

IFAD Management's response¹

1. Management welcomes the Project Performance Evaluation (PPE) of the West Noubaria Rural Development Project (WNRDP) and appreciates the fact that all major performance criteria were rated positively by the Independent Office of Evaluation of IFAD (IOE). This reflects the success of the project and is a confirmation of the efforts invested in this region by IFAD, the Government of Egypt and the rural communities.
2. Overall, the PPE and earlier self- and independent evaluation products highlight that clear benefits were delivered to project communities. The ex-post impact evaluation carried out by IFAD's Strategy and Knowledge Department (SKD), the project completion report and even the survey conducted by IOE, all point clearly to higher benefits and incomes for the treatment group compared to the control group.
3. Despite the commendable results of the West Noubaria project, Management is conscious of some of the limitations of the project, as highlighted by the PPE. However, Management wishes to clarify a few points as a complement to the findings and conclusions of the PPE.
4. Management feels that the specificities of the context in which the project was been implemented could have been more emphasized in the PPE. Despite the very challenging context, one of the most tumultuous periods in Egyptian history following the Arab Spring, the project managed to achieve significant results.
5. Management would like to highlight also that, in terms of relevance, throughout its implementation the project responded to the needs of the local communities through a fully participatory approach led by a strong involvement of the community development associations (CDAs) and the farmers marketing associations (FMAs). Two years after completion, both CDAs and FMAs are still providing services to the communities, confirming the sustainability of the institutions. The high relevance and sustainability of the project are acknowledged by Government counterparts and communities.
6. With regard to the recommendations, Management is broadly in agreement with the recommendations and will endeavour to ensure these are implemented in future design and in the country programme. Details responses are provided below:

- a) **Recommendation 1: Institutionalize the role of community organizations and associations.** *In order for the community driven development approach to be more than merely a transitional instrument for service delivery, future projects must identify strategies to ensure that community-level organizations will be linked to formal public administration structures beyond the project's lifetime.*

Not applicable. The CDAs are by definition non-governmental institutions with no formal links to formal public administration structures. Implementing this recommendation may require legislative and institutional changes that are beyond IFAD's immediate remit and would require explicit Government approval and commitment. Given that the Government is not formally a signatory to this project evaluation, this recommendation is considered not applicable. This is also in line with the methodology for follow up on evaluations.²

¹ The Programme Management Department sent the final Management response to the Independent Office of Evaluation of IFAD on 7 February 2017.

² See para 2.c in the 2016 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, EB/2016/118/R.10: only recommendations directly addressed to IFAD in project evaluations are to be followed up on, since governments are not signatories to project evaluations).

- b) **Recommendation 2: Undertake a financial sector assessment.** *IFAD should conduct a financial sector assessment to inform the development of future IFAD projects in Egypt and provide clear technical advice for existing projects.*

Agreed. Management agrees with this recommendation. The assessment was already initiated in December 2016. The assessment will: (a) assess and identify relevant contextual, policy and regulatory issues that affect the development of smallholder farmers' finance activities in the country; (b) identify the main actors and their activities in the rural finance sector, (c) provide an assessment of current challenges facing smallholders with regard to rural finance, (d) provide strategic guidance to the role of IFAD operations in the country.

- c) **Recommendation 3: Devote adequate attention to gender issues throughout the project cycle.** *Future projects should devote more attention to gender issues and adopt a more proactive role in monitoring women's participation in project activities.*

Agreed. These principles will be adhered to in the Sustainable Agriculture Investments and Livelihoods Project (SAIL) and the new project under design. The supervision mission for SAIL already included a gender expert who reviewed gender mainstreaming strategies, gender targets and the development of monitoring and evaluation (M&E) systems to track progress with regard to gender mainstreaming and women's empowerment. The new design process will include from the beginning a gender and targeting specialist who will address these issues.

- d) **Recommendation 4: Ensure that environmental impact assessments are undertaken.** *For ongoing projects, such as SAIL, rigorous environmental impact assessments should be applied, as recommended during the implementation of WNRDP.*

Agreed. This has already been initiated for the relevant ongoing project (SAIL). Specific environmental assessments are also being designed for the new project in 2017: including a study on the long term usage and sustainability of drainage systems, and assessing the social and environmental implications of project activities.

- e) **Recommendation 5: Provide appropriate guidance on M&E.** *IFAD should consider providing additional support to the government by addressing project management competencies in all processes related to M&E (data collection and quality, analysis, reporting, etc.).*

Agreed. Management will provide additional guidance and will also ensure that the government benefits from ongoing corporate initiatives on M&E: (i) upgrading of the Results and Impact Management System (RIMS); (ii) improvement of key tools to measure and manage for results, including logical frameworks; (iii) establishment of processes to track results in real time through IT systems; and (v) use of broader impact assessments of IFAD activities to maximize learning. Moreover, through the US\$3.5 million CLEAR grant, approved by the Executive Board in September 2016, Management will sponsor systematic training and certification of project staff across IFAD's operations on M&E and impact assessment. A customized curriculum will be taught in a modularized way within a wider project management approach, as opposed to a purely technical competency.

7. Management thanks IOE for the productive collaboration during the evaluation process and is committed to internalize the learning generated from this exercise to improve future design and the overall country programme.