies could be achieved by having the same implementing agency. This meant that systems for and staff overseeing procurement, M&E, and safeguards, among other things, could be used by both the projects. According to the ICR, savings were achieved in component 4 because some relevant activities were financed under ELIIP.

Because for administrative reasons these are two distinct projects, they both have ICRs and ICR Reviews.

Successive devaluations of the Egyptian Pound increased the local currency funds available to finance project activities, given also that all contracts were in Egyptian Pounds, allowing for a larger number of subprojects than initially anticipated. This contributed to the project's ability to exceed several targets.

Government contribution:

No government contributions are mentioned in the ICR.

Dates

Because of a retroactive financing arrangement in place under the EEIP agreement and the opportunity to use funds from the ELIIP, the project was under implementation for over a year before it became effective in June 2014. Midterm review was in May 2016. A formal restructuring was necessary only to record a change in the name of the implementing agency (as the SFD became part of the Medium, Small, and Micro Enterprise Development Agency) and became effective in October 2017. The restructuring did not change objectives, indicators, or targets. The project closed as planned in January 2018.

### **3. Relevance of Objectives**



## Rationale

This review rates relevance High.

The project directly supported the second pillar of support (job creation, through direct emergency lending) of the Interim Strategy Note from June 2012 which was in place at the time the project was identified and prepared. It also aligned with the second and third pillar of the Country Partnership Framework (World Bank, 2015. *Egypt, Arab Republic of - Country partnership framework for the period FY2015-19*), creating jobs and inclusion; the CPF was in place when the project became effective and when it closed.

The Project Appraisal Document (PAD) laid out clearly the rationale of the project in terms of the political and economic situation prevailing in Egypt at the time of appraisal. The project would contribute to broader goals related to consumption smoothing for the poor and vulnerable, increasing skills and employability, and promoting social inclusion. The links to the ELIIP were spelled out. The shared objectives of creating short-term employment opportunities for the unemployed and laying the foundation for more sustainable jobs were noted and was one of the motivations for the approach pursued in this project.

Another motivation noted in the PAD was the lack of a rational, cost-effective social safety nets system. The project would build experience and capacity for "workfare"--labor-intensive public works--as a potential future pillar of a more effective safety net system.

## Rating

High

### 4. Achievement of Objectives (Efficacy)

#### Objective 1

##### Objective

Create short-term employment opportunities for the unemployed, unskilled and semi-skilled workers in selected locations in Egypt

##### Rationale

The project's theory of change stated that financing public works and community services would create short-term employment opportunities. Targeting to the unemployed and to low income population groups would be ensured via self-targeting through low wages, geographic targeting and in other ways. The high labor intensity helped translate public spending into employment and earnings for beneficiaries and was supported through the small scale of the projects and criteria for contractors selected to execute subprojects.



**Outputs:**

- Labor-intensive road paving sub-projects in Luxor and Asyut governorates
- 491 basic community infrastructure and services projects (see objective 2 below)

**Outcomes:**

Several indicators corresponded to this objective, and all exceeded their targets according to the ICR.

- the project employed 47,196 beneficiaries of labor-intensive public work programs against a target of 40,000. 67% of these beneficiaries were women against 40% targeted. 89% of these beneficiaries were youth aged 18 to 29 year-old against 60% targeted.
- the project created 17.10 million person/day work opportunities against a target of 13.58 million. 70% of these person/days of work were created for females against 40% person/days targeted. And 89% of the person/days of work created was taken by youth against 60% person/days of work targeted.

The beneficiary survey conducted for the project indicates high satisfaction among beneficiaries with the income and with the nonmonetary benefits such as morale, team cooperation, and family and friends' support from participating in the project activities. With little information provided in the ICR of the methodology of the beneficiary survey, the validity of this information is hard to assess.

