



GUIDELINES FOR PREPARING PROJECT PERFORMANCE EVALUATION REPORTS FOR PUBLIC SECTOR OPERATIONS

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ACRONYMS & ABBREVIATIONS

CCRA	Climate Change Risk Assessment
EA	Executing Agency
ECG	Evaluation Cooperation Group
EMMP	Environmental Management and Monitoring Plan
EP	Evaluation Principles
EIRR	Economic Internal Rate of Return
E&SS	Environmental & Social Safeguard
ESIA	Environmental and Social Impact Assessment
ESMMP	E&S management and monitoring plan
FIRR	Financial Internal Rate of Return
GPS	Good Practice Standards
IEvD	Independent Evaluation Department
IsDB	Islamic Development Bank
ISFD	Islamic Solidarity Fund for Development
LLF	Live and Livelihood Fund
O&M	Operation and Management
OP	Operational Practices (OP)
MCPS	Member Country Partnership Strategy
OC	Operations Complex
P5P	President Five Years Program
PCR	Project Completion Report
PIASR	Project Implementation Assessment and Support Report
PIU	Project Implementation Unit
PMU	Project Management Unit
PPER	Project Post Evaluation Report
RBM	Result Based Management
RRP	Report and Recommendations of the President
SDGs	Sustainable Development Goals
TA	Technical Assistance
ToC	Theory of Change

CHAPTER - 1 : GENERAL

1.1 INTRODUCTION

1.1.1 These guidelines cover the preparation of performance evaluation reports for Islamic Development Bank (IsDB) projects, programs, and technical assistance (TA) in the public sector. They replace the Independent Evaluation Department's (IEvD) Guidelines & Annexes for Preparation of Project Performance Reports adopted in September 2012 and revised by the Independent Evaluation Department (IEvD) in 2013 under new title as "Guidelines for Preparing Project Performance Evaluation Reports for Public Sector Operations" financed by the IsDB Group. Implementation of these new guidelines represents a further step in the process of continuously improving the quality of IEvD's performance evaluation and desire of constantly harmonizing IsDB's process with those of its major development partners.

1.1.2 In line with ECG-GPS, the number of core evaluation criteria for rating a project's success remains four (namely relevance, effectiveness, efficiency, and sustainability). The number of the criteria is flexible and will be subjected to change based on the adoption by ECG member of the new OECD DAC criteria developed in 2020. Furthermore, some new additional cross cutting criteria have been added to complete the evaluation.

1.1.3 Many changes have been made to the composition and content of some sections/sub-sections under different chapters. Under the chapter on "Criteria-Based Assessment" the content of the four criteria have been changed by incorporating new dimensions to each criterion in order to better assess project performance. Some of the major changes under criteria are the following:

1. For Relevance, if the project is funded by a source other than IsDB Ordinary capitals such as (Fael Khair, Trust fund, ISFD, LLF), consistency with objectives of the fund should be discussed and the relevance to IsDB sector policy, SDGs, P5P, 10Ys, Strategy 2025 has been added;
2. For Effectiveness, the analysis of outcomes and outputs was completely separated, each subsection is analysed separately for more clarity;
3. The Efficiency section has been organized into three components: (i) Economic and Financial Analysis: re-estimate the EIRR/FIRR if data available, (ii) Cost Effectiveness Analysis (optional): assessment whether the benefits, outputs and outcomes of the project were achieved at least-cost and (iii) Analysis of cost and schedule: assessment of actual cost and disbursement and also examine the schedule of implementation, delays in project disbursements since start-up, the reasons for delays, and the effect on project implementation;
4. Finally, the Sustainability section has been reinforced by adding new dimension related to environmental sustainability taking into account climate risk and environmental safeguard.

1.1.4 Under the chapter on "Performance of Stakeholders" a new section on "Use of RBM" has been added which focuses on (i) Contribution of the bank of the bank to mainstreaming RBM in the projects and it will include the section on "quality of supervision" under the previous guideline; (ii) Support the design of RBM; (iii) Examine to what extend the Bank use adequate monitoring of the implementation of the project, to what extend RBM is used to supervising the project (zoom in RBM during preparation and implementation).

