Report Number: ICRR0024157

1. Project Data

Project ID P145699	**Project Name** EG: Strengthening Social Safety Net Proj
Country Egypt, Arab Republic of	**Practice Area(Lead)** Social Protection & Jobs

L/C/TF Number(s) IBRD-84960,IBRD-89970	**Closing Date (Original)** 30-Nov-2019	**Total Project Cost (USD)** 900,000,000.00
Bank Approval Date 10-Apr-2015	**Closing Date (Actual)** 31-Dec-2023	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	400,000,000.00	0.00
Revised Commitment	900,000,000.00	0.00
Actual	900,000,000.00	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO), as stated in the Loan Agreement, was “to support the Borrower to establish an efficient and effective Takaful and Karama Cash Transfer Program.” The Project Appraisal Document (PAD) had the same statement, together with the following definitions: “’Efficient’ is defined and measured by good targeting of the poor; “’Effective’ is defined and measured by coverage of the poor and having basic administrative building blocks of the program.”

At an Additional Financing in June of 2019, an objective was added to the project. The objective in the AF loan agreement was "to support the Borrower to establish an efficient and effective Takaful and Karama Cash Transfer Program and improve access to economic opportunities." The Project Paper included the same definitions for "efficient" and "effective." In addition, "Improved access to economic opportunities" was defined as "better access to wage or self-employment for targeted poor and vulnerable households."

This Review concurs with the ICR (p. 16) that the revised PDO included three objectives: (a) to support the borrower to establish an efficient Takaful and Karama Cash Transfer Program, (b) to support the borrower to establish an effective Takaful and Karama Cash Transfer Program, and (c) to support the Borrower to improve access to economic opportunities.

As part of the approval of the AF, the following changes were made to the PDO indicators: (a) the third outcome indicator was updated to reduce the number of days, after the due date, in which the funds were deposited to beneficiaries' accounts from 10 days to 1 day, and (b) an outcome indicator was added to measure achievement of the third objective. Even though these changes increased the scope or raised the targets in the project, a split assessment is necessary because a new objective was added.

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

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

02-Jul-2019

c. Will a split evaluation be undertaken?

Yes

d. Components

Component 1: Provision of Conditional and Unconditional Cash Transfers (appraisal total: USD 4,482 million, of which USD 375 million International Bank for Reconstruction and Development [IBRD[, AF: USD 435 million IBRD; actual: USD 833.73 million IBRD). This component would finance cash transfers under the Takaful and Karama program (TKP). Takaful is a family income support conditional cash transfer (CCT) sub-program that aims to reduce poverty and improve human development through increased access to health and education services. Karama is an unconditional income support and social inclusion subprogram for poor elderly (above age 65) and persons with severe disability. Funds under this component were to be disbursed against the achievement of Disbursement Linked Indicators (DLIs) that would measure progress towards the efficiency of the program, through: (a) progress on the design and implementation of tools, assessments, and evaluations to enhance the accuracy of the program; (b) key milestones in the rollout of the TKP; and (c) progress in establishing some key administrative building blocks in the program to enhance its effectiveness. Disbursements were against verification of cash transfers made to beneficiaries. Under the original loan, this component aimed to cover 1.5 million households (with an expected 60 percent targeting accuracy, it would reach 22 percent of the poor). The program would be implemented in six governorates of the poor Upper Egypt region. The AF aimed to support the expansion and scale up of the TKP in all 27 governorates of Egypt, reaching a total of 3 million households. This included new applicants as well as eligible households from the old social solidarity pension system (Daman), which would be recertified using a Proxy Means Test (PMT) as part of the process of dissolving the Daman program.

Component 2: Support Social Safety Net (SSN) Targeting and Operational Systems (appraisal: USD 22 million IBRD; AF: USD 10 million; actual: USD 26.48 million). This component would support the development and implementation of the Takaful and Karama targeting and operation systems, composed of registration, database cross-checking, enrollment, conditionality verification, case management and beneficiary data update, payment delivery, grievance redress, and performance monitoring. The component was to use a traditional investment financing approach for technical assistance and investment activities to implement this component. In addition, the component would support the ongoing efforts of the Ministry of Planning and Administrative Reforms (MoPAR) to develop an integrated database of beneficiary information, the Unified National Registry (UNR), using MoPAR's Family Smart Card System. The UNR would use available databases from various government agencies to provide verifiable administrative information on household characteristics. This would facilitate eligibility determination for the different public programs and reduce beneficiary duplication across programs, as well as errors and fraud. Under the AF, the component would continue supporting the enhancement of the targeting and operational systems of the TKP. In addition, the component would contribute to: (a) the rollout of a national Karama disability plan; (b) institutional capacity building to develop disability assessment tools and registration data; (c) the provision of training to selected medical professionals; and (iv) linking of the Karama Program's Grievance Redress Mechanism (GRM) to the TKP Management Information System (MIS).

