

**Ex-Post Project Evaluation 2016
Package IV-7 (Jordan, Egypt)**

November 2017

JAPAN INTERNATIONAL COOPERATION AGENCY

GLOBAL LINK MANAGEMENT CO. INC.

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Arab Republic of Egypt

FY2016 Ex-Post Evaluation of Japanese ODA Loan Project

“Micro Enterprise Assistance Project”

External Evaluator: Yukiko Sueyoshi, Global Link Management Inc.

0. Summary

The objective of ‘Micro Enterprise Assistance Project’ (hereafter referred to as “the project”) was to increase income generation activities and to enhance employment opportunities by financing to micro and small enterprises in Egypt through intermediary financial agencies. The project was implemented by the Micro, Small and Medium Enterprise Development Agency¹ (hereafter referred to as “EDA”). The relevance of this project is high since it has been consistent with Egypt's development policies and development needs both at the time of appraisal and the ex-post evaluation, as well as with Japan's ODA policy at the appraisal stage. The efficiency is fair as while the loan conditions for the intermediary financial agencies and end-borrowers were mostly as planned and the project cost was within the plan, the project period exceeded the original plan due to the Egyptian Revolution in 2011 and its after-effects². With regard to effectiveness and impact, the targets set at the appraisal stage for the number of loans, the total loan amount and repayment rate were largely achieved. In addition, positive impacts such as increased revenue and inventory, and stability of livelihood through the increase in income were reported. Therefore, the project’s effectiveness and impact are evaluated as high. Finally, the sustainability of the effects of this project is also considered high as there are no noticeable problems with the institutional, technical or financial aspects of EDA, and the revolving funds³ established under the project is being operated smoothly.

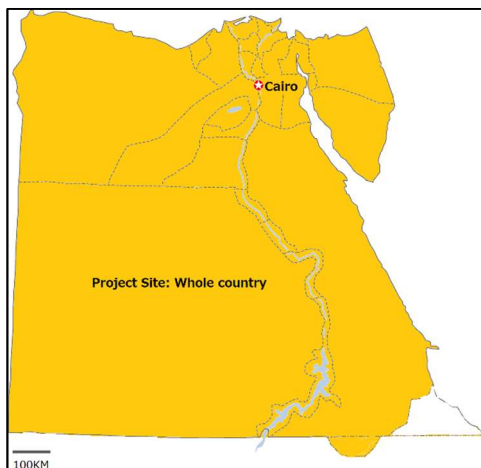
Overall, this project is evaluated to be highly satisfactory.

¹ Social Development Fund, the executing agency at the time of appraisal, was merged into the Micro, Small and Medium Enterprise Development Agency (EDA) established in June 2017. The executing agency is referred to as EDA, the current agency name, in this report.

² The People’s Revolution in Egypt, triggered by the ‘Jasmine Revolution’ in Tunisia, brought about the collapse of the Mubarak regime in February 2011, and Egypt went under the interim military rule of the supreme council of the armed forces.

³ Repayment (principal and interest) from the intermediary financial agencies go into the revolving fund account, then EDA uses it to re-finance the end-borrowers through the intermediaries and for repayment of ODA loan.

1. Project Description



Project Location



A Man Who Built Work Space of Pottery by Using EDA loan

1.1 Background

At the time of project appraisal in 2008, Egypt had been recording a real GDP growth of more than 7% per year since 2006 and was expected to continue to grow at 7 to 8% per year at least until 2012. There were, however, quite a few people left behind by such growth, as indicated by indexes such as the unemployment rate and population below the poverty line. In 2005, it was estimated that about 11% of the labor force was unemployed, and about 44% of the total population was living on less than \$ 2 per day⁴. Therefore, while the country realized a steady growth at the macroeconomic level, there were potentially destabilizing factors that may affect the socio-economic stability of Egypt. In light of these circumstances, the government established the Social Development Fund (currently ‘EDA’) under the Prime Minister’s Office in 1991 in order to create job opportunities and to alleviate poverty by providing loans to micro and small enterprises, which were the largest sources of employment absorption in Egypt. JICA provided ODA Loan ‘Social Fund for Development Project’ in February 2002 to EDA to support micro and small enterprises’ development. As a continuation of such assistance, the project was implemented with the objective to address further financial needs of micro enterprises.

1.2 Project Outline

The objective of this project is to increase income generation activities and job opportunities by providing financial resources to micro and small enterprises through the EDA, thereby contributing to alleviating poverty and promoting socio-economic stability in Egypt.

Loan Approved Amount/ Disbursed Amount	3,760 million yen / 3,747 million yen
Exchange of Notes Date/ Loan Agreement Signing Date	December 2008 / December 2008

⁴ UNDP, Human Development Report 2007/2008

Terms and Conditions	Interest Rate	0.65%
	Repayment Period	40years (Grace Period 10years)
	Conditions for Procurement	General Untied
Borrower / Executing Agency	The Government of the Arab Republic of Egypt / Micro, Small and Medium Enterprises Development Agency	
Project Completion	December 2014	
Main Contractor(s) (Over 1 billion yen)	None	
Main Consultant(s) (Over 100 million yen)	None	
Feasibility Study, etc	“Study on the Microfinance Sector of the Social Fund for Development” (JICA, December 2007)	
Related Projects	“Social Fund for Development Project”(JICA, February 2002)	

2. Outline of the Evaluation Study

2.1 External Evaluator

Yukiko Sueyoshi, Global Link Management Inc.

2.2 Duration of Evaluation Study

This ex-post evaluation study was conducted with the following schedule.

Duration of the Study: December 2016 – December 2017

Duration of the Field Study: February 5, – February 17, 2017 and July 8 – July 12, 2017

3. Results of the Evaluation (Overall Rating: A⁵)

3.1 Relevance (Rating: ③⁶)

3.1.1 Consistency with the Development Plan of Egypt

The main development issues under the *Long-Term Development Vision 2022*, which was the Egypt's development policy at the time of appraisal, were job creation and poverty alleviation. In the *Five-Year Plan for Socio-Economic Development in phase six 2007-2012* developed in 2007, which presented concrete action plans of the above vision, job creation through the development of private enterprises was focused to be a top priority issue and, furthermore, creating 3.8 million jobs and reducing the unemployment rate to 5.5% were established as goals. This plan also stipulated that the development of micro enterprises was particularly important to achieve its goals.

In the *Sustainable Development Strategy: Egypt's Vision 2030*, the development policy at the time of the ex-post evaluation, the top priority is economic development and one of the goals is to improve the unemployment rate from 12.8% in 2015 to 5% in 2030. It also clearly states that the government aims to improve job opportunities and increase revenues by providing

⁵ A: Highly satisfactory, B: Satisfactory, C: Partially satisfactory, D: Unsatisfactory

⁶ ③: High, ②: Fair, ①: Low

loans to small and micro enterprises⁷ to achieve its goals.

Considering the above, this project was clearly consistent with Egypt's development policy at the time of appraisal and ex-post evaluation.

3.1.2 Consistency with the Development Needs of Egypt

At the time of appraisal, in Egypt, 99.7% of all private enterprises were micro or small-sized, and about 6.4 million people, equivalent to about 40% of the total labor force, worked in these enterprises. Furthermore, at least about 2 million of them were estimated to be working in informal⁸ micro enterprises⁹. Micro enterprises were particularly limited in access to funds, and the proportion of micro enterprises that could raise business start-up capital from private commercial banks was reported to be 9% in urban areas and 7% in rural areas.¹⁰ The majority of them were dependent on self-financing and borrowing from their relatives. Given the situation, it was necessary for public institutions to support micro enterprises from the viewpoint of job creation and poverty reduction in the country.

Even at the time of the ex-post evaluation, the development of micro and small enterprises is expected to promote consumption and purchasing activities of the low-income groups and contribute to the revitalization of rural economies. Thus, support for micro and small enterprises is deemed indispensable for economic growth and job creation in the country. However, with regard to support for micro and small enterprises, there are remaining challenges such as limited access to public funds, insufficient provision of business development services (market support, quality improvement, training on entrepreneurship, etc.) and inadequate support for exporting.¹¹ Furthermore, according to the Global Competitiveness Index (2015-2016)¹² published by the World Economic Forum, Egypt ranked 129th out of 140 target countries in the availability of financial services and ranked 128th in the ease of access to loans. It is therefore suggested that improvement of financial access is necessary to stimulate economic activity.

In light of the above, this project was consistent with the development needs of Egypt at the time of appraisal and ex-post evaluation.

⁷ In accordance with Egyptian Law No. 141, capital size of micro enterprises is less than 50,000 Pound, and that of small enterprises is between 50,000 and 1,000,000 Pound.

⁸ The definition of 'formal sector' shall meet all the following requirements: (1) having business license, (2) an enterprise registration, (3) keeping regular accounts for tax purposes and (4) compulsory health insurance to workers. Other enterprises are categorized as 'informal sector'

⁹ EDA, "Framework for the National Strategy for Micro and Small Enterprise Development", July 2007

¹⁰ Economic Research Form Working Paper Series, "The Changing Economic Environment and the Development of the Micro and Small Enterprises in Egypt", October 2007

¹¹ Results of interview with the Ministry of Trade and Industry.

¹² The World Economic Forum, a Swiss-based non-profit organization, calculates the Global Competitiveness Index based on more than 100 indicators in the 12 categories for each country's: Institutions, Infrastructure, Macroeconomic Environment, Health and primary education, Higher education and training, Goods market efficiency, Labor market efficiency, Financial market development, Technological readiness, Market size, Business sophistication, Innovation. .

3.1.3 Consistency with Japan's ODA Policy

In the *Country Assistance Program for the Arab Republic of Egypt* developed in June, 2008 at the appraisal stage, expanding and improving public services to reduce poverty and improve living standards were listed as priority issues. In response to this, *JICA's Country Assistance Strategy* aimed at providing employment opportunities and improving income through financing to micro and small enterprises and intermediary financial institutions.

As shown above, this project was highly relevant to the country's development plan and development needs, as well as Japan's ODA policy. Therefore, its relevance is high.

3.2 Efficiency (Rating: ②)

3.2.1 Project Outputs

The project subleased funds for loans to EDA, the executing agency, and adopted the two-step loan method, by which loans were financed from intermediary financial agencies selected by EDA to micro and small enterprises (See Fig. 1). In the project, two loan schemes of EDA were targeted. One was the Small Enterprise Development Organization (SEDO), which mainly uses banks as intermediaries and is responsible for financing micro and small enterprises in the formal sector with a capital of less than 50,000 Egyptian Pounds¹³ (pound). The other was the Micro Finance Sector (MFS), which uses NGOs as intermediaries and is in charge of financing micro enterprises in both formal and informal sectors.