1.1.5 These guidelines are essential part of IEvD reporting system and will provide guidance to the authors and reviewers for preparing the reports and will ensure consistency of our reporting system. They include explanation of each section/item in the PPER template and what needs to go under each section/item (executive summary, chapters, headings, sub-headings, tables, figures

etc); how each section/item should be written; approx. length/size, font type/size. They also explain the language type/standards, currency, metric system, document version/identification code and other standards; what should go in annexes and not in the main body of the report and should specify overall length of the main report (part) and annexes. Finally, the guidelines spell out what is mandatory and what is not mandatory and what should not be done (e.g. not to alter the CONSTANTS) in the report

1.1.6 Moreover, a template has been developed, which accompanies these Guidelines), to guide the evaluators in the preparation of PPER in a comprehensive, coherent, and consistent manner. Both the guidelines and Template are complementary; however, the template includes all CONSTANTS that will remain in the report (including the font type/size) and will not be changed by any one i.e. table of contents, chapter titles and numbers, headings, sub-headings, tables, figures etc. It has also standard sentences and write-ups under various items/sections (e.g. under acknowledgement section) but these sentences/ write-ups will stay in the report as constants and will not change. Other than these constants in the report, all else will be variable. The template is based on the Evaluation Principles (EP) and Operational Practices (OP) of ECG-GPS.

1.2 REPORT PREPARATION AND PROCESSES

A. PURPOSE AND OBJECTIVES

1.2.1. The basic instrument for independent evaluation of projects is the Project Performance Evaluation Reports (PPER) prepared by IEvD. The main purpose of PPER is to ensure accountability and learning. The PPER is aimed at assessing the relevance, effectiveness, efficiency, and sustainability of the operations financed by the IsDB.

1.2.2. The PPER preparation process begins after a decision on the selection of the project for performance evaluation. It's prepared on a random basis for completed Bank-financed operations (projects, programs, policies, etc.), and focus on learning from experience and improve the Bank's future financing activities. The PPERs contribute to other IEvD studies, including country, sector, thematic evaluations and on demand evaluation, which focus on particular issues or subjects of broader relevance to the IsDB operations, policies, and procedures.

B. TIMING

1.2.3. Subject to the constraints and the specific evaluation needs, PPERs are undertaken once sufficient time has elapsed for outcomes of the project to be realized and for its sustainability to be apparent. A PPER is usually prepared one month after the physical completion of evaluation of the selected projects for post-evaluation. In some special cases, PPERs may be developed based on special demand from Management, if needed, to inform the design of subsequent operations or to provide case studies for higher level evaluations

C. FORMAT AND FINALIZATION OF PERFORMANCE EVALUATION REPORTS

1.2.4. *The style and format* of performance evaluation reports adheres to the Bank's official style. A typical report is 20 pages of single-spaced text plus annexes and appendixes. Reports use the specific format as followings:

- Font type of the document (Roboto light)
- Size 11 for the report. Roboto Light 10 for tables inside the report or in the annex. Project data

sheet size 9.

- Para numbering style: Serial or nested levels
- The fonts of the report should be as follows; text- Roboto Light 11, third level/subheadings - Roboto Light 11 bold, second level/subheadings - Roboto Light 12 bold, and main chapter heading- Oswald 16 bold.
- Use a multi-level numbering system for the titles/subtitles (such 3.2.4 i.e. Chapter 3, Section 2, sub section 4 instead of 3 B d) in order to clearly distinguish between title, sub-titles and nested titles.

1.2.5. A performance evaluation report should follow the structure outlined in these guidelines to ensure consistency between evaluations and ease of locating information in reports; however, minor variations are possible to suit specific needs. These guidelines are intended to assist with analysis and report preparation. They do not limit the responsibility of evaluators to exercise their best judgment, to avoid redundancies and repetition, and to focus attention on significant issues. The report may quote freely from or provide cross-references to the relevant project, program, TA completion report or any other report from literature review using a right style for referencing (e.g. APA Style for referencing).