Component 3. Project Management and Monitoring and Evaluation (appraisal USD 3 million; AF: USD 5 million; actual: USD 9.01 million). This component was to support project management and the undertaking of evaluations. The AF for this component continued to support project management activities, an end-line impact evaluation for the overall project, consultancy services for knowledge management and documentation, and institutionalization of TKP within the Ministry of Social Solidarity (MoSS).

Component 4: Economic Inclusion/Empowerment Services Pilot (AF: USD 50 million IBRD; actual: USD 30.34 million). This component was introduced as part of the AF. It was to finance an Economic Inclusion and Empowerment Services Pilot (named Forsa) that aimed to link beneficiaries to employment services, provide training, and transfer assets to beneficiaries to complement the cash transfer program with the expectation of reducing long-term dependency on cash transfers by linking them to wage or self-employment opportunities in the manufacturing, handicrafts, agribusiness, and tourism sectors. Disbursements under this component were linked to the achievement of results through DLIs and subject to verification of transfer of assets to beneficiaries.

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

The total project cost at appraisal was USD 4,507 million, of which USD 400 million was financed through an IBRD loan and the remainder by the Government of Egypt (GoE). An additional financing loan was approved for USD 500 million, bringing total IBRD financing to USD 900 million. In terms of World Bank commitment, the loans were fully disbursed. The GoE financed approximately 80 percent of transfers to beneficiaries. The USD equivalent was not available, but throughout the implementation period, the national budget was increased (from EGP 3.5 billion in 2015 to EGP 41 billion in 2024) to accommodate program expansion and increases in benefit size. During this period, the EGP suffered a significant devaluation, where the exchange rate in 2015 was EGP 7 per USD, while in 2024 it was EGP 31 per USD.

The project was approved on April 10, 2015, and became effective on September 06, 2015. The midterm review was carried out on December 10, 2017. The additional financing was approved on July 2, 2019, and became effective on January 9, 2020.

As part of the AF loan, the project was scaled up and the original project design was restructured, whereby: (a) the PDO was revised to include the economic opportunities objective, (b) the results framework was revised to modify specific targets and include indicators for the new component, (c) the original closing date was extended by three years from November 30, 2019 to December 31, 2022, and (d) the project safeguards category was revised from C to B.

A level 2 restructuring was approved on March 23, 2022, extending the project by another twelve months to December 31, 2023.

3. Relevance of Objectives

Rationale

Prior to the project, the Arab Republic of Egypt had undergone a period of transition due to political uncertainty and economic shocks. Poverty had increased from 16.7 percent in FY 1999/2000 to 26.3 percent in FY2012/13, with 49 percent of the population remaining poor or vulnerable. There were significant regional disparities, where the poverty rate in rural Upper Egypt exceeded 50 percent in 2010, while less than 15 percent of the population in metropolitan areas were poor. At that time, Egypt was facing low economic growth, and the fiscal space was squeezed from interest payments and subsidies. Seven percent of GDP went to finance energy subsidies, 68 percent of which benefited the two richest quintiles of the population.

At the time of appraisal, the GoE had launched critical reforms to begin fiscal consolidation and reduce the fiscal deficit. These reforms included tax increases and streamlining electricity and fuel subsidies. At the same time, the GoE committed to reforming its social safety net system, recognizing that the existing one was highly fragmented and did not provide adequate protection to the poor, particularly as reforms reduced electricity and fuel subsidies. Given the political economy challenge of such reform, the GoE chose a phased approach that would move from universal subsidies to targeted programs to protect the poor and vulnerable, while enhancing the quality of social services.

The project aimed to support the GoE to establish an efficient and effective cash transfer program targeted to poor households with children under 18 years, poor elderly (65 years and above), and poor persons with severe and permanent disability. The project objectives were aligned with the GoE's Sustainable Development Strategy "Egypt Vision 2030," contributing to the pillars on transparency and efficient government institutions, social justice, health, and education and training.