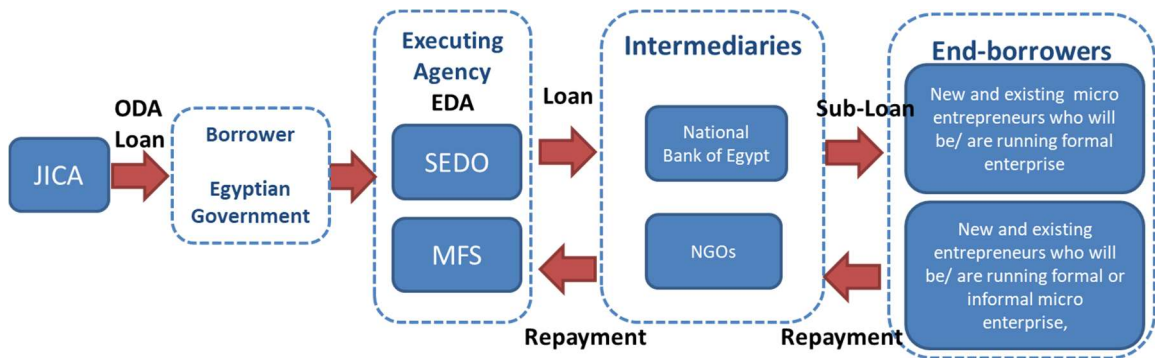


Figure 1 Loan Scheme of the Project

The plan and actual results of the loan conditions of the above two schemes are shown in Tables 1 and 2. The project activities were carried out almost as planned, while some loan conditions were changed in accordance with the market and customers' needs by JICA's consent. The breakdown of the financing results of this project is shown in Table 3 and 4. By the time of the ex-post evaluation, 8,313 loans for SEDO (average loan amount per contract was about 27,000 pound) and 26,163 loans for MFS (average loan amount per contract was

¹³ EDA sets the ceiling of capital at 50,000 pounds specifically for this project. They allow up to 100,000 pounds in their regular services.

about 14,000 pound, the actual number excluding re-financing loan from the revolving fund was 2,844), a total of 34,476 loans were provided for micro and small companies.

Table 1 Loan Conditions Toward Intermediaries

Schemes	Loan condition	Plan	Actual
SEDO	Interest rate	5-7%	As planned (7%)
	Loan period	Maximum 5 years (including 1 year grace period)	Changed (maximum 6 years, no grace period)
MFS	Interest rate	7-10%	Almost as planned (10.5%)
	Loan period	6-18 months (no grace period)	Changed (maximum 5 years including 6 months grace period)

Source: documents provided by JICA and EDA

Table 2 Loan Conditions Toward End-borrowers

Schemes	Loan condition	Plan	Actual
SEDO	Interest rate	7-9%	Almost as planned (10%)
	Loan period	Maximum 5 years (including 1 year grace period)	As planned
	Maximum Amount	50,000 pound	As planned
	Eligible end-users	New and existing entrepreneurs who will be /are running formal enterprise, capital less than 50,000 pound.	As planned
	Business categories	The following activities are not eligible for financing: arms manufacture and trade, speculation, real estate, religious and political activities, gambling and nightclubs business, and all legally prohibited business.	As planned
MFS	Interest rate	8-19%	As planned (16%)
	Loan period	6-18 months (no grace period)	Changed (maximum 24 months)
	Maximum Amount	10,000 pound	Changed (25,000 pound)
	Eligible end-users	New and existing entrepreneurs who will be /are running both formal and informal micro enterprise.	As planned
	Business categories	The following activities are not eligible for financing: arms manufacture and trade, speculation, real estate, religious and political activities, gambling and nightclubs business, and all legally prohibited business.	As planned

Source: Documents provided by JICA and EDA

Table 3 Actual Outputs on SEDO

Unit: Thousand Pound

	Male				Female				Total			
	amount	ratio	number (#)	ratio	amount	ratio	#	ratio	amount	ratio	#	ratio
Commercial	75,741	33%	2,715	33%	37,530	16%	1,401	17%	113,272	50%	4,116	50%
Service	30,641	13%	1,050	13%	7,413	3%	250	3%	38,055	17%	1,300	16%
Manufacturing	10,615	5%	364	4%	2,016	1%	78	1%	12,631	6%	442	5%
Animal Production	39,209	17%	1,506	18%	24,007	11%	924	11%	63,216	28%	2,430	29%
others	671	Under 0.1%	20	Under 0.1%	202	Under 0.1%	5	Under 0.1%	873	Under 0.1%	25	Under 0.1%
Total	156,878	69%	5,655	68%	71,169	31%	2,658	32%	228,048	100%	8,313	100%

Source: Documents provided by EDA

Table 4 Actual Outputs on MFS

Unit: Thousand Pound

	Male				Female				Total			
	amount	ratio	number (#)	ratio	amount	ratio	#	ratio	amount	ratio	#	ratio
Commercial	31,694	23%	5,667	22%	28,003	20%	5,363	20%	59,697	43%	11,030	42%
Service	19,631	14%	3,475	13%	6,881	5%	1,258	5%	26,512	19%	4,733	18%
Manufacturing	2,211	2%	393	2%	976	1%	174	1%	3,187	2%	567	2%
Animal Production	28,547	21%	5,474	21%	20,759	15%	4,259	16%	49,307	35%	9,733	37%
others	382	Under 0.1%	75	Under 0.1%	137	Under 0.1%	25	Under 0.1%	519	Under 0.1%	100	Under 0.1%
Total	82,465	59%	15,084	58%	56,757	41%	11,079	42%	139,222	100%	26,163	100%

Source: Documents provided by EDA

3.2.2 Project Inputs

3.2.2.1 Project Cost

As public security deteriorated due to the 2011 Egyptian Revolution, the risk for the micro-finance business became high. Therefore, some portion of the credit of MFS was transferred to a fund for more stable activity in line with the project purpose (approximately 30 million pounds was allocated to SEDO in January 2013). The final project cost was 3,747 million yen (74 million yen in foreign currency and 3,673 million yen in local currency), which was as planned (100%).

Table 5 Planned and Actual Project Cost

Unit : Million yen¹⁴

Items	Plan	Actual
Credit (SEDO)	2,371	3,170
Credit (MFS)	1,277	503
Interest during construction, commitment charge	112	74
Total	3,760	3,747

Source : Documents provided by EDA

3.2.2.2 Project Period

According to the ex-ante evaluation sheet, the planned project period was 58 months from December 2008 (Loan Agreement signing (L/A)) to September 2013 (loan completion). The actual project period was 73 months from December 2008 (L/A signing) to December 2014 (loan completion), which exceeded the plan (128%). The main reasons for the prolonged project period were: (1) it took time for the Parliament of Egypt to approve the loan agreement; (2) loan commencement was delayed due to the time taken for the selection of an external audit committee, restructuring within the National Bank of Egypt, as well as screening and confirming the list of NGOs as intermediaries; and (3) the deterioration of the economy and public security caused by the Egyptian Revolution in 2011 slowed down the activities of intermediaries and entrepreneurs, especially the micro-finance business.

In sum, although the project cost was within the plan, the project period exceeded the plan. Therefore, efficiency of the project is fair.

3.3 Effectiveness¹⁵ (Rating: ③)

3.3.1 Quantitative Effects (Operation and Effect Indicators)

The target and actual¹⁶ values of the indicators set at the time of appraisal are shown in Table 6. The number of MFS loans was lower than the target value because the maximum loan amount assumed at the time of appraisal was raised and, as a result, the average amount of the loan per contract exceeded the initial assumption¹⁷. The financing activities have been carried out almost as planned and the actual total loan amount exceeded the target. As for the reason of this achievement, from the start of the project, EDA has been the main government agency that

¹⁴ Exchange rate at the time of appraisal: Pound1=JPY20.4 (February 2008), exchange rate at the time of ex-post evaluation: Pound1=JPY 14.8 (average between 2008-2016)

¹⁵ Sub-rating for Effectiveness is to be put with consideration of Impact.

¹⁶ The target value is shown to be the number of loans for this project (primary loan), but on the EDA database, the number of MFS loans includes primary loan and refinancing by revolving fund, making it difficult to identify the numerical value of only the former. For this reason, the actual value was estimated from the total loan amount (actual results) and the average loan amount (estimate). Therefore, the number of MFS loans in the table is an estimated value. Because SEDO does not use the revolving fund for refinancing under EDA's loan policy, the number is the actual number of primary loans.

¹⁷ The maximum loan amount was 10,000 Pound at the beginning. However, it became difficult to meet the needs of end-borrowers to start or expand their business due to inflation after the revolution. To respond the needs, EDA decided to change the maximum loan amount with the consent of JICA in January 2013.

supported micro and small enterprises in Egypt, providing intermediaries and end-borrowers with better financing conditions compared with commercial banks and major NGOs. In addition, the National Bank of Egypt which has the largest number of branches in the country was selected as an intermediary under the SEDO scheme, and about 40 NGOs conducting local community oriented activities were selected under the MFS scheme. This selection of the intermediaries made it possible to provide loans to small and micro enterprises dispersed in rural areas.

The repayment rate within due date was very high at 98% or more, which could be attributed to the appropriate performance of EDA regarding credit decisions and monitoring activities. Particularly with regard to MFS that targeted micro enterprises, utilizing local NGOs that have a deep understanding of the credit information of the end-borrowers also contributed to the high repayment rate. In addition to the financial support¹⁸, the regional EDA offices also offered nonfinancial assistance to end-borrowers and intermediary financial institutions, especially NGOs, specifically on project formulation surveys, commercial registration procedures, business matching, marketing, and product exhibition. Providing such diverse support was considered to have contributed to the EDA's solid financing performance.

Regarding the female borrower ratio, SEDO almost achieved its target (91%), but this was not the case for MSF (64%). According to MFS personnel, the target was set high because the baseline value was higher than the annual average of the female borrower at 30 to 40%. EDA established a gender unit in 2013 and began working on promoting gender equality in loan programs, which gives expectations for future improvement.

Table 6 Achievement Status of Effect Indicators

Indicators	Baseline (2007)	Target :2015 (2 years after the project completion)	Modified target ¹⁹ (2 years after the project completion)	Actual : 2016 (2 years after the project completion)
Total number of loans for the end-borrowers (contract base)	NA	SEDO : 3,321 MFS : 11,380	SEDO : 4,184 MFS : 5,891	SEDO : 8,313 MFS : 2,844
Total amount of loans for the end-borrowers (LE)	NA	SEDO : 116,235,294 MFS : 62,588,235	SEDO : 146,425,294 MFS : 32,398,235	SEDO : 228,048,538 MFS : 39,110,000
End-borrowers repayment rate within the final due date (%)	SEDO : 92 MFS : 98	SEDO : 95 MFS : more than 98	No change	SEDO : 99 MFS : 98
Percentage of female end-borrowers (contract base, %)	SEDO : 35 MFS : 65	SEDO : more than 35 MFS : more than 65	No change	SEDO : 32 MFS : 42

Source: documents provided by JICA and EDA

¹⁸ In addition to the sublease loans supported by the project, the regional EDA offices usually provide the direct loan for the enterprises which face difficulties in receiving financial service from banks and NGOs.

¹⁹ The number of loans borrowed is calculated by the total loan amount by scheme ÷ the assumed average loan amount (SEDO: 35,000 Pound, MFS: 5500 Pound). As the total amount of loans for each scheme changed, the target value was corrected using the same calculation method as planning stage based on the amendment.

Since the project objective was to increase income generation activities and improve employment opportunities, in addition to the above effect indicators, it was attempted to verify the extent to which income generation and job creation were realized by this project. However, since the baseline data were not collected at the appraisal stage, it was difficult to make comparisons and only the actual data at the time of the ex-post evaluation were reviewed.