1.2.6. An initial draft of the report is peer reviewed within IEvD. It is then circulated to the concerned IsDB departments and offices and forwarded to the Government of borrower countries, the executing agency, and to other relevant agencies. Comments received are taken into account when finalizing the report. IEvD may report major disagreements with other IsDB departments and offices, the borrower, and the executing agency on substantive issues in an appendix or a footnote. The naming convention and document history are the followings:

- **Document Revision History**

1.2.7. The Document Revision History is the following:

Version	Comment/Description of Change
1. Zero Draft V0.0:	Initial Rough Draft
2. First Draft V0.1:	First Draft
3. Second Draft V0.2:	Peer-annotated draft
4. Third Draft V0.3:	Edited draft incorporating peer review comments
5. Fourth draft V0.4:	Manager / Lead cleared draft
6. Fifth draft V0.5:	Director-approved draft for onward submission to Program Directorates
7. Sixth draft V0.6:	Revised draft incorporating Operations Comments
8. Seven draft V0.7:	Manager / Lead cleared draft after incorporating Operations Comments
9. Final Draft V1.0:	Director Sign-off Report (internal distribution)
10. Published draft V1.1:	Report shared with country (see Annex-5 : Checklist for Sharing PPER with Member Countries)

1.2.8. NB: the timeline between each step is 2 weeks.

- **Between These Versions, Use A Second Decimal**

1.2.9. **Example:** Uganda - Rural Income and Employment Enhancement Project

- PPER- RIEEP- UGA-V0.3 (Edited draft incorporating peer review)

✓ *PPER- RIEEP- UGA-V0.31 (Manager/Lead makes comments and sends back to Evaluators)*

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- PPER- RIEEP- UGA-V0.4 (Manager / Lead cleared draft)
- ✓ *PPER- RIEEP- UGA-V0.41 (Director sends back to evaluators)*
- PPER- RIEEP- UGA-V0.5 (Director-approved draft for onward submission to Program Directorates)

▪ PPER Naming Convention

1.2.10. IEvD Naming Convention for all the types of report is the following:

Nature of the Document: a 3- or 4-character prefix defining the nature of the document	Report Naming	Example: <i>Rural Income and Employment Enhancement</i>
<ul style="list-style-type: none"> ▪ PPE: Project Performance Evaluation Report ▪ SPE: Project Special Evaluation Report ▪ SEC: Sector Evaluation Report ▪ THE: Thematic Evaluation Report ▪ RTE: Real Time Evaluation Report ▪ CAE: Country Assistance Evaluation Report ▪ TAE: Technical Assistance Evaluation Report ▪ PLC: Policy Evaluation Report ▪ PRO: Process Evaluation Report ▪ COR: Corporate Evaluation Report ▪ BTO: Back-To-Office Report ▪ PRG: Progress Report ▪ PCR-VN: PCR Validation Note ▪ AER: Annual Evaluation Report ▪ OTH: For any other document that does not fall under the above categories 	<ul style="list-style-type: none"> ▪ The report title/project name ▪ ISO Country code (if the document relates to a specific country, if it is regional project ZZZ) ▪ The version numbers ▪ A date in the form YYMMDD 	<ul style="list-style-type: none"> ▪ The project name: Rural Income and Employment Enhancement ▪ ISO Country code: UGA ▪ The version number: V0.1 ▪ Date: 210426 <p>Full name: PPE- Rural Income and Employment Enhancement-UGA-V0.4-210426</p>
<ul style="list-style-type: none"> ▪ Currency Equivalents: for currency unit, evaluator should Use ISO codes for currency codes: e.g. ISO code for US Dollar is USD, for West African Franc CFA BCEAO is XOF etc. 		

D. DISSEMINATION OF PPE REPORTS

1.2.11. According to IEvD Evaluation Policy (2022), all evaluation reports are made available to internal users using different channels including intranet for learning and knowledge-sharing. The Independent Evaluation Function ensures that the evaluation reports are disclosed to all concerned stakeholders and to the public at large while observing confidentiality safeguards. The dissemination is done through various channels including online workshops, seminars, and symposia in accordance with the Bank's disclosure policy.