The project did not directly monitor whether the employment it created benefited the unemployed, unskilled and semi-skilled workers as intended; beyond gender and youth, the ICR reports no profile of beneficiaries, either by skills, poverty, or employment. Several targeting mechanisms were used to increase the targeting efficiency, and the ICR assumes these were generally effective. Contracts with subcontractors had clauses on labor intensity of the works to be carried out, helping ensure high labor content. Geographic targeting was used to locate project areas in poor areas. Offering below-market wages was used to make it unlikely that workers outside the target group of unemployed, unskilled and semi-skilled workers would avail of project benefits. In addition, the project commissioned a revised poverty map of Egypt but this was delivered very late in the project life, possibly too late to influence choice of project locations.

The project also had other targeting mechanisms. Community services were designed so as to offer suitable employment options for women. And there were age restrictions on the people contractors were allowed to hire, meant to enforce a high share of youth.

**Rating**  
Substantial

**Objective 2**



## Objective

Contribute to the creation and/or maintenance of community infrastructure and services and improve access to basic infrastructure and community services among target population

## Rationale

The ICR treats this as two distinct subobjectives but here they are combined, given their close relationship and given that the first part of the subobjective "Contribute to the creation and/or maintenance of infrastructures and services" is more like an output than an outcome.

According to the project theory of change, the project would give grants to local communities for basic community services and basic infrastructure creation or rehabilitation. These activities would enhance access to basic infrastructure and community services in targeted areas. The ICR is not clear on exactly which were the target areas for this objective, how they were selected, and whether at project closure they had all been covered.

The project lacked a PDO-level indicator to track progress under objective which is an M&E design weakness. Although a PDO-level indicator is lacking, the ICR presented evidence to demonstrate that results were achieved in terms of creation and maintenance of community infrastructure and services and that access to community services among the target population increased.

### Activities/outputs:

- 491 basic community infrastructure and services subprojects were financed on cleanliness and environmental awareness campaigns; early childhood education; mother and child health support; literacy; youth community engagement

### Outputs related to infrastructure:

- 15.2 km rural roads were built
- 126,100 streets and houses were numbered
- 133,545 buildings and lamp posts were painted
- 224,091 meters of sidewalks were restored and painted.
- 52 KM streets were compacted
- 37889 meters of streets were levelled
- 204,538 trees were planted
- 3654 trash bins were purchased and installed
- 433 village entrances were renovated
- 10,933 lamp posts were maintained and restored



- 628 communities received environmental and healthcare awareness-raising campaigns against a target of 120
- 33.2 million environmental and healthcare awareness-raising home visits.

Outputs related to community services:

- 1,509,000 families received maternal and child healthcare visits, against a target of 600,000. This was conducted through 11,152 medical convoys and medical care programs for pregnant mothers and their children.
- 7,124 literacy classes were opened and operated in both literacy and health components, benefiting 169,093 illiterate youths.
- 981 kindergarten classes started operation and 916 classes were equipped with the necessary facilities, benefiting 30,928 children.

No evidence is available on outcomes. The beneficiary satisfaction survey and focus group discussions indicate broad satisfaction with the services received but as noted above, the ICR does not describe clearly the methodology used in these studies.

### **Rating**

Substantial

## **Objective 3**

### **Objective**

Improve the employability of young men and women through short-term training or other support services to facilitate transitions to wage and self-employment

### **Rationale**

The project organized short-term training of youth in urban and rural areas as well as employment fairs. This with the purpose of leading to more permanent employment.

Activities/outputs:

- piloting of employment skills training in select rural and urban areas
- 13,062 beneficiaries recorded (some may have benefited from multiple trainings)
- of this, 62% were women, and 85% youth.

Outcomes:

- Job placement rate (in wage or self-employment) of those enrolled in the employability program: 80% achieved against 40% targeted.



A randomized impact evaluation was conducted by external researchers hired by the project to assess labor market outcomes of the project. The study comprised unemployed youth in Cairo and rural Upper Egypt who were randomly split into three groups: a group that received training/employment support, a group that received training/employment support *and* counseling, and a control group that did not receive those services. Services were provided by NGOs and only two NGOs were included in the study, meaning that treated study participants participated in training activities organized by one of these two NGOs. It is unclear how the NGOs were selected. It is also unclear how the study locations were selected.