According to EDA, out of 34,476 companies financed by the project including re-finances using revolving funds, the number of new enterprises was 8,514, which was about 25% of the total, and the number of new employees was 16,976 for new enterprises. Looking at the data by scheme, SEDO brought the larger number of both created jobs and new entrepreneurs. By gender, male entrepreneurs had the larger number of both created jobs and new entrepreneurs in SEDO, whereas there was not much difference in MFS. According to EDA, one of the reasons for this trend could be that women often work in their house or the neighborhood with fewer working hours and shorter commuting distances due to a general tendency in Egypt for women to take more time to do household chores or childcare than men. Therefore, the financial scheme of MSF was easier to be used by female entrepreneurs.

Table 7 Jobs(# of person) and New Entrepreneurs(# of company) Created by the Project

Scheme	Items	Male	Female	Total
SEDO	Created jobs	9,264	4,697	13,961
	New entrepreneurs	3,776	1,980	5,756
MFS	Created jobs	1,596	1,419	3,015
	New entrepreneurs	1,455	1,303	2,758
Total	Created jobs	10,860	6,116	16,976
	New entrepreneurs	5,231	3,283	8,514

Source: Documents provided by EDA

3.3.2 Qualitative Effects (Other Effects)²⁰

Strengthening of the financing capacity of EDA : EDA reported that the repayments (principal + interest) from the intermediaries which were saved in the revolving fund account opened by EDA were used for re-financing end-borrowers, thereby contributing to securing necessary financial resources to support micro and small companies and to the continuation of loan activities.

Strengthening of the capacity of intermediaries : The intermediaries stated that the project contributed directly to the expansion and stabilization of micro-finance funds and benefited indirectly to increase the number of full-time staff, establish new branches, expand the scope of activities, acquire trust from customers (end-borrowers), and strengthen staff capacity through financial training by EDA.

²⁰ Regarding qualitative effects of the project, it was expected to enhance financial capacity to conduct loan activities of EDA, intermediaries and end-borrowers. In this report, the effects on EDA and intermediaries are described in the part of Effectiveness, and the effects on the end-borrowers are described in the part of Impact.

3.4 Impacts

3.4.1 Intended Impacts²¹

Impact on the end-borrowers level: In this ex-post evaluation study, a beneficiary survey was conducted²² for some of the end-borrowers who used the loans from this project to confirm its impact. According to the results of the beneficiary survey, the main purpose of the loans in this project was securing working capital (67%) followed by purchase of equipment (30%). The biggest impact by the loan was the increase in business revenue (43%), followed by the stabilization of livelihood through improved income level (33%).

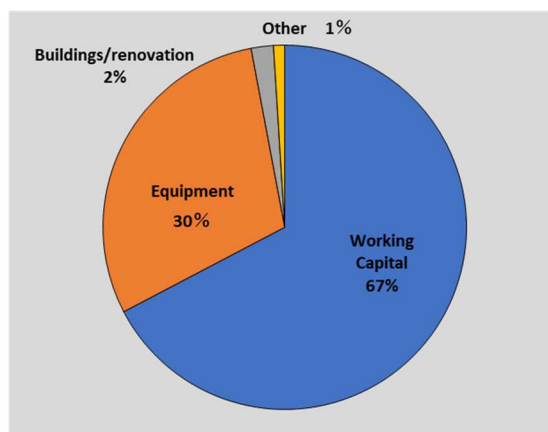


Figure 2 Main Purposes of the Loan

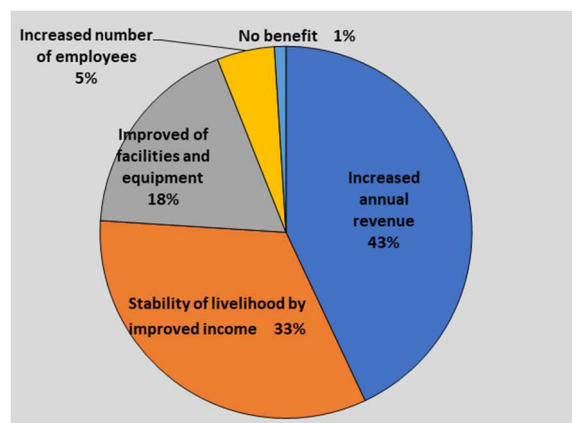


Figure 3 Impacts by the Loan

【Increase in business revenue】 The interviews to the end-borrowers revealed that the most end-borrowers experienced refinancing by EDA (according to the beneficiary survey, about 60% of respondents received refinancing). The intermediaries selected borrowers who managed to raise revenue more than the initial loan amount for refinancing. Thus, the fact that many end-borrowers experienced refinancing suggests that many of them generated revenues exceeding the investment amount, steadily repaid principal and interest, and stabilized business or income. This finding indicates that this project has contributed to the improvement of the business revenue of the end-borrowers to a certain degree.

【Stabilization of livelihood】 The interviews revealed that the enterprises in the informal sector usually don't have their financial statements and face difficulties in receiving loans from public financial institutions. From this reason, EDA's loan was easier to access due to

²¹ According to the document at the time of appraisal, the impact of this project is to contribute to alleviating poverty and promoting socio-economic stability through job creation. Relevant macro data was confirmed in order to assess the long-term impact of the project.

²² As the targets of the beneficiary survey were the end-borrowers of the project, respondents were extracted according to the financial scheme, region, and gender within the project (effective number of responses: 100). Breakdown of respondents by gender was 40% female, 60% male, and by loan scheme was 76% micro enterprises, 24% small companies. Based on the sample list (specified loan scheme, business type, region and gender) of 110 end-borrowers prepared by the evaluator, each EDA's regional office selected the end-borrowers who accepted the survey. Interpretation of the results should be done carefully as beneficiary selection could be biased toward the preferred or better performers.

the simple procedures to process the documents and the lower interest rate than the other public financial institutions. Especially from the female enterprisers who used EDA's loans, positive impacts such as stability of livelihood through improved income were frequently reported.

Impact on macro level : In the long term, this project was expected to contribute to the stabilization of society and economy through poverty reduction and employment creation. Looking at the macro-level data related to the long-term impact, unemployment rate had increased from 9.0% in 2010 when lending began to 12.8% in 2015. Similarly, the poverty rate had worsened from 25.2% in 2010-2011 to 27.8% in the latest statistics in 2014-2015. During the project implementation period. Both the unemployment rate and the poverty rate worsened during the project implementation period, which would have been largely influenced by the Egyptian Revolution of 2011 and the subsequent political unrest and economic recession. It was difficult to verify the project effects on the macro level impacts based on the statistical data due to the influences of external factors.

3.4.2 Other Positive and Negative Impacts

As of the ex-post evaluation, no negative impact toward natural environment had been reported. Also, since the targets of the project are micro and small enterprises, there were no cases of resettlement or land acquisition.

In light of the above, the project overall has achieved its objectives. Therefore, its effectiveness and impact are high.

3.5 Sustainability (Rating: ③)

3.5.1 Institutional Aspects of Operation and Maintenance

Social Development Fund, the executing agency at the time of appraisal, was merged into EDA established in June 2017. From the appraisal stage to the ex-post evaluation, no major changes were made to the structure of EDA. The section in charge of SEDO has increased the number of personnel from 79 at the time of appraisal to 204 at the time of the ex-post evaluation and the section in charge of MFS has also increased it from 53 to 62 respectively. According to the Ministry of Industry and Trade, main institution in charge of micro, small and medium enterprise development together with EDA, the existing functions of EDA will remain as it is, and their scope of business is expected to be diversified to include cooperation toward the medium-sized enterprises and industrial trainings under the new structure in the future.

The end-borrowers are monitored by the regional office of EDA on whether the project are carried out according to the application, through examination of the monitoring report drawn up by the intermediary financial institutions within 90 days after the approval of the loan.

Thereafter, a follow-up survey is conducted once a year (three times a year if some possibilities of a delay in repayment). These findings are sent to the EDA headquarters monthly, and specific measures are examined by the Credit Risk Management Sector for the borrowers with high risks.

The intermediaries are assessed based on EDA Credit Policy and selected with the approval of the EDA Higher Credit Committee. Even for these intermediaries, monitoring of loan and repayment performance is carried out monthly, and the details of contracts between EDA and the intermediaries are reviewed as necessary.

Considering the above, there are no problems with the institutional aspects of EDA financing project.

3.5.2 Technical Aspects of Operation and Maintenance

The Human Resources Department of EDA provides various training programs such as communication skills, language, monitoring and evaluation in addition to programs related to financing operations for new staff and incumbents. A variety of technical assistance is also provided from various international donors including JICA's group training courses. At the time of the ex-post evaluation, "Technical Assistance for Micro and Small Businesses" by the African Development Bank and "Organizational Improvement Support for EDA" by the Islamic Development Bank have been implemented, among others. There is Credit Policy that is used as a manual for daily work, and it is updated as necessary. All financial projects are implemented in accordance with the same guidelines.

In addition to day-to-day advisory work to the intermediaries by the International Cooperation Group and the Planning and Monitoring group of EDA, capacity building training on community development and micro-finance business is provided for the intermediaries through the support of international donors²³.

Based on the above, it is clear that EDA has been working on maintaining and improving its operation and maintenance capacity, and no problems can be seen.

3.5.3 Financial Aspects of Operation and Maintenance

The financial status of EDA from the year before project completion from 2013 to 2015 is as shown in Table 8. The main sources of revenues of EDA are business assistance by international donor agencies and the amount has been increasing year by year. According to EDA, most international aid organizations decided to implement loans up to the next few years (2-4 years) and there is no prospect of withdrawal of the agencies or shrinking of the projects. In addition, "bad debts expenses" occupy a small share of the expenditure because of high repayment rate and interest income from the loan projects is stable.

²³ Since 2013 training courses organized by the African Development Bank and the Islamic Development Bank have been conducted about 2 to 10 times a year.

Moreover, EDA has selected excellent institutions as intermediaries based on examination criteria such as debt status, fundraising records and information management system. Even after the conclusion of the contract, loan and repayment performance is regularly monitored. Financial consultation is directly given to the institutions in poor financial condition by EDA.

Table 8 Financial Status of EDA

Unit : Million Pound

Items		2013	2014	2015
Revenues	Grants and contributions to project	178	522	867
	Interest on loans	351	397	496
	Interest on time deposits	92	126	162
	Dividends from investment trust	1	5	2
	Other income	5	4	5
	Total revenue	627	1,053	1,532
Expenses	Borrowing interest and bank charges	86	102	132
	Project expenses	178	520	868
	Depreciation expenses	5	5	6
	General administration expenses	199	224	254
	Bad debts expenses	1	0	0
	Other expenses	4	2	2
	Total expenses	474	853	1,262
Balance		154	200	271

Source : Documents provided by EDA

Note : "Grants and contributions to project" includes grant and loan from international aid agencies.

3.5.4 Current Status of Operation and Maintenance

The figures below show the performance of revolving fund account opened in 2010. The balance of the account has increased from 354,769 pound at the time of opening to 133,596,289 pound at the end of 2015, indicating that repayment from the intermediaries and refinancing have been smoothly carried out. An external audit has been carried out every year, and the reports have been submitted to the JICA. The revolving funds are used mainly for MFS scheme for poverty reduction in accordance with the Credit Policy like this project. According to EDA, the account will be integrated into the pooled fund account²⁴ after the completion of ODA loan repayment and the usage policy will be discussed at the time of integration.