CHAPTER - 2 : CONTENT OF A PROJECT PERFORMANCE EVALUATION REPORT

A. COVER AND PRELIMINARY PAGES

2.1. The format for the PPER cover including other preliminary pages is given in Appendix 1. The PPER Chapter headings are as follows:

1.2.12. Executive Summary

- I. Chapter 1 - Background
- II. Chapter 2 - Criteria Based Assessment
- III. Chapter 3 - Performance of Stakeholders
- IV. Chapter 4 - Issues, Lessons, and Recommendations

B. EXECUTIVE SUMMARY

2.2. An Executive Summary provides a brief round-up of the project evaluated. The salient features of the evaluation are presented in the Executive Summary in a succinct and balanced manner. It should concisely state the main points of the evaluation and follow the rule of only saying what the evaluation itself says and not introducing new material. The Executive Summary should not exceed three (3) pages in length.

2.3. The Executive Summary. It contains summary of all relevant contents of the report, among others, the following main items:

- Background
- Findings (A. Relevance, B. Effectiveness, C. Efficiency, D. Sustainability)
- Issues (includes only outstanding issues that need resolution)
- Lesson Learned
- Key recommendations

C. CHAPTER 1 – BACKGROUND

2.4. Background information on the project under review is presented in this chapter. The information for this chapter is mainly derived from RRP on the project. The chapter should not normally exceed three (3) pages in length. This chapter has four sections (reference to the AP):

- (a) Context and Rationale
- (b) Objectives and Scope at Appraisal
- (c) Formulation and Financing Arrangements at Appraisal
- (d) Evaluation Purpose and Process

1. Context and Rationale

2.5. This section briefly describes the need for the project, the opportunity and potential for development, and the higher-level goals at the time of appraisal (e.g., improved infrastructure, increased family incomes, and reduced balance of payments deficit). The expected role and priority of the project in the context of the country's development program, current country context related to SDG, Country Outlook and IsDB Group's strategies at the time is also indicated. This section should not exceed more than two (2) paragraphs.

2. Objectives and Scope at Appraisal

2.6. This section specifies the main purpose of the project and its importance to the sector as a whole. In addition, it summarizes the logical framework in the text by starting with the major sector goals, outcomes/purposes, and then outputs of the project (e.g., increase in food production,

expansion in fertilizer distribution networks, promotion of effective health delivery systems, and improved cost recovery), principal inputs (e.g., physical, financial, and institutional inputs), and critical assumptions and risks at appraisal. Other investments or actions complementary to the project envisaged at appraisal are stated. This section should not exceed more than two (2) paragraphs.

3. Formulation and Financing Arrangements at Appraisal

2.7. This section describes how the project was formulated and why a particular modality was chosen. It discusses the extent to which the feasibility study constituted an adequate basis for project appraisal. Where project preparatory Technical Assistance (TA) was provided, its contribution to the formulation process should be assessed. Coordination with development partners during the formulation process should also be assessed. This section includes also the details of estimated cost of the project, financier's share, and related financing plan envisaged at appraisal. It should be prepared in one paragraph and the financing plan of the project envisaged at appraisal should be preferably presented in the table including the sources of financing, local cost, foreign cost and total cost.

4. Evaluation Purpose and Process

2.8. This section provides a clear description of the evaluation's approach, design, evaluation methodology took into account the time, budget, and other practical, a clear description of the evaluation's data collection methods (summarized in the text with the full description presented in an annex). It states the period over which the evaluation was conducted and all sources of information properly and listed in an annex. Finally, it contains a section describing the limitations associated with the evaluation methodology (e.g. selection bias, recall bias, unobservable differences between comparator groups, small samples, only went to villages near the road, Executive Agency insisted on picking who the team met with, etc.).

D. CHAPTER 2 – CRITERIA BASED ASSESSMENT

2.9. This chapter focuses on the evaluative aspects of the project based on the four core criteria, namely relevance, effectiveness, efficiency, and sustainability. It discusses the rating for each core evaluation criteria and how it is calculated based on different core criteria and sub-criteria which lead to the aggregation of the overall project performance rating.