The project objectives were relevant with respect to the Country Partnership Framework (CPF for FY 2015-2019, Report No. 94554-EG) at the time of preparation, specifically with Focus Area 3, Social Inclusion, Objective 3.1, "Improved access to short-term income opportunities for the poor and increased coverage of the Social Safety Net System." The project objectives continued to be relevant to the CPF for FY 2023-2027 (Report No. 180262-EG) at the time of closing, under the High-Level Objective of Enhanced Human Capital Outcomes, specifically under the objective "Strengthened systems to promote inclusive, efficient, and effective social protection," but also contributing to the objectives of "Improved health and education outcomes" and "Enhanced inclusion through more equitable delivery of key services." These objectives aimed to both increase the coverage of eligible beneficiaries under the cash transfer programs and increase the number of those beneficiaries graduating from these programs to improve their welfare through economic inclusion interventions.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Support the borrower to establish an efficient Takaful and Karama Cash Transfer Program

Rationale

For the purposes of this objective, "efficient" was defined and measured by good targeting of the poor of the Takaful and Karama program. Efficient targeting of the poor would be achieved through a multi-layered targeting approach consisting of: (a) geographical targeting using poverty maps to identify governorates with high incidence of poverty, (b) developing, applying, regularly evaluating to verify targeting accuracy, and updating the PMT, as necessary, and (c) ensuring that beneficiary registration was in accordance with TKP restrictions, that is, Takaful households had to have children below 18 years old, and Karama beneficiaries had to be elderly and/or disabled.

Both the Takaful and Karama sub-programs shared the same application process and used the same PMT formula, delivery strategy, and monitoring systems; therefore, they are assessed jointly.

Outputs

The PMT-based application was developed, and PMT scoring was adopted and applied. Enrollment of beneficiaries was carried out in phases, each of which was called a Wave. The PMT was used to identify Wave 1 beneficiaries for the TKP (DLI 1). An action plan was prepared and adopted based on findings of verification of self-reporting among Wave 1 applicants (DLI 3). In addition, an action plan was prepared, adopted, and published based on findings of an independent process evaluation of the Wave1 enrollment process (DLI 4). The purpose of these action plans was to detect cases of error and fraud, and to make necessary changes for the subsequent enrollment waves.

The PMT targeting accuracy evaluation was completed and was subsequently adjusted (DLI 5). The eligibility calculation formula was revised to prioritize applicants for the Takaful and Karama Program from Frontier Governorates (Additional Financing DLI 7).

The revised PMT was applied to reassess Wave 1 and Wave 2 applicants (Additional Financing DLI 1).

The TKP introduced a new disability framework, based on a rights-based approach, to assess functional disability for targeting under Karama. This allowed for a more efficient and equitable application and registration process, serving a total of 1.17 million disabled people.

The Daman (prior social pension) program was frozen to all new entrants (DLI 2), and beneficiaries were recertified (Additional Financing DLI 6) and transitioned to Karama, thus consolidating the TKP as the single cash transfer program in the country.

The impact evaluation baseline survey was conducted (DLI 6), and the endline was completed and results were published (DLI 7).

Outcomes

93.6 percent of the program's beneficiary households were poor or near poor, significantly exceeding the target of 60 percent. Of these households, 81.1 percent were poor, and 12.5 percent were near poor and at a high risk of easily falling below the poverty line.

The impact evaluation for the TKP showed that as the PMT was updated, it performed better, contributing to improving the targeting of the TKP. The first three rounds were carried out in 2014, 2015 and 2018. At that point, an assessment of the Household Income, Expenditure, and Consumption Survey (HIECS) concluded that 87 percent of TKP beneficiaries were among the poorest 40 percent of the population. The 2022 PMT update (the fourth and last one during the project period) used the 2022 HIECS and incorporated new correlation/interaction between the variables, improving the prediction of poor households and accommodating cut-off points due to rising prices.

Rating
High

OBJECTIVE 2
Objective
Support the borrower to establish an effective Takaful and Karama Cash Transfer Program

Rationale
"Effective" was defined and measured by coverage of the poor and having the basic administrative building blocks of the program. Coverage would be achieved by ensuring that the administrative building blocks were operational, including streamlining the application process, developing and implementing an MIS, establishing an accountability system, and having an outreach communications strategy to beneficiaries to increase understanding of conditionalities, as well as sanctions and grievance processes.