²⁴ Like the revolving fund account opened under the project, special accounts under the projects by the international donors are integrated into the pooled fund account several years after the completion of the projects.

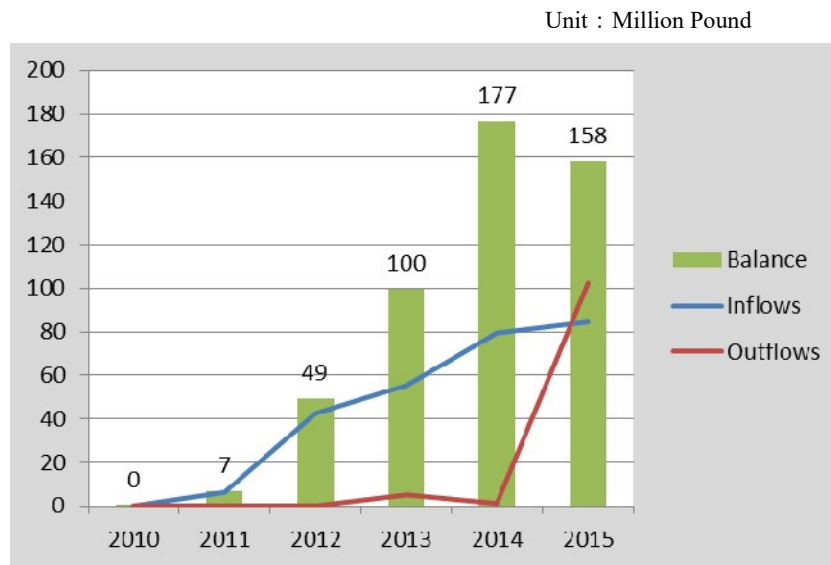


Figure 4 Operation Status of the Revolving Fund

Source : Documents provided by EDA

Note : "Inflow" includes "repayment from the intermediaries" and "interest payment from the intermediaries".

"Outflow" includes "disbursement of the repeat loans" and "bank charge".

No major problems have been observed in the institutional, technical, financial aspects and the current status of the operation and maintenance system. Therefore, sustainability of the project effects is high.

4. Conclusion, Lessons Learned and Recommendations

4.1 Conclusion

The objective of the project was to increase income generation activities and to enhance employment opportunities by financing to micro and small enterprises in Egypt through intermediary financial agencies. The project was implemented by EDA. The relevance of this project is high since it has been consistent with Egypt's development policies and development needs both at the time of appraisal and of ex-post evaluation, as well as with Japan's ODA policy at the appraisal stage. The efficiency is fair as while the loan conditions for the intermediary financial agencies and end-borrowers were mostly as planned and the project cost was within the plan, the project period exceeded the original plan due to the Egyptian Revolution in 2011 and its after-effects. With regard to effectiveness and impact, the targets set at the appraisal stage for the number of loans, the total loan amount and repayment rate were largely achieved. In addition, positive impacts such as increased revenue and inventory, and stability of livelihood through the increase in income were reported. Therefore, the project's effectiveness and impact are evaluated as high. Finally, the sustainability of the effects of this project is also considered high as there are no noticeable problems with the institutional, technical or financial aspects of EDA, and the revolving funds established under the project is

being operated smoothly.

Overall, this project is evaluated to be highly satisfactory.

4.2 Recommendations

4.2.1 Recommendations to the Executing Agency

None.

4.2.2 Recommendations to JICA

None.

4.3 Lessons Learned

The importance of understanding the lending structure of executing agencies and intermediaries and of the needs assessment of the intermediaries and end-borrowers for non-financial services

This project, which supported loan projects for micro and small enterprises through EDA, was carried out in midst of the unstable economic and political situation brought about by the Egyptian Revolution in 2011. Nonetheless, in general the project was implemented as planned with the repayment rate from the end-borrowers being very high.

One of the promoting factors was abundant business experience and technical ability of the executing agency. Since its establishment, EDA has been providing loans for micro and small companies for many years with financial and technical assistance from a number of overseas aid organizations such as the World Bank and UNDP. This experience of EDA contributed to the smooth implementation of the project.

In addition, financing for micro and small companies that are dispersed in rural areas was made possible by selecting appropriate intermediaries, namely the National Bank of Egypt, which has the largest number of branches across the country, and about 40 NGOs that operate with close ties to local communities. Also, while credit screening for micro and small enterprises is particularly important to avoid default risks since they usually do not have finance-related statements, it is relatively easy for the above-mentioned lending institutions that operate with close ties to their communities to have an understanding of the end-borrowers' credit. This would have contributed to high repayment rates. Furthermore, EDA uses an internationally widespread rating system to judge the eligibility of microfinancing institutions. Under this system, intermediary NGOs are categorized according to their creditworthiness and past achievements, and if they belong to a superior category, they can receive loans under better conditions. However, if repayment is delayed, the system will not approve the next loan. This sort of system has been creating an incentive for the NGOs to repay. Therefore, one of the factors that contributed to the success of the project was an appropriate selection of the intermediaries.

Finally, in addition to financial assistance, EDA's regional offices provide non-financial assistance to end-borrowers and intermediaries (especially NGOs), specifically on project

formulation surveys, commercial registration procedures, business matching, marketing, and product exhibitions, among others. It was reported that the combination of such diverse services has improved the business performance of the end-borrowers and made refinancing possible, thus showing the effects of the project.

Therefore, when preparing similar projects to support financing for micro and small enterprises, it is important for JICA to grasp not only the executing agency's lending structure, but also the past loan performance of intermediaries. Furthermore, in addition to financial services, assessing the needs of the intermediaries and end-borrowers for non-financial services, as much as possible, such as training for marketing, accounting management, business planning and portfolio is suggested. Thereby, if necessary, financial cooperation could be combined with technical assistance that aims to enhance non-financial services, which would be effective for expanding the project effects.

Comparison of the Original and Actual Scope of the Project

Item	Plan	Actual
1. Project Outputs		
(1) Loan conditions toward intermediaries - SEDO		
Interest rate	5-7%	7%
Loan period	Maximum 5years (including 1 year grace period)	maximum 6 years, no grace period
(2) Loan conditions toward intermediaries - MFS		
Interest rate	7-10%	10.5%
Loan period	6-18months (no grace period)	maximum 5years including 6 months grace period
(3) Loan conditions toward end-borrowers - SEDO		
Interest rate	7-9%	10%
Loan period	Maximum 5 years (including 1 year grace period)	As planned
Maximum amount	50,000 Pound	As planned
Eligible end-users	New and existing entrepreneurs who will be /are running formal enterprise, capital less than 50,000 Pound.	As planned
Business categories	The following activities are not eligible for financing: arms manufacture and trade, speculation, real estate, religious and political activities, gambling and nightclubs business, and all legally prohibited business.	As planned
(4) Loan conditions toward end-borrowers - MFS		
Interest rate	8-19%	16%
Loan period	6-18months (no grace period)	maximum 24 months
Maximum amount	10,000 Pound	25,000 Pound
Eligible end-users	New and existing entrepreneurs who will be /are running both formal and informal micro enterprise.	As planned
Business categories	Same as SEDO	As planned
2. Project Period	December 2008 – September 2013 (58 months)	December 2008 – December 2014 (73 months)
3. Project Cost		
Amount Paid in Foreign Currency	112 million Yen	74 million Yen
Amount Paid in Local Currency	3,648 million Yen (178 million Pound)	3,673 million Yen (248 million Pound) 3,747 million Yen
Total ODA Loan Portion	3,760 million Yen	3,747 million Yen
Exchange Rate	3,760 million Yen 1 Pound = 20.4Yen (As of February 2008)	1 Pound = 14.8 Yen (Average between 2008 and 2016)
4. Final Disbursement	December 2014	

Considerations on Assisting Project for Female Entrepreneurs

From an international viewpoint, Egypt has a high enrolment ratio of boys and girls going to primary, secondary, and on to higher education. On the other hand, the rate of women's employment, income disparity between males and females, and the percentage of women in managerial positions or professional occupations are poor. According to the Ministry of Trade and Industry, the supervisory body of the micro and small enterprises sector, women have limited access to public financial service and business activities compared to men. To solve the problem, it is necessary to dispel social and cultural resistance to women participating in economic activities. EDA established a Gender Unit in 2013 and has been working on assisting women's entrepreneurship, however so far these activities are focused on awareness reform of EDA officials and intermediary financial institutions and have not yet reached female entrepreneurs on the ground. This section is a compilation of the results of considerations based on the interviews and beneficiary survey conducted during the ex-post evaluation that are thought to be effective for micro and small enterprise assistance for women, carried out by JICA in the future.

- **Discussing about concrete activity to achieve effect indicator:** In this project, “the increase in the number of loans to women” was set as an effect indicator, but concrete activities necessary for achieving the indicator were not discussed and as a result, the target could not be achieved. For this reason, when setting similar targets, it is necessary to conduct a needs assessment on female entrepreneurs at the time of appraisal and to discuss concrete measures, realistic target values and external support (both financial and technical aspects).
- **Utilizing media:** The interview with female entrepreneurs revealed that they heard about micro-finance through friends and relatives. Their motivation for borrowing was the fact that friends and relatives had utilized and been able to properly repay the loan. Therefore, for projects promoting loans to female entrepreneurs, it would be effective to conduct briefing sessions that share the experiences of female entrepreneurs and publicize success stories through the media.
- **Combination with non-financial services:** In addition to financial assistance, there were many voices suggesting the necessity of assistance in such areas as securing sales channels, selecting products with high profitability, and marketing advice. The intermediary financial agencies (mainly NGOs in the case of this project) with close connections to the communities should be the ones taking this role. However, as non-financial services are provided free of charge in many cases, the conduct of those services would depend greatly on the financial situation of the agencies. Therefore in projects aiming to foster female entrepreneurs, it would be effective to not only provide loan funds but also combine technical support for non-financial services.
- **Awareness raising activities for the families and relatives of female entrepreneurs:** Especially in rural areas in Egypt, there are still many women who are unable to go to school or work in a remote area because of a psychological resistance among family and

relatives about women going out alone. Therefore, for the assistance of female entrepreneurs, it is considered necessary to provide long-term awareness raising activities for the families and relatives to create enabling environment for working women.



She runs a children's cloth store, bought inventory from wholesaler by using SEDO loan introduced by her relatives.



She heard MFS loan from a friend, and purchased animal (duck) to make a living.

Hashemite Kingdom of Jordan

FY2016 Ex-Post Evaluation of Japanese ODA Loan Project

“Human Resource Development and Social Infrastructure Improvement Project”

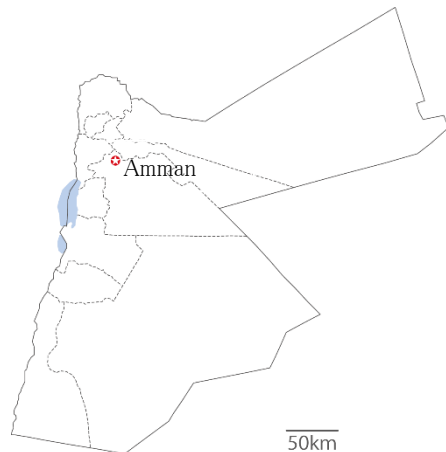
External Evaluator: Makiko Soma, Global Link Management Inc.