The study followed individuals 4 to 14 months after they completed project activities.

The study found that the training and employment support was successful in improving labor market outcomes for participants, with much stronger results for young women. Key impacts include:

- **Employment:** In Upper Egypt employment for the treatment groups was four times higher than employment in the control group (59% vs 15%), while in Cairo the treatment group's employment rate was 12 percentage points greater than the control (47% vs 35%).
- **Income.** In Upper Egypt participants' income increased by about 58%, while in Cairo incomes increased by 36% on average, relative to the control groups.
- **Economic empowerment of women:** positive impacts of the interventions were more pronounced for women, as measured by responses to a question on whether participants decide for themselves how to spend their own income.
- **No impact from additional counseling** was found beyond the benefits of receiving training and employment support.

**Rating**  
Substantial

## Rationale

The project achieved all of its objectives to a substantial extent.

## Overall Efficacy Rating



Substantial

## 5. Efficiency

Depending on assumptions, it costs between 1.02 to 2.43 EGP to transfer one EGP to the poor, based on data from the project. At the time of project approval, Egypt's alternative social protection instruments were energy and bread subsidies and rationing cards, all highly mistargeted and wasteful. Using those instruments to transfer an equivalent level of benefits to the poor would have cost the government far more than what this project cost.

There were only minor delays in project implementation.

### Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

With a rating of High on relevance and Substantial on efficacy and efficiency, the overall outcome rating is Satisfactory.

a. **Outcome Rating**  
Satisfactory

## 7. Risk to Development Outcome



The risks to development outcomes are hard to assess but appear to be considerable. SFD, the original implementing entity, has lost autonomy as part of a merger of three existing institutions (the Social Fund for Development the Industrial Modernization Center and the Council of Technology and Innovation Centers) into a newly created Medium, Small, and Micro Enterprise Development Agency. The implications of this revised institutional framework on the SFD's program and public works is not clear. Safety nets might be less of a priority for this new agency given its added missions related to enterprise development. For these reasons there are considerable risks to sustaining the development outcomes of this project.

## **8. Assessment of Bank Performance**

### **a. Quality-at-Entry**

As a stand-alone complementary financing to the World Bank-funded and previously approved ELIIP, the project identification and preparation benefited from work done to prepare ELIIP. The project design was appropriate for the context and built explicitly on lessons learned from previous experience in Egypt and elsewhere with safety nets in situations of crisis and emergency. The context at the time of appraisal was an observed and expected upsurge in unemployment and underemployment, increasing poverty, and regional disparities. Loss of employment is the most prominent cause of households falling into poverty. The Bank processed the operation under emergency procedures based on the “Fragility within a non-fragile country” policy, citing high unemployment, instability, rapidly changing conditions, and risk of deepening divisions throughout society. The project goal and design was relevant in this context, focused on generating short-term employment.

The project appropriately aimed to develop a more rational safety net system while responding to the emergency situation. Similar approaches have been taken in many other countries facing economic crises, and have been extensively studied and documented. The project design can be considered in line with good international practice, as it was similar to public works projects in other countries. The international lessons leading the Bank team to propose labor-intensive public works and that guided decisions about targeting approaches were clearly articulated. The Bank team assessed appropriately the political and implementation risks and took reasonable measures to address them.

The Bank team also enabled the Project to move toward greater efficiency, labor intensity, and citizen engagement through design choices. Poverty mapping, beneficiary surveys, and the impact evaluation are some noteworthy contributions by the Bank team.

**Quality-at-Entry Rating**  
Satisfactory

### **b. Quality of supervision**



Quality of implementation support was also satisfactory. Implementation support appears to have adequately handled several aspects of implementation, including citizen engagement and social accountability aspects of the project. The Bank proactively identified issues and worked with SFD to resolve issues. The ICR stated that the Bank brought in relevant technical expertise including on safeguards, social safety nets, and impact evaluation.