Outputs

Provision of conditional and unconditional cash transfers

The Takaful and Karama Cash Transfer Program was launched.

The number of direct project beneficiaries was 4.68 million people, above the original target of one million and the revised target of 3 million people. Of these, 75 percent were female, above the target of 60 percent (DLIs 8-11 and Additional Financing DLIs 4 and 5, disbursed against increases in enrollment of beneficiaries).

The number of direct and indirect beneficiaries was 17 million people, above the original and revised targets of 3 million and 12.75 million people, respectively.

The communication and outreach program was implemented.

The share of households in the Takaful sub-program who complied with education conditionalities was 63 percent, below the original target of 70 percent and revised target of 80 percent. The ICR (p. 19) pointed out that attendance reached 71 percent by mid-2021 but dropped to 63 percent due to high rates of absenteeism among boys, limited access to transportation and clothing, bullying, and poor quality of education services.

The share of households in the Takaful subprogram who complied with the health conditionality of three visits a year to the health unit and maintaining the child growth monitoring record was 51 percent, below the original and revised target of 70 percent. In this case, the ICR (p. 19) explained that coordination between health facilities and MoSS's social units was not sufficient, that the quality of services was inadequate, and, in some cases, facilities were difficult to reach. It should be noted that compliance with education and health conditionalities was monitored but not enforced.

The percentage of beneficiaries whose consumption of food increased was 50 percent, meeting the target of 50 percent.

The share of accepted beneficiaries in frontier governorates (out of total applicants from these governorates) was 41 percent, slightly exceeding the target of 40 percent.

Supporting Social Safety Net Targeting and Operation System

The share of sampled beneficiaries whose application information yielded no discrepancies or errors once verified was 90 percent, above the original target of 75 percent and revised target of 80 percent.

The process evaluation was conducted after Wave 1.

The MIS was developed and became operational, that is: (a) the basic registration module was developed (DLI 12), (b) the back-office registry was electronically synchronized with information from the Social Solidarity Pension and Social Insurance databases (DLI 13), (c) 100 percent of beneficiaries were paid through electronic payments (DLI 14), (d) the module "Attention to beneficiary – case management" was made operational (DLI 15), (e) the conditionality compliance module was completed (DLI 16), and (f) the complaint management module was implemented (DLI 17). Subsequently, the MIS system was updated and operationalized for the Economic Inclusion and Empowerment Services pilot (Additional Financing DLI 8). The GRM was also updated to accommodate potential grievances of the Economic Inclusion and Empowerment Services Pilot (Additional Financing DLI 10).

The MIS adopted the use of the UNR platform to perform electronic data exchange with external databases (Additional Financing DLI 9).

99 percent of grievances were addressed within the stipulated timeframe, above the target of 80 percent (DLI 18 set a target of 50 percent, and DLI 19 set a target of 80 percent).

The share of beneficiary school-aged children for whom the program had monitoring information for school attendance, as recorded in the MIS, was 97 percent, significantly exceeding the target of 30 percent.

The share of age-appropriate beneficiaries for whom the program had monitoring information for health conditionalities, as recorded in the MIS, was 85 percent, exceeding the target of 30 percent.

75 percent of Active Social Accountability Committees reported actions taken based on citizens' and the program's beneficiaries' feedback, somewhat below the target of 80 percent.

Outcomes

27.7 percent of poor households were covered by the program, exceeding the target of 20 percent. 75 percent of these households were headed by women, above the target of 60 percent.

The number of days, after payment due date, that the funds were deposited in beneficiaries' individual accounts was 0 days, below the original 10-day target and the revised 1-day target. This was a measure of the administrative building block of the program.

The ICR (p. 26) also carried out a review of the impact of the benefits and use of conditionalities, using the results of the 2018 and 2022 impact evaluations carried out for the TKP by an independent international organization (IFPRI). The 2018 study showed that the Takaful program reduced the likelihood that beneficiary households were below the poverty line by 12 percentage points (IFPRI Regional Program Working Paper 16, October 2018, "Impact Evaluation Study for Egypt's Takaful and Karama Cash Transfer Program," Synthesis Report, p. 4). On the other hand, the 2022 study did not find any measurable impacts of the Takaful programs on household consumption or poverty (IFPRI, MENA Regional Program Working Paper 40, September 2022, "Impact Evaluation Report: Egypt's Takaful Cash Transfer Program," p. viii). The impact on education was significant during the second phase of the project. Enrollment increased by 8 percentage points in primary school, and 21 percentage points in preparatory school, as compared to non-beneficiaries. Impacts on health showed that there was a decreased tendency for children aged 6-23 months to be wasted. There were no significant impacts on stunting, post-natal care, or infant and young child feeding practices. There was significant impact on gender norms, with higher gender equality in participating families.