0. Summary

The objectives of “Human Resource Development and Social Infrastructure Improvement Project” (hereafter referred to as “the project”) were to expand basic infrastructures for human resource development and to improve access to public services in Hashemite Kingdom of Jordan (hereafter referred to as “Jordan”), thereby contributing to the stability of its economy and society. For these objectives, the loan was provided for small-scale projects (hereafter referred to as “sub-projects”) that had been implemented under public investments between 2012 and 2014 for facility improvements in the sectors of human resource development, healthcare, and primary/secondary education. The project has been consistent with the national development plans and development needs of Jordan both at the times of appraisal and ex-post evaluation, and was in line with the Japan’s ODA policy at the time of the project appraisal; therefore, the relevance of the project is high. While the initial plan was to finance 55 sub-projects as outputs of this project, 66 sub-projects were actually implemented. Both the project cost and project period exceeded the plan, therefore, the efficiency is fair. Considering the nature of the project that provided funds for implementing many sub-projects in the sectors of human resource development and social infrastructures all over Jordan in line with their development plans, national level macro indicators were set to measure the effectiveness of the project after the project started. At the time of ex-post evaluation, it was confirmed that the project has contributed to achieving the targets of these indicators. Furthermore, several impacts such as improved access to social services including education and medical services among the poor have been reported in the beneficiary survey. Therefore, the effectiveness and impact of the project are high. The project was implemented by the respective ministries under the coordination by the executing agency, the Ministry of Planning and International Cooperation (hereafter referred to as “MOPIC”). The respective ministries have overseen operation and maintenance of each sub-project. At the time of the ex-post evaluation, there have been no major problems observed with the operation and maintenance of the facilities and equipment procured by the project in terms of institutional, technical, and financial capacities of such respective ministries. Therefore, the sustainability of the project is high.

In light of the above, the project is evaluated to be highly satisfactory.

1. Project Description



Location of the Project (Entire Jordan)



School Building of Al-Balqa Polytech University

1.1 Background

Jordan had achieved a steady economic growth in the mid-2000s. However, with the impact of the global financial crisis that had started from the United States, the economic growth rate of Jordan remained at a low level in the late 2000s. Due to the significant aftereffects of the “Arab Spring” in 2011, Jordan suffered from unstable social conditions. Against the backdrop of sharp rises in global food and fuel prices, there were increasing needs of public expenditures for the poor and maintaining the subsidies for food and fuel. The government suffered from high unemployment rate that greatly exceeded 10%. In particular, it was reported that more than 30% of the youth under the age of 30, who accounted for over 70% of the population, were unemployed, thus, youth employment was a great challenge¹. There was also an income disparity between urban and rural areas. The poverty rate in some of the rural areas, for example, was twice² as high as the capital, Amman. Likewise, development gap in the sectors of healthcare and primary/secondary education between the urban and rural areas was an issue. Under these circumstances, as socioeconomic situation of Jordan became unstable, the government needed to work on human resource development and social infrastructure improvement to create employment opportunities especially among the youth and to address regional disparities.

1.2 Project Outline

To foster industries and strengthen the public services specifically by improving the facilities for vocational training, primary / secondary and higher education, and health and medical services, thereby contributing to Jordan’s economic and social stability.

¹ Documents provided by JICA

² Same as above

Loan Approved Amount/ Disbursed Amount	12,234 million yen / 12,128 million yen
Exchange of Notes Date/ Loan Agreement Signing Date	August 2012/ August 2012
Terms and Conditions	Interest Rate 0.95% Repayment Period 20 years (Grace Period) (6 years) Conditions for Procurement General Untied
Borrower / Executing Agency(ies)	The Government of the Hashemite Kingdom of Jordan/Ministry of Planning and International Cooperation
Project Completion	March 2017
Main Contractor(s) (Over 1 billion YEN)	-
Main Consultant(s) (Over 100 million YEN)	None
Feasibility Studies, etc.	“Human resource development and social infrastructure improvement project implementation support in Jordan” (Technical Assistance related to ODA Loan) (2013-2015)
Related Projects	-

2. Outline of the Evaluation Study

2.1 External Evaluator

Makiko Soma, Global Link Management Inc.

2.2 Duration of Evaluation Study

This ex-post evaluation study was conducted with the following schedule.

Duration of the Study: December 2016 – December 2017

Duration of the Field Study: March 14 – March 24, 2017; July 12 – July 13, 2017

3. Results of the Evaluation (Overall Rating: A³)

3.1 Relevance (Rating: ③⁴)

3.1.1 Consistency with the Development Plan of Jordan

At the time of appraisal, improvements of income generation opportunities, living standards, and social welfare were listed as main purposes of *The National Agenda: 2006-2015* that was publicized by the Jordan Government in 2006. In the agenda, development targets were set in three phases as follows. In Phase 1, the goal was to provide employment opportunities for all people; in Phase 2, it was to improve and strengthen the industrial base; and in Phase 3, it was to improve global competitiveness in the knowledge economy.

At the time of the ex-post evaluation, the *Executive Development Program 2016-2018* of the Jordanian Government stresses the importance of addressing the needs in human resources development and poverty alleviation, and responding to the social needs of vulnerable groups. In addition, among the eight national strategies listed in the program, three strategies emphasize the importance of human resource development and improvement of social infrastructure. The three strategies are the following: (1) poverty reduction and improvement of unemployment rate, establishment of effective social security system, (2) narrowing the development gaps among different regions, facilitation of decentralization, and (3) fostering highly creative, innovative and productive generations.

From the above, the project has been consistent with Jordan's development plan at the time of appraisal and ex-post evaluation.

3.1.2 Consistency with the Development Needs of Jordan

At the time of appraisal, it was urgent in Jordan to take measures against employment problems and narrowing the social and economic disparities in urban and rural areas. The unemployment rate greatly exceeded 10%. The high unemployment rate of the youth under 30 years old who accounted for over 70% of the total population, was more than 30% and was deemed particularly serious. To train the human resources who were highly demanded in industry, it was expected that vocational training institutes would improve the quality of their vocational trainings by rehabilitating the equipment and facilities. In addition, the facilities of higher education institutions and vocational training institutes needed to be expanded in order to solve the unemployment issues of highly educated workers and encourage them to participate in industry. Improvement of social infrastructure was also an urgent task to narrow the social and economic disparities between the poor and rich, and urban and rural areas. It was desired, among others, to improve the services in health and education for the poor by constructing health care and educational facilities and enhancing the equipment in poor areas.

³ A: Highly satisfactory, B: Satisfactory, C: Partially satisfactory, D: Unsatisfactory

⁴ ③: High, ②: Fair, ①: Low

According to the data provided by MOPIC, the unemployment rate at the time of ex-post evaluation (2016) was 15.8% which worsened compared to the data at the appraisal. The unemployment rate of the youth also did not show much improvement and remained at 28.5% in 2016. Jordanian government has been plagued by financial difficulties since the Arab Spring in 2011. In addition, influx of Syrian refugees as cheap labor force started to affect the labor market of Jordan since the Syrian crisis that occurred at the end of 2011⁵. The *Executive Development Program* points out that vocational training continues to be important for reduction of the unemployment rate. It also points out that higher education needs to be further enriched to develop domestic and international competitiveness of human resources. Meanwhile, the poverty rates of 2010 and 2015 (prospect) were both 10.5% and no improvement was observed during the period. Jordanian government aimed to reduce it to 9.5% by 2018⁶. The Gini coefficient was 37.6% in 2010 and 36.5% in 2015 (prospect), and was aimed to be reduced to 34% by 2018⁷. The *Executive Development Program* stresses the importance of improving the school enrolment rate in poor areas that has continued to be low. The infant mortality rate had improved from 20.2% in 2011 to 17.9% in 2015⁸. On the other hand, in response to the inadequate access to primary health care especially in remote areas, the *Executive Development Program* points out that the importance of increasing investments in primary health care and improvement of infrastructure development of hospitals and health centers.

From the above, this project is consistent with the development needs of Jordan at the times of appraisal and ex-post evaluation.

3.1.3 Consistency with Japan's ODA Policy

Japanese government stipulated “boosting of independent and sustainable economic growth” as a priority area of *Japan's Country Assistance Policy for Jordan (June 2012)*. Accordingly, JICA upheld “planning of development policy/ implementation support” and “vocational training”, and “independent and sustainable industrial promotion and improvement of the quality of industry” as cooperation programs. The assistance policy also included “poverty reduction and resolving social inequality,” which covered supporting of civilian sectors such as education and healthcare for the socially vulnerable population.

The project has been highly consistent with Jordan's development plan and development needs, as well as Japan's ODA policy, and therefore, its relevance is high.

⁵ According to the data provided by Department of Statistics in Jordan, the number of Syrian refugees is 1.38 million in 2017, accounting for 14% of the total population of Jordan which is around 9.92 million.

⁶ Executive Development Program

⁷ Ditto

⁸ UNICEF database

3.2 Efficiency (Rating: ②)

3.2.1 Project Outputs

Since the sub-projects had not been selected at the time of appraisal, MOPIC and JICA mutually agreed to implement 55 sub-projects in December 2012. The sub-projects were selected based on the following criteria that had been set at the time of appraisal.

- The sub-projects fall under the following sectors: vocational trainings, pre-primary, primary, secondary and higher education, or health and medical care.
- The sub-project would be under category “C” of *JICA Guidelines for Environmental and Social Considerations*.”
- The main objective of the project should not be to procure the expendable goods.

Jordanian side suggested JICA to add highly needed sub-projects after the initial agreement. By the end of 2014, a total of 12 sub-projects were newly added by the official agreement with JICA and the number of sub-projects increased to 67 (six sub-projects were added in April 2013; five in April 2014; and one in November 2014). After that, one sub-project “Establishing university college in Jerash” was cancelled due to financial difficulties encountered by the Jordanian government. Therefore, there were finally 66 sub-projects (120% of the initial plan). Table 1 shows the 66 sub-projects summarized by assistance area.

Table 1 Summary of Sub-projects

Areas	Summary	Number (Plan) 2012	Number (Actual) 2017
Human Resources Development	Improvement and installing of equipment and fixtures at vocational training institutes all over Jordan.	9	9
	Construction and improvement of school buildings at higher education facilities and national universities all over Jordan, improvement of education management information system at the Ministry of Higher Education and Scientific Research (MOHESR) etc.	4	5
Social Infrastructure	Facility improvement and equipment procurement for pre-primary, primary, secondary schools as well as construction of education facilities for deaf students etc.	14	18
	Improvement and rehabilitation of healthcare facilities such as public hospitals, serum and vaccine centers (including installation of medical equipment)	28	34
Total		55	66

Source: Documents provided by JICA and MOPIC

The project implementation structure consisted of MOPIC and focal points assigned from each of the respective ministries, and jointly coordinated, communicated and managed the progress of the project. In order to support project implementation, consultants through

technical assistance related to ODA loan were dispatched to assist MOPIC in coordinating with other ministries for selection, implementation, and monitoring of sub-projects. The consultants contributed to facilitating smooth operation of the project. Two out of 66 sub-projects are incomplete at the time of the ex-post evaluation (See 3.2.2.2 Project Period for details).