2.10. In writing this chapter, evaluators should ensure that the discussion follows a clear and logical path that justifies the conclusions reached, particularly the overall rating. Readers should be able to readily understand how the rating has been derived. The PPER also provides separate assessments of Stakeholders performance elsewhere, but these are not aggregated into the overall assessment.

2.11. The chapter should not normally exceed six (6) pages in length. It includes the following five sections:

- (a) Relevance
- (b) Effectiveness
- (c) Efficiency
- (d) Sustainability
- (e) Rating for Core Evaluation Criteria

1. Relevance

2.12. The assessment of relevance covers both the relevance of project objectives and design to achieve those objectives. The assessment of relevance includes the following criteria:

1.1. Consistency with Country Development Strategy and IsDB Group Strategy

2.13. This section provides an assessment of the consistency of project objectives with country's overall development strategy, beneficiaries' needs, SDGs, IsDB Group's Member Country Partnership Strategy (MCPS) and IsDB' overall vision, policies and strategies (add reference to relevant IsDB sector policy, P5P, 10Ys, etc. and also STI and capacity development (now a cross cutting goal)). If the project is funded by a source other than IsDB Ordinary capitals such as (Fael Khair, Trust fund, ISFD, LLF), consistency with objectives of the fund should also be discussed under this section.

2.14. This section mainly tackles the following issues:

- To what extent are the objectives in line with the country's development priorities and strategies?
- To what extent are the objectives consistent with the end-beneficiaries' needs and expectations?
- To what extent are the objectives in harmony with the IsDB's strategy (vision; sector and thematic policies such as Youth development, Women empowerment, STI, Regional integration, Climate; P5P; 10Ys, etc.)
- Has the project contributed to IsDB corporate cross-cutting goals: (capacity development/reverse linkages; promotion of the Islamic Finance Industry; intra-OIC trade and economic integration)?
- To what extent were the objectives consonant with the mission and policy of the special purpose fund contributing to the project if any?
- To what extent were the objectives in harmony with SDGs?
- Was the project design and objectives relevant to MC Environmental and Social Surveys and Strategies (If not applicable leave blank)?

1.2. Relevance of Project Objectives

2.15. This section provides an assessment of relevance of project objectives and coherence between outputs and outcomes (including the modified ones). It mainly assesses the internal logic of the results chain of the operation and the validity of underlying assumptions.

2.16. This section mainly tackles the following issues:

- Are the project's objectives clearly stated and focused on outcomes as opposed to outputs?
- Are the activities and outputs of the project consistent with the intended outcomes? Are the causal relationships between outputs and outcomes in the results chain clear and consistent?
- Was the target end-beneficiary group properly selected?
- How realistic are the objectives and intended outcomes given the country's current circumstances?
- Did the project's objectives include formal commitment to environmental and social safeguards (ESS)? If so, was environmental and social impact assessment (ESIA) performed as part of the feasibility study (If not applicable leave blank)? If so, was the outcomes of ESIA integrated in the project's design? If so, was the E&S management and monitoring plan (ESMMP) developed?
- How valuable were the results of intervention to E&S related aspects?

1.3. Relevance of Project Design

2.17. This section presents an assessment of the relevance of the project design at entry which includes technical, financial, and development related design. It looks at the logic (causal links) and coherence. It also provides an assessment of the relevance of the technical options and solutions adapted to the beneficiaries' needs. If applicable, relevance of the design at closing (including the modifications) is also assessed.

2.18. This section tackles the following issues:

- To what extent did the project design adopt the appropriate solutions to the identified problems? (It is an assessment of the internal logic of the operation -the results chain- and the validity of underlying assumptions)
- Were the outcomes of E&S safeguards action plans specified in Project design (If not applicable leave blank)?
- Did the member country have the required environmental and social (E&S) survey data? If so, was project design aligned with E&S data (If not applicable leave blank)?
- To what extent was the design of the project fit for its purpose?
- Were the ToC and