Rating
Substantial

OBJECTIVE 3
Objective
The project initially did not contain a third objective.

Rationale
The project initially did not contain a third objective.

Rating
Not Rated/Not Applicable

OBJECTIVE 3 REVISION 1

Revised Objective
Support the Borrower to improve access to economic opportunities

Revised Rationale
Improved access to economic opportunities would be achieved through increased beneficiary capacity to start or run their own business or gain employment. In turn, this would be achieved by training beneficiaries in behavioral change and skills development, as well as through the transfer of assets to them. The program would be implemented through non-governmental organizations (NGOs) under contract to implement the pilots as described in pre-designed manuals and training plans.

Outputs

100 percent of applications received for economic inclusion services were assessed for eligibility, above the target of 80 percent.

100 percent of profiled applicants for economic inclusion services were trained, above the target of 30 percent (Additional Financing DLI 2).

The impact evaluation study of the Economic Inclusion and Empowerment Services Pilot was finalized (Additional Financing DLI 3).

Outcomes

100 percent of beneficiaries of economic inclusion services remained employed or self-employed six months after the completion of receiving the service package, exceeding the target of 40 percent. 76.5 percent of these beneficiaries were women, above the target of 30 percent, and 44 percent were youth aged 19-35 years, below the target of 50 percent.

Revised Rating
Substantial

OVERALL EFFICACY

Rationale
The first objective (to support the borrower to establish an efficient Takaful and Karama Cash Transfer Program) was fully achieved and rated High. The second objective (to support the borrower to establish an effective Takaful and Karama Cash Transfer Program) was fully achieved, as were most of its outputs, except for the compliance with conditionalities on education and health, leading to a rating of Substantial. Overall efficacy under the original objectives is rated Substantial.

Overall Efficacy Rating

Substantial

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale
The added third objective (to support the Borrower to improve access to economic opportunities) was almost fully achieved and rated Substantial; its target for reaching youth with economic inclusion services was not reached. The aggregation of achievement of all three objectives is indicative of a Substantial rating for efficacy under the revised objectives.

Overall Efficacy Revision 1 Rating

Substantial

5. Efficiency

The economic analysis carried out at the time of appraisal focused on the impact on school attendance. The analysis assumed a one percent reduction in school dropout, which would lead to a rate of return of six percent due to higher education attainment. These assumptions were based on the existing literature at the time, which showed that an additional year of schooling resulted in a 7.3 percent income increase in the Middle East and North Africa Region. The analysis estimated benefit-cost ratios under alternative growth in income scenarios of 3, 5, 7, and 9 percent, at a discount rate of 4 percent. In all these scenarios, except in the 3 percent scenario, the benefits outweighed the cost by a ratio of 1.66-5.02. In the case of the 3 percent scenario, the benefit-cost ratio was 0.95. This analysis did not include other potential impacts, such as an increase in school enrollment at higher levels and increase in household consumption of food.

At closing, the ICR focused on an analysis of allocative efficiency but did not include a comparative cost-benefit analysis. The analysis concluded that 78 percent of the poorest two quintiles were covered by TKP. From this point of view, the TKP compared well with other CCT programs such as the Brazil Bolsa Familia (88 percent coverage of the poorest two quintiles), and Mexico Prospera (with 72 percent).

In terms of implementation, the program showed efficiency in its management, with administrative costs being about 5 percent, as compared to other CCTs which typically have administrative costs of around 10 percent. The lower administrative costs were attributed to the implementation of the digital payment system, which brought efficiency gains in the transfer and cash withdrawal process for beneficiaries. Both the MoSS and the World Bank worked with the Ministry of Education and Technical Education (MoETE) and the Ministry of Health and Population (MoHP) to enhance communication between sectors, clarify Takaful conditionalities, and improve the transfer of data, particularly between the health sector and MoSS. The UNR platform also facilitated consolidation of government programs, linking 114 databases, using the national ID number as the key link between them. Finally, strong commitment and continuity in leadership in the MoSS ensured momentum and facilitated the implementation of reforms.