3.2.2 Project Inputs

3.2.2.1 Project Cost

The total project cost was significantly higher than planned. The actual cost was 59,248 million yen and exceeded the planned cost of 33,226 million yen by 178%. However, the project output, as mentioned in the above section, was 120% of the plan. If 120% of the planned project cost (39,871 million yen) is used for the comparison, the actual project cost is calculated to be 149% of the plan. The actual project cost provided by Japanese ODA loan was 12,128 million yen, which was almost the same as the planned amount (99%) of 12,234 million yen. The total project cost exceeded the plan because of the addition of sub-projects during the project implementation and significant increase of the Jordanian side costs for operation and management. The project had principally intended to utilize the loan in yen for the cost of facilities and equipment. During the project implementation, proportion of facility construction decreased significantly as the Jordanian side had encountered financial difficulties and they had also tried to avoid overlaps with assistance by other donors. Instead, the number of sub-projects supporting operation and management such as improving facilities and replacing equipment increased. As a result, Jordanian side cost also increased greatly because many expenses such as personnel cost and consumables included in these sub-projects were not covered by the yen loan portion. Table 2 and 3 show the breakdown of the planned and actual project costs.

Table 2 Planned Project Cost

Unit: Million Yen

Items	Foreign Currency		Local Currency		Total	
	Total	JICA loan	Total	JICA loan	Total	JICA loan
1) Human resource development and promotion of employment	0	0	16,031	3,935	16,031	3,935
2) Improvement of social infrastructure	0	0	11,631	8,004	11,631	8,004
3) Interest during construction	258	258	0	0	258	258
4) Commitment charge	37	37	0	0	37	37
5) Taxes (added value tax and tariffs)	0	0	5,269	0	5,269	0
Total	295	295	32,931	11,939	33,226	12,234

*Exchange rate: 1 USD =78.5 yen, 1 USD =0.71 Jordanian Dinar (JOD), 1 JOD=110 yen (February 2012)

Source: Documents provided by JICA

Table 3 Actual Project Cost

Unit: Million Yen

Items	Foreign Currency		Local Currency		Total	
	Jordanian side	JICA loan	Jordanian side	JICA loan	Total	JICA loan
1) Human resource development and promotion of employment	0	0	25,690	1,334	27,024	1,334
2) Improvement of social infrastructure	0	0	21,430	10,553	31,983	10,553
3) Interest during construction	0	239	0	0	239	239
4) Commitment charge	0	2	0	0	2	2
5) Taxes (added value tax and tariffs) (Note 2)	0	0	0	0	0	0
Total	0	241	47,120	11,887	59,248	12,128

Note 1: Exchange Rate:1 USD =94.2 yen (average from 2012 to 2014), 1 USD =0.71 JOD (both rates are from International Financial Statistics), 1 JOD=132.7 yen

Note 2: Taxes are included in Jordanian side cost of 1) Human resource development and promotion of employment and 2) Improvement of social infrastructure.

Source: Documents provided by MOPIC

3.2.2.2 Project Period

The planned project period at the time of appraisal was 36 months from January 2012 to December 2014. However, for comparison of the plan and actual periods, the planned project period is recomputed to be 43 months, 20% more than the plan, considering that the project output was 120% of the plan as mentioned in the earlier section. Completion of the project was defined as “operationalization of facilities/equipment and completion of vocational trainings.” At the time of the ex-post evaluation, 64 out of 66 sub-projects were completed as planned but the two sub-projects, namely, construction of Al-Salt New Hospital and Al Iman Hospital, have not been completed. Assuming the completion of these two sub-projects in March 2017 as of the ex-post evaluation, the project period was 63 months from January 2012 to March 2017 (147% of the plan). Construction of the hospitals in two sub-projects was delayed due to the following reasons. Construction of Al-Salt New Hospital was prolonged because the Ministry of Health (MOH) expanded the scale of the hospital from the initial plan to better respond to the medical needs in the target areas. The start of Al Iman Hospital construction was delayed because the budget was not approved within the original project period.

3.2.3 Results of Calculations for Internal Rates of Return (Reference only)

At the time of appraisal, there was a plan to calculate the internal rates of return (IRR) for this project as part of the baseline survey after the start of the project. However, due to the nature of the sectors that are covered in the project, a quantitative analysis of the benefits was considered difficult, and IRR was not calculated. Therefore, at the ex-post evaluation stage, IRR was not calculated.

Both the project cost and project period exceeded the plan. Therefore, efficiency of the project is fair.

3.3 Effectiveness⁹ (Rating: ③)

3.3.1 Quantitative Effects (Operation and Effect Indicators)

Indicators for the quantitative effects of the project were set based on the baseline survey that was conducted after the project began. The project intended to provide ODA loan to a number of sub-projects that were needed to implement development plans in the sectors of human resource development and social infrastructure. It should be noted that, due to the nature of the project, the indicators identified during the baseline survey were national-level indicators of each respective sector and not the project-level indicators that were designed to measure the specific contributions of the project.

⁹ Sub-rating for Effectiveness is to be put with consideration of Impact.

<Vocational Training>

- 1) The increase rate of “number of registered trainees at vocational training institute (VTI)” achieved 127% of the target. The project provided equipment and training materials to 44 VTIs in all 12 governorates of Jordan and appeared to have contributed to the improvement of the learning environment and training contents of these VTIs. Male students outnumbered female students in the VTIs with the ratio of male to female being 7:3. According to the VTI staff interviewed, they had more male students than female students as the majority of the courses offered at VTIs such as welding, plumbing, and mechanic were more popular among male students than female students.
- 2) The number of “satellite factories” that are operated by the Ministry of Labor (MOL) as an employment measure increased from six at the time of appraisal to 14 at the time of the ex-post evaluation and achieved 127% of the target. In the satellite factories, the factory spaces are rented out for private and government companies with 10-year contracts by MOL as an employment measure mainly for the poor. The companies bring in their machines and equipment to operate the factories. Out of the eight factories that were newly operated, three factories received support from the project in construction or operation. Therefore, 38% of the increment in the achievement was brought by the project.

Table 4 Achievement of Quantitative Indicators (Vocational Training)

Indicators	Baseline	Target	Actual	
	2012	2016	2014	2016
	Appraisal Year	Two years after completion	Planned Completion Year* (Achievement ratio %)	Ex-post evaluation Year (Achievement ratio %)
1)Number of registered trainees at VTI	10,833	11,200	12,564 (112%)	14,168 (M:9,643, F:4,525) (127%)
2)Number of satellite factories for vocational training & employment services in poor areas operated by MOL	6	11	14 (127%)	14 (127%)

* Planned year of the project completion at the time of appraisal

Source: Documents provided by JICA and MOPIC

<Higher Education Facilities Development>

- 1) The “number of students enrolled in bachelor’s degree studies” increased from 226,713 at the time of appraisal to 278,949 at the time of the ex-post evaluation and achieved 98% of the target. The project appeared to have contributed to the improvement by increasing the capacity through expanding buildings, improving laboratories and auditorium at nine national universities including undergraduate and graduate schools in eight out of 12 governorates. The male-to-female ratio among the enrolled students in bachelor’s degree was roughly 1:1.
- 2) The “number of students enrolled in graduate programs (Masters’ and Doctoral programs)” increased from 17,532 at the time of appraisal to 21,432 at the time of the ex-post evaluation and achieved 97% of the target. The project contributed to the increase in the same way as 1). There are a greater number of female students than male students in the graduate of doctoral programs.

Table 5 Achievement of Quantitative Indicators (Higher Education)

Indicators	Baseline	Target	Actual	
	2012	2016	2014	2016
	Appraisal Year	Two years after completion	Planned Completion Year* (Achievement ratio %)	Ex-post evaluation Year (Achievement ratio %)
1)Number of students in bachelor degree studies	226,713	285,000	No data	278,949 (M:139,510, F:139,439) (98%)
2)Number of students in graduate programs (Masters’ and Doctoral programs)	17,532	21,992	No data	21,432 (M:9,057, F:12,375) (97%)

* Planned year of the project completion at the time of appraisal
Source: Documents provided by JICA and MOPIC

<Facility improvement and equipment procurement of pre-primary/primary/secondary education and construction of education facilities for people with hearing disability>

- 1) The “gross enrolment rate in preschools in rural and poor areas¹⁰” was 57.7% at the time of appraisal and increased to 62.7% at the time of the ex-post evaluation and achieved 105% of the target. The project appeared to have contributed to the increase in intake of children through expansion of the buildings and improvement of equipment and fixtures at 23 kindergartens in poor areas all over Jordan.
- 2) The “students’ ratio in rented school buildings” has increased over the period and it did not

¹⁰ The areas designated by Ministry of Education as “the least developed areas with highest needs.”

reach the target. The Ministry of Education (MOE) attributes the increase to the influences of influx of Syrian refugees. The number of Syrian pupils has increased by 30% in three years from 111,589 in 2013 to 143,259¹¹ in 2016. Thus, an increasing number of schools reportedly decided to use rented buildings to respond to the rapid increase of pupils.

- 3) The “students’ ratio in double shift schools” has also increased despite the target set by the Jordanian government to decrease it to 10.8% by 2016. Thus it did not reach the target due to the increasing number of schools adopting double shifts for the same reason as 2).
- 4) To assess the project’s effects on the “gross enrolment rate in elementary school,” this indicator was added at the time of the ex-post evaluation. It increased from 88.72% at the time of appraisal to 97.34% in 2014. There was no major difference between male and female in school enrolment data in 2012 and 2014. The project supported expansion and maintenance of the school buildings and provision of improved equipment and fixtures such as chairs and desks at 31 schools in 10 governorates, which appeared to have contributed to increasing capacity of the schools.
- 5) “Grade 5 completion rate” remained at 99% both at times of appraisal and ex-post evaluation and achieved the target. In Jordan, the curriculums are designed to enable pupils to be able to read and write by grade 5. This indicator, therefore, is frequently used to measure the number of pupils who can read and write.
- 6) The “number of special education schools for children with disabilities” was 26 at the time of appraisal and increased to 27 at the time of ex-post evaluation, and achieved the target. The project contributed to the achievement as the school “Handicapped center in Ain El-Basha” was established by the project.
- 7) “Ratio of students benefiting from disability programs provided by the government in the total students with special needs” was 13.4% at the time of appraisal and increased to 15% at the time of the ex-post evaluation and achieved 110% of the target. The project appeared to have contributed to achieving the target through the construction of new buildings of deaf school in Karak governorate, and expansion of buildings and provision of educational equipment in special education schools in six remote governorates.

¹¹ Data provided by Statics Department in Jordan.