### **Quality of Supervision Rating**

Satisfactory

### **Overall Bank Performance Rating**

Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

The M&E system was largely well-designed, though not without shortcomings (see para below). The PAD explained in clear language the rationale for the project and supported it with a results framework and indicators appropriately disaggregated by gender and age. The theory of change was appropriate given the PDO and the project design. Independent verification and quality assurance was foreseen as part of a package of social accountability activities. A randomized impact evaluation supplemented the M&E design.

As previously noted, no indicator directly measured achievement of the second objective, creation of and access to local infrastructure and community services. Intermediate indicators instead measured project outputs in terms of, for example, infrastructure creation/rehabilitation. The lack of congruence between the objective and indicators is a shortcoming of the M&E design as also noted in the ICR.

### **b. M&E Implementation**

The M&E system was implemented as designed. The SDF collected and reported data on the indicators at regular intervals during implementation, as evidenced by the Implementation Status Reports (ISRs). The social accountability activities were carried out. Beneficiary satisfaction surveys and an impact evaluation were carried out.

### **c. M&E Utilization**

Aide-memoires and ISRs demonstrate active use of M&E data. The ICR explained that SFD used monitoring data to ensure activities were on track and to follow-up where needed. Third party verification was used to



verify contract documents, payroll, and other aspects of work performed. It is unclear whether and how the impact evaluation results have been used.

## **M&E Quality Rating**

Substantial

## **10. Other Issues**

### **a. Safeguards**

The project triggered OP/BP 4.01. Environmental Safeguards. The project used the same environmental and social screening framework as the ELIIP to ensure due diligence for subprojects. The environment unit of the SFD monitored compliance with the Environmental Guidelines and Plans. The Bank supported the SFD in building the capacity of Environment Units at central and branch levels. The project also benefited from the management information system for reporting on environmental safeguards implementation. The ICR (page 20-21) reported that compliance with the provisions of the ESSA (Environmental and Social Screening and Assessment) and the safeguard policy was maintained as Satisfactory. The ISRs rated compliance satisfactory throughout.

### **b. Fiduciary Compliance**

The ICR (page 21) reported that overall the internal control arrangements were in place, and a financial management system was maintained adequately. It also noted that project records were audited annually, following international standards on auditing, by qualified independent external auditors.

The project used the same procurement arrangements as ELIIP. The Procurement Department of the SFD was responsible for ensuring conformity of implementation per the relevant Procurement Manual. SDF also conducted ex-post reviews, and assessed the capacity of intermediary of the intermediary agencies. The ISR rating was satisfactory throughout.

### **c. Unintended impacts (Positive or Negative)**

Positive gender impacts from offering paid employment to women were noted anecdotally in the ICR.



**d. Other**

None.

**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Bank Performance	Satisfactory	Satisfactory	---
Quality of M&E	Substantial	Substantial	---
Quality of ICR		Modest	---

**12. Lessons**

The ICR stated several "lessons" and "recommendations" that are not repeated verbatim here. Instead a broad lesson can be offered.

- Labor intensive public works proved to be a viable mechanism for generating short-term employment work in the emergency/crisis setting at the time this project was designed. However, the results of the project were made possible thanks to the SFD's existing capacity and prior relationship with and experience with World Bank procedures. Using an experienced implementing entity, with capacity built during several earlier projects, helped the project achieve its goals. The lesson may not transfer to contexts of weaker capacity.

**13. Assessment Recommended?**

No

**14. Comments on Quality of ICR**

The ICR was of modest quality. The writing was clear and avoided repetition. It explained clearly and openly the weakness of not having PDO-level indicators for some subobjective(s).

A clearer discussion of the relationship between the two parallel projects, greater evidence of outcomes, details on target areas, and details of the methodology of the impact evaluation and the beneficiary satisfaction survey would have been useful. More discussion of the citizen engagement and social accountability activities and better integration of the impact evaluation findings would also have been useful.



The ICR contained some confusing messages related to the interpretation of indicators on job placement for women and youth . The ICR last two rows in table on page 8 appear inconsistent with how the same data was presented on page 31, table 2 on page 50, and table 3 on page 55 (the discrepancy is on how exactly to interpret the reported job placement rates in % for women and youth).

**a. Quality of ICR Rating**  
Modest