On the other hand, the project faced important challenges related to enforcing conditionalities and delays in the implementation of the Forsa program. While the government aimed to enforce conditionalities, there were repeated delays in their implementation caused by lengthy preparation periods in the development of protocols and systems, as well as in capacity building of partner agencies to enhance data collection. On the supply side, primary health facilities and schools did not have automated data systems, limiting the capacity to collect information. Implementation of the Forsa program was delayed by the COVID-19 pandemic as well as administrative bottlenecks in the transfer of funds to implementing NGOs. This resulted in the need to extend the project by 12 months.

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	✓	6.00	93.00 ☐ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

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

6. Outcome

Relevance is rated High, as the objectives were fully aligned with the country’s policy on providing the poor with a social safety net as energy subsidies were withdrawn. The objectives were also relevant to the CPF at appraisal and closing. Efficacy is rated as Substantial as both the original and revised objectives were almost fully achieved, with shortcomings in compliance with conditionalities on education and health. Efficiency is rated Substantial in view of the considerable expected returns, but with some aspects of implementation having moderately reduced overall project efficiency. These ratings are consistent with an overall outcome rating of Satisfactory.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

The TKP program is supported by a robust platform, including the UNR and MIS. The TKP has been fully institutionalized within MoSS. The PMT has been shown to be working well and is permanently being improved based on the national HIECS. The Administrative Control Authority, responsible for management of the UNR, has developed institutional capacity, allowing it to implement continuous enhancements to the Registry. As a result, targeting has improved, and fraud, overlapping benefits, and errors have been reduced. Partner ministries have been strengthened through the provision of tablets and implementation of the MIS to collect and share data on student attendance and people's access to medical services. The economic opportunities program pilot, Forsa, has shown promise in providing a framework to lead households toward improved and self-sustaining livelihoods as they graduate from the Takaful program. The NGOs supporting the implementation of the Forsa program have been strengthened to work with beneficiaries and collect information to report activities to MoSS.

In this context, two risks are envisioned. The first is related to compliance with the cash transfer conditionalities, in order to ensure human capital development. In particular, there were indications that, even though there was an increase in demand, services provided by the education and health sectors were of insufficient quality such that families were discouraged from attending. The second risk is related to fiscal constraints that might limit adequate financing of TKP. These risks could be mitigated by the recently approved Takaful and Karama Cash Transfer Expansion and System Building Project (P179665, November 2022), which builds on this project and continues to support the TKP CCT and Forsa programs. This new project also supports the development of systems in order to better monitor compliance with conditionalities and improve the data management information system to monitor the program, as well as ensure coordination with other programs within the government.

8. Assessment of Bank Performance

a. Quality-at-Entry

Project design built on prior World Bank support to the GoE and on global expertise on CCT programs. A Programmatic Technical Assistance on Social Safety Nets provided technical advice on the preparation of the SSN reforms. A trust fund by the Middle East and North Africa Transition Fund financed the design of the Takaful and Karama Cash Transfer program and helped launch the UNR. The project design also took in lessons learned from other CCT programs, which included human capital development through the specific education and health conditionalities, and, as they evolved, economic inclusion programs to foster beneficiary household welfare as households exited the CCT program.

Project design responded to the country's needs in the context of fiscal and institutional reforms. The removal of energy subsidies needed to be accompanied by a social safety net to reduce the potential impact on the poor. The results-based framework for the larger component of the project facilitated disbursements and focused work on results rather than on inputs. The design included a large number of DLIs (29) with the purpose of ensuring a continuous flow of funds and the compliance of a stepwise reform for the SSN system. The project also focused on the development of a solid targeting methodology, the creation and operation of an MIS, and establishing the UNR, thus ensuring institutionalization of the program. This allowed for the project to support the streamlining of Egypt’s complex, fragmented, and poorly targeted social protection system. Project design relied on memoranda of understanding (MOUs) signed between the MoSS and the Ministries of Education and Health, to ensure that services were provided adequately to beneficiaries. Project implementation showed that the supply of services was not adequate, and monitoring was not sufficient to ensure compliance with these conditionalities.