Table 6 Achievement of Quantitative Indicators (Education)

Indicators	Baseline	Target	Actual	
	2012	2016	2014	2016
	Appraisal Year	Two years after completion	Planned Completion Year* (Achievement ratio %)	Ex-post evaluation Year (Achievement ratio %)
1) Gross enrolment rate in preschools in rural & poor area	57.7%	60%	60.1% (100%)	62.7% (105%)
2) Students' ratio in rented school buildings	10.6%	10.0%	11.2% (-12%)	11.06% (-11%)
3) Students' ratio in double shift schools	10.78%	10.8%	16.8% (-56%)	18.65% (-73%)
4) Gross enrolment rate in elementary school ¹²	88.72% (Female:88.16%, Male:89.25%)	No indicator	97.34% (Female: 97.61%, Male: 97.08%)	No data
5) Rate of pupils who complete Grade 5	99%	99%	99% (100%)	99% (100%)
6) Number of special education schools for children with disabilities	26	27	27 (100%)	27 (100%)
7) Ratio of students benefiting from disability programs in the total students with special needs	13.4%	13.6%	15% (110%)	15% (110%)

* Planned year of the project completion at the time of appraisal

Source: Documents provided by JICA and MOPIC

<Expansion and Rehabilitation of Health and Medical Facilities>

- 1) The “number of comprehensive health centers” increased from 86 at the time of appraisal to 99 at the time of the ex-post evaluation. The project supported the construction of two comprehensive health centers, therefore, contributed to 15% of its increment. The project also appeared to have contributed to the improvement of existing comprehensive health centers by expanding the buildings or improving the equipment.
- 2) The “number of primary health centers” increased from 371 at the time of appraisal to 378 at the time of the ex-post evaluation. The project supported construction of one primary health center, therefore, contributed to 14% of its increment. The project also appeared to have contributed to the improvement of existing primary health centers by expanding the buildings or improving the equipment.
- 3) The “number of hospital beds” increased from 4,572 at the time of appraisal to 5,077 at the

¹² UNESCO database

time of the ex-post evaluation, and achieved 96% of the target. Although the number of the beds procured by the project was unknown, the project was considered to have contributed to the achievement as there were many sub-projects that improved equipment and fixtures of public healthcare facilities including beds.

- 4) “Hospital beds per 10,000 citizens” decreased from 18 at the time of appraisal to 14 at the time of the ex-post evaluation. This was 78% of the target, lower than planned. According to MOH, as mentioned in the section “3.1.2 Consistency with the Development Needs of Jordan” under Relevance, the population in Jordan has been increasing rapidly due to influx of Syrian refugees and this negatively influenced the achievement of this indicator.
- 5) The “number of Health Care Accreditation Center (HCAC) accredited hospitals” increased from two at the time of appraisal to five at the time of the ex-post evaluation. The project was considered to have contributed to the achievement as some of the HCAC related training costs were covered by the project.
- 6) The “number of HCAC accredited health centers” increased from 21 at the time of appraisal to 98 at the time of the ex-post evaluation. The project was considered to have contributed to the achievement as some of the HCAC related training costs were covered by the project. There had been 105 accredited health centers in 2014 while there were only 98 in 2016. The number decreased as some of the health centers failed to meet the new HCAC’s certification criteria which were renewed in 2015.

Table 7 Achievement of Quantitative Indicators (Health)

Indicators	Baseline	Target	Actual	
	2012	2016	2014	2016
	Appraisal Year	Two years after completion	Planned Completion Year* (Achievement ratio %)	Ex-post evaluation Year (Achievement ratio %)
1)Number of comprehensive health center	86	90	98 (109%)	99 (110%)
2)Number of primary health center	371	378	378 (100%)	378 (100%)
3)Number of hospital beds	4,572	5,272	4,768 (90%)	5,077 (96%)
4)Hospital beds per 10,000 citizens	18	18	18 (100%)	14 (78%)
5)Number of HCAC accredited hospitals	2	6	5 (83%)	5 (83%)
6)Number of HCAC accredited health center	21	96	105 (109%)	98 (102%)

* Planned year of the project completion at the time of appraisal

Source: Documents provided by JICA and MOPIC

3.3.2 Qualitative Effects (Other Effects)

At the time of appraisal, the qualitative effects of the project namely “stability of economy and society” and “narrowing of income gaps” were expected to be observed. Since these can be regarded as “impacts” considering the project purpose, they were moved to the “impact” section of this ex-post evaluation report. In this ex-post evaluation, a beneficiary survey¹³ was conducted with 100 beneficiaries (100 valid answers) to study about the extent of expansion of the facilities and equipment in the field of human resource development and about improvement made in people’s access to public services. The results are summarized as follows.

<Vocational Training>

Results of the interviews with 21 beneficiaries (managers, vice managers, instructors, and staff) are shown in Figure 1. All respondents (100%) answered that the project had contributed to the improvement of the students review on the courses offered through improvement and replacement of the equipment. Ninety five percent of the respondents answered that the quality of the courses offered had improved and 80% answered that the project had contributed to the increases in the numbers of courses and students.

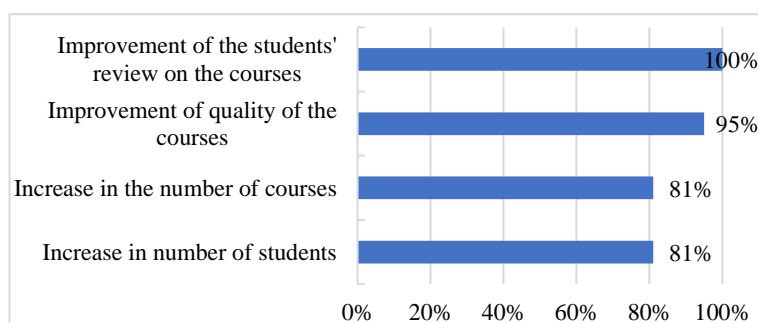


Figure 1 Beneficiary Survey (Vocational training institutes)

¹³ The beneficiary survey was conducted from March 16, 2017 to April 10, 2017 to cover almost all of the governorates, namely, Amman, Aqaba, Jerash, Karak, Tafilah, Zarqa, Irbid, Madaba, Mafraq, Balqa, Petra in Jordan. A total of 100 beneficiaries (male: 60, female: 40), or 20 to 30 beneficiaries from each of the four sectors of sub-projects were purposely selected for face-to-face interviews taking into consideration the geographical distribution and the amounts of sub-projects. The interviews were conducted with staff members at the facilities that received assistance by the sub-projects as follows. 1) vocational training institutes (managers, vice managers, instructors, staff), 2) expansion of higher education facilities (vice dean, department heads, finance heads, faculties), 3) Facility improvement of preprimary/primary/secondary education and education for people with disability (principals, administrative staff, teachers, speech therapists), 4) Expansion and Rehabilitation of Health and Medical Facilities (vice president of the hospital, department/division heads, doctors). There was no major difference in the answers between men and women in the results of the beneficiary survey in the four sectors.

<Expansion of Higher Education Facilities>

Results of the interviews with 22 beneficiaries (vice dean, department heads, finance heads, and faculties) are shown in Figure 2. Ninety one percent of the respondents answered that the project had contributed to the improvement of the students review on the classes through improvement of buildings, laboratories, and auditoriums, and replacement of the equipment. Ninety five percent of the respondents answered that their quality of education had improved, and 86% answered that the number of students had increased.

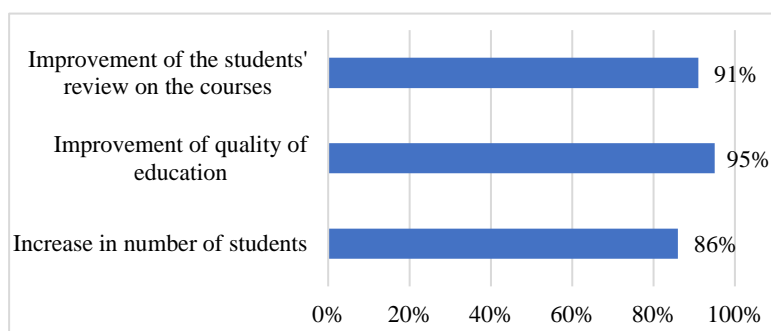


Figure 2 Beneficiary Survey (Higher Education)

<Facility improvement and equipment procurement of pre-primary/primary/secondary education and construction of education facilities for people with hearing disability>

Results of the interviews with 27 beneficiaries (principals, administrative staff, teachers, and speech therapists) are shown in Figure 3. Eighty percent of the respondents answered that the project had contributed to the improvement of the graduation rates of the pupils in poor areas through expanding the primary school buildings and improvement of equipment and fixtures. Seventy six percent of the respondents answered that educational attainment of pupils in poor areas had improved, and 68% answered that the enrolment ratio of the pupils in poor areas had improved.

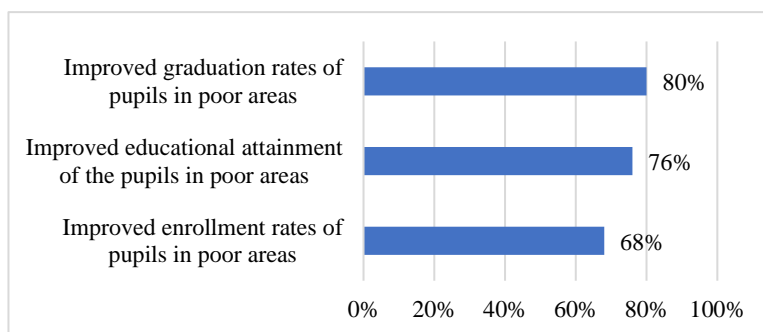


Figure 3 Beneficiary Survey (Pre-primary, Primary and Secondary Education)

<Expansion and Rehabilitation of Health and Medical Facilities>

Results of the interviews with 30 beneficiaries (vice president of the hospital, department/division heads, and doctors) are shown in Figure 4. Eighty three percent of the respondents answered that the project had contributed to the improvement of the quality of healthcare through construction of the facilities and improvement of the equipment. Eighty percent answered that the number of patients among the poor including children, pregnant women and elderly had increased.

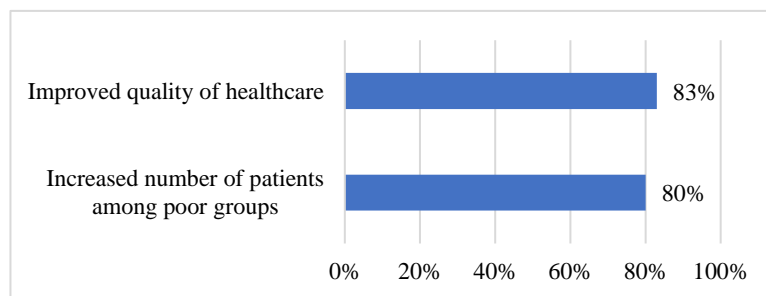


Figure 4 Beneficiary Survey (Healthcare)

As described above, the macro level indicators that had been set at the time of the baseline survey have largely been achieved as of the ex-post evaluation and it was confirmed that the project contributed to the achievements to a certain extent. The beneficiary survey also revealed several positive findings such as greater satisfaction of trainees at VTIs and public university students, improved enrolment and graduation rates of children and pupils among the poor in public pre-primary and primary schools, and improved access to healthcare among the poor.

3.4 Impacts

3.4.1 Intended Impacts

At the time of appraisal, impacts such as economic and social stability and employment promotion had been expected. Due to prolonged financial difficulties that had continued since the Arab Spring and the start of Syrian refugee influx after the Syrian crisis at the end of 2011 as mentioned in the section of 3.1.2 Consistency with the Development Needs of Jordan, the macro-level data related to these impacts have not seen improvement and the unemployment rate has been worsening since 2011. With regard to “narrowing income gaps,” the Gini coefficient slightly improved from 37.6% in 2010 to 36.5% in 2015 (prospect) as mentioned in Relevance section. While the project was considered to have contributed to the improvement of access to education and healthcare among the poor through improvement of social infrastructure in remote areas to a certain extent, it is difficult to prove a direct causal relationship between the project and the above impacts.