Institutional implementation arrangements were well designed. MoSS was the main implementation agency and housed a Project Implementation Unit (PIU). Risks were identified for the financial management and procurement arrangements, and mitigation measures were implemented. Project design also included independent reviews to inform key aspects of the TKP program and the Forsa pilot design, as well as impact evaluations (including baseline, and impact evaluations of the first and second phases).

The overall project risk was rated as Substantial, with all risk categories being also rated as Substantial, except for Environment and Social which was rated as Low. Risks were adequately described, and their mitigation actions were addressed. Among the risks identified was the collaboration between service delivery agencies and the MoSS to ensure adequate supply of health and education services. The main mitigation for this risk was the signing of MOUs between the MoSS, MoHP, and MoETE.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The World Bank team carried out regular implementation support missions twice a year. Missions included both technical and fiduciary support. There was continuity in the Bank team, with two task team leaders, the second of which was a previous team member. The Bank team was flexible and supported the GoE in implementing new technologies, for example changing the payment system from post-office cash payments to debit cards that could be used through ATMs, and changing the benefit amount in response to inflation and increasing poverty. The Bank provided technical assistance throughout in order to enhance project implementation. Impact evaluations were carried out as planned, allowing for an objective assessment of results.

As part of the additional financing, the limitations of the TKP in enforcing conditionalities were recognized. Indicators were modified so that compliance could be measured.

Quality of Supervision Rating

Highly Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The PDO was stated adequately and included definitions, thus clarifying specific terms within the PDO. The results framework was aligned with the project objectives. There were 19 DLIs in the first phase and 10 DLIs in the second phase, all of which were at the output level. Where relevant, DLIs were set to be verified by an independent entity. Project design also included an impact evaluation as well as specific assessments, including of the Forsa pilot.

The MoSS PIU was designated as responsible for all M&E activities. The main source of information for the TKP was the MIS, which included live data on registration, enrollment, payment delivery, grievance monitoring, case management, conditionality compliance, and recertification. The economic opportunities pilot included a separate M&E system which was designed to collect financial and technical data from the online reporting templates, thus enabling monitoring of the status of the NGOs' service delivery and beneficiary activity.

At the institutional level, the project supported the development of the TKP MIS which would allow for adequate rollout of the program. In addition, the project supported the implementation of the UNR, which unified the administrative data for several social programs in Egypt using the national identity number.

b. M&E Implementation

M&E implementation was in line with project design. The results framework was regularly monitored and reported on by the MoSS. DLIs were adequately verified according to the agreed protocol, prior to disbursement of funds. All planned evaluations were carried out. These included a TKP process evaluation, a baseline and end of first phase as well as an endline evaluation, a targeting assessment of the TKP, and a baseline and an endline evaluation of the Forsa pilot.

c. M&E Utilization

The information produced through the monitoring and evaluation system contributed both to project implementation as well as to course correction. The monitoring data facilitated tracking progress and making necessary adjustments to project implementation. For example, the communications strategy was adjusted to address slow registration of people with disabilities under the Karama subprogram. The evaluation from the first phase of the TKP facilitated the preparation of the additional financing. The Forsa evaluation informed the design and pilot roll-out.

M&E Quality Rating

High

10. Other Issues

a. Safeguards

The project was originally rated as environmental assessment category C, as no policies were triggered. The rating was modified to B when the economic opportunities component was added as part of the additional financing. At this point, OP 4.01 Environmental Assessment was triggered, given that asset transfers and grants to beneficiaries might result in minor negative environmental impacts. The project prepared an Environmental and Social Management Framework (ESMF) that established a screening tool to determine appropriate categorization of each subproject, and it assessed the institutional capacity of MoSS to monitor the implementation of the ESMF. In addition, the potential for gender-based violence was identified, as men could resent women for having increased income.

The project complied with the safeguards policies. The project followed up with Environment and Social focal points at the local level, and safeguards requirements were incorporated into partner NGOs' contracts. Only one garment factory required an Environmental Social Management Plan. Safeguards ratings were Satisfactory throughout project implementation.

b. Fiduciary Compliance

Fiduciary aspects were generally complied with during the life of the project. Risks were rated substantial at appraisal and remained at the same level throughout the project. Financial management (FM) was under the responsibility of MoSS, which was staffed with a qualified FM specialist except for a period of time in which ratings were downgraded to moderately unsatisfactory. Otherwise, FM was rated satisfactory through to project closing. Audits, although at times late, were unqualified. There were specific cases with funds flow issues between intermediary and designated accounts which delayed funds availability for the project in 2018. These were later resolved.

Procurement performance was rated moderately satisfactory until mid-2019 due to delays in procurement processes. This was caused by internal procedures and inadequate capacity, high turnover rates of procurement staff, and failure to keep the Systematic Tracking of Exchanges in Procurement (STEP) updated. A procurement review was conducted in mid-2018, highlighting several departures from World Bank Guidelines and making specific recommendations on improving procedures. Training was provided in the use of STEP. As a result, procurement compliance improved, and the rating was upgraded to satisfactory from mid-2019 until project closure.

c. Unintended impacts (Positive or Negative)

The project made a significant effort to focus on people with disabilities through the non-conditional component (Karama) of the program. The project supported a comprehensive review of the country’s existing disability framework and made recommendations for improvement in line with international standards. A functional disability assessment tool was developed, and health professionals were trained to use it to identify people with disabilities. As a result, the program not only benefited people with disabilities with cash transfers, but also facilitated their access to integrated service cards to access broader government services such as rehabilitation, provision of prosthetics, access to social housing, education grants, and sign language translation.

d. Other

N/A

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Highly Satisfactory	Satisfactory	Conditionalities on education and health were not fully achieved. Also, the target on youth employment under the Forsa program was not achieved.
Bank Performance	Highly Satisfactory	Satisfactory	The Bank did not take into account weaknesses in the supply of services necessary to comply with conditionalities.
Quality of M&E	High	High	
Quality of ICR	---	Substantial	

12. Lessons

The ICR (p. 42-44) provided several lessons, a selection of which are restated below.

A strong technical assistance program contributes to solid design of a project. Prior to this project, the World Bank had an extensive trust-funded technical assistance (TA) program (Energy/Social Safety Nets Sector Reforms Technical Assistance Project, P144305). This TA supported the social safety net reforms, as well as the design and launching of the UNR and of the TKP. This allowed the project to start implementation early on, as opposed to spending the initial period creating the necessary instruments to move forward with a cash transfer program. In addition, the TA established a dialogue with counterparts, facilitating the relationship with the client.

Cash transfer programs contribute to human capital development as long as quality health and education services are available. This project built on global experience that showed that cash transfer programs contribute to improvements in health, nutrition, and education outcomes by stimulating demand for these services. This project faced significant constraints in terms of the quality, cost, and proximity of services, as well as shortcomings in the availability of data from schools and public health facilities. As a result, enforcement of conditionalities was a major challenge.

The introduction of an economic opportunities program can sustain the impact on poverty of cash transfer programs. As part of the additional financing, the Forsa program was included as a pilot. The focus was on providing wage and self-employment opportunities to TKP beneficiaries who were about to graduate from the conditional cash transfer program. The partnership with NGOs and private companies facilitated implementation of the pilot, as the MoSS did not have the capacity to provide the necessary services to beneficiaries.

The use of a results-based disbursement mechanism can contribute to the achievement of outcomes. As designed under this project, DLIs focused on specific outputs along the implementation processes of the PMT, MIS, TKP and Forsa. This motivated the client to focus on achieving outputs to access disbursement. The DLIs also provided an additional layer of monitoring progress towards the PDOs.

Improvements in technology can facilitate the implementation of cash transfer programs. As the project progressed, several technological improvements were made to facilitate implementation, monitoring, and communications. For example, originally the number of days in which funds would be available in beneficiaries' accounts, after payment due date, was 10 days. Thanks to the implementation of the debit card, access to funds was immediate. The MIS enabled automated end-to-end business processes, reducing manual work and human error. Linking the Unified National Social Protection Registry to the UNR enhanced data verification, targeting, and transparency. The use of social media and UNICEF's RapidPro app facilitated two-way communication with beneficiaries and the public, as well as program monitoring.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was well written and provided objective and in-depth analysis of project implementation and lessons learned. It provided extensive data, particularly in the achievement of outcomes and outputs from the project, using the external evaluations for this assessment. The lessons learned were very detailed and insightful, contributing to the wealth of information on conditional cash transfer programs. On the other hand, the Theory of Change did not follow the logic of the objectives, making it somewhat confusing. The ICR could have been more concise. The ICR failed to mention which safeguards policies were triggered as part of the additional financing.

a. Quality of ICR Rating

Substantial