3.4.2 Other Positive and Negative Impacts

The project did not include any sub-projects that required Environmental Impact Assessment (EIA). According to MOPIC, as of the ex-post evaluation, no negative environmental impacts have been reported. There were no cases of resettlement, land acquisition, or negative impacts reported. It appeared that the project has contributed to improving access to health care, expanding access to education among people with disabilities, and strengthening the measures against communicable diseases.

This project has largely achieved its objectives. Therefore, effectiveness and impact of the project are high.

3.5 Sustainability (Rating: ③)

3.5.1 Institutional Aspects of Operation and Maintenance

In the project implementation, MOPIC was in charge of overall coordination with focal points from seven respective ministries, namely, MOHESR, MOE, MOH, the General Directorate of Civil Defense (GDCD), the Vocational Training Corporation (VTC), the Ministry of Social Development (MOSD), and MOL to carry out coordination and monitoring. As the sub-projects involved wide range of implementers, consultants through technical assistance related to ODA loan were dispatched to assist MOPIC in coordination and monitoring for smooth implementation of the project.

Table 8 shows how the sub-projects are operated, managed and maintained at the time of the ex-post evaluation. From the appraisal stage to the ex-post evaluation, no major changes were made to the operation, management and maintenance systems of sub-projects except inclusion of GDCD when a sub-project for improvement of emergency vehicles was added. Each ministry has ultimate responsibilities in implementation of the sub-projects in the respective sector; and therefore, there are no issues with the institutional aspect of operation, maintenance, and monitoring of the facilities/ equipment constructed or improved by 66 sub-projects including the two incomplete ones, and there is no shortage of staff reported.

Table 8 Operation and Maintenance of Sub-projects

Area	Sub-projects	Ministry	Ways of Operation & Maintenance
Human Resources Development	Improvement of equipment and fixtures at MOL and VTIs	MOL VTC	Each VTI operates and conducts periodic inspections and maintenance of the equipment. Problems are reported to the respective ministries, VTC or MOL.
	Expansion of Higher Education Facilities	MOHESR	MOHESR operates and maintains its own equipment. National universities operate and maintain the facilities and equipment on their own with a supervision by MOHESR.
Social Infrastructure	Facility improvement and equipment procurement of pre-primary/primary/secondary education and education for people with disability	MOE MOSD	Each school/facility operates and conducts daily maintenance of the facilities, equipment and fixtures. Problems are reported to the respective ministries, MOE or MOSD.
	Expansion and Rehabilitation of Health and Medical Facilities (including installation of medical equipment), emergency vehicles	MOH GDCD	Operation and maintenance of the facilities such as hospitals, health centers, vaccine/serum center, and medical equipment are outsourced to private firms by MOH. Problems are solved jointly by MOH and the private firms. GDCD is in charge of operation and maintenance of emergency vehicles.

Source: Documents provided by JICA, Answers to the questionnaire by MOPIC

Considering the above, there are no issues with the institutional aspects of operation and maintenance of the project.

3.5.2 Technical Aspects of Operation and Maintenance

In the project, based on the standard procurement process of the respective ministries, the specifications of facilities and equipment were determined through the same procurement process that has been normally applied. Every ministry is obliged to confirm the plans for maintenance and spare parts when it carries out procurement, and to ensure that trainings and technical guidance are conducted by the companies upon delivery to each facility. Internal regulations of MOH, GDCD, MOHESR and national universities¹⁴ stipulate that they should enter into an agreement for maintenance for about three years with the companies when procuring medical equipment, vehicles, and large equipment. In the project, most of the facilities and equipment were procured for the purposes of renewal and replacement of the old ones, which did not require new technologies for operation and maintenance. Therefore, there are no issues in technical aspects of the respective ministries and facilities.

¹⁴ Tri-partite agreements were signed among MOHESR, national universities, and private companies for equipment procured by national universities.

3.5.3 Financial Aspects of Operation and Maintenance

Table 9 shows the budgets, disbursements, operation and maintenance expenses of the respective ministries in the past three years from 2014 to 2016. There have not been substantial fluctuations in this period. Every year, all facilities assisted by the project except national universities, submitted the next year budget plan for necessary maintenance to the respective ministries. The facilities and equipment are maintained by the budget allocated based on the plan. The specifications and prices of facilities and equipment were determined through the same procurement process as the usual processes in conformity to the procurement standards of respective ministries. Therefore, there were no facilities or equipment whose maintenance cost would exceed the financial capability of the ministry. In addition, as stated in the section “3.5.2 Technical Aspects of Operation and Maintenance,” most of the facilities and equipment were procured for the purposes of renewal and replacement of the old ones, which did not require special expenditures for maintenance. The ratio of operation and maintenance expenditures at MOHESR is lower than other ministries because the national universities operate and maintain the facilities and equipment using their own budgets under the supervision of MOHESR. Internal regulations of MOH, GDCD, and national universities stipulate that they should enter into an agreement for maintenance for about three years with the companies when procuring equipment. Therefore, the maintenance costs during this period are covered by the equipment purchase costs. After expiration of the contract with the companies, respective ministries have been covering the maintenance expenses as mentioned.

Table 9 Budget, Disbursement, Operation & Maintenance Expenses of Ministries

Unit: Thousand JOD

Ministries		2014	2015	2016
VTC	Budget allocation	13,338	13,575	13,441
	Disbursement	11,731	11,929	11,562
	(Operation & Maintenance)	1,559	1,844	1,826
	(General Administrative expenses)	8,889	8,939	8,848
MOL	Budget allocation	20,415	20,521	21,346
	Disbursement	17,856	18,986	19,861
	(Operation & Maintenance)	1,860	2,111	2,238
	(General Administrative expenses)	3,685	4,283	4,936
MOHESR	Budget allocation	100,145	123,684	125,712
	Disbursement	93,612	119,846	119,869
	(Operation & Maintenance)	412	429	411
	(General Administrative expenses)	2,262	2,599	2,741
MOE	Budget allocation	903,129	910,171	906,131
	Disbursement	892,021	897,321	899,639
	(Operation & Maintenance)	57,319	58,871	47,009
	(General Administrative expenses)	56,501	56,143	52,524
MOSD	Budget allocation	20,415	20,521	21,346
	Disbursement	17,856	18,986	19,861
	(Operation & Maintenance)	1,860	2,111	2,238
	(General Administrative expenses)	3,685	4,283	4,936
MOH	Budget allocation	650,445	641,559	651,942
	Disbursement	612,697	615,155	609,921
	(Operation & Maintenance)	15,411	17,820	17,387
	(General Administrative expenses)	225,144	232,120	233,365
GDCD	Budget allocation	105,400	205,185	305,335
	Disbursement	105,400	205,185	305,335
	(Operation & Maintenance)	1,200	1,785	1,735
	(General Administrative expenses)	3,200	3,400	3,600

Source: Documents provided by MOPIC

From the above, there appears to be no problems in the financial aspects of operation and maintenance of the facilities constructed and equipment installed in the project.

3.5.4 Current Status of Operation and Maintenance

All the facilities and equipment, except those at the two hospitals that are incomplete, have been operated and maintained through the same process as the usual process in conformity to the standards of the respective ministries. There were not problems observed in operation and maintenance of some of the facilities and equipment during the site visit at the time of the ex-post evaluation. This could be partly because it had not been long since the completion of many sub-projects as of the ex-post evaluation. Therefore, there appears to be no major problems with the conditions of operation and maintenance of the project at the time of the ex-post evaluation.

No major problems have been observed with the institutional, technical, financial aspects, and current status of the operation and maintenance system. Thus, sustainability of the project effects is high.

4. Conclusion, Lessons Learned and Recommendations

4.1 Conclusion

The objectives of the project were to expand basic infrastructures for human resource development and to improve access to public services in Jordan, thereby contributing to the stability of its economy and society. For these objectives, the loan was provided for sub-projects that had been implemented under public investments between 2012 and 2014 for facility improvements in the sectors of human resource development, healthcare, and primary/secondary education. The project has been consistent with the national development plans and development needs of Jordan both at the times of appraisal and ex-post evaluation, and was in line with the Japan's ODA policy at the time of the project appraisal; therefore, the relevance of the project is high. While the initial plan was to finance 55 sub-projects as outputs of this project, 66 sub-projects were actually implemented. Both the project cost and project period exceeded the plan, therefore, the efficiency is fair. Considering the nature of the project that provided funds for implementing many sub-projects in the sectors of human resource development and social infrastructures all over Jordan in line with their development plans, national level indicators were set to measure the effectiveness of the project after the project started. At the time of ex-post evaluation, it was confirmed that the project has contributed to achieving the targets of these indicators. Furthermore, several impacts such as the improved access to social services including education and medical services among the poor have been reported in the beneficiary survey. Therefore, the effectiveness and impact of the project are high. The project was implemented by the respective ministries under the coordination by the executing agency, MOPIC. The respective

ministries have overseen operation and maintenance of each sub-project. At the time of the ex-post evaluation, there have been no major problems observed with the operation and maintenance of the facilities and equipment procured by the project in terms of institutional, technical, and financial capacities of such respective ministries. Therefore, the sustainability of the project is high.

In light of the above, the project is evaluated to be highly satisfactory.

4.2 Recommendations

4.2.1 Recommendations to the Executing Agency

MOPIC should continue to monitor and follow up the progress of construction of Al-Salt New Hospital and Al Iman Hospital with MOH to make sure that all the sub-projects under the project will be completed.

4.2.2 Recommendations to JICA

None

4.3 Lessons Learned

None

Comparison of the Original and Actual Scope of the Project

Item	Plan	Actual
<p>1. Outputs Sub-projects <Human Resources Development></p> <p><Social Infrastructure></p>	<ul style="list-style-type: none"> ● Improvement of equipment and fixtures at vocational training institutes all over Jordan. (9) ● Construction and improvement of school buildings at higher education facilities (national universities) all over Jordan, improvement of education management information system at MOHESR etc. (4) ● Facility improvement and equipment procurement for pre-primary, primary, secondary schools as well as construction of education facilities for deaf students etc. (14) ● Improvement and rehabilitation of healthcare facilities such as public hospitals, serum and vaccine centers (including installation of medical equipment) (28) 	<ul style="list-style-type: none"> ● Improvement of equipment and fixtures at vocational training institutes all over Jordan. (9) ● Construction and improvement of school buildings at higher education facilities (national universities) all over Jordan, improvement of education management information system at MOHESR etc. (5) ● Facility improvement and equipment procurement for pre-primary, primary, secondary schools as well as construction of education facilities for deaf students etc. (18) ● Improvement and rehabilitation of healthcare facilities such as public hospitals, serum and vaccine centers (including installation of medical equipment) (34)
2. Project Period	January 2012 – December 2014 (36 months)	January 2012 – March 2017 (63 months)
3. Project Cost		
Amount Paid in Foreign Currency	295 million yen	241 million yen
Amount Paid in Local Currency	32,931 million yen (299 million Jordanian Dinar)	59,007million yen (445 million Jordanian Dinar)
Total	33,226 million yen	59,248 million yen
ODA Loan Portion	12,234 million yen	12,128 million yen
Exchange Rate	1 Jordanian Dinar = 110 yen (As of February 2012)	1 Jordanian Dinar = 132.7 yen (Average between January 2012 and December 2014)
4. Final Disbursement	March 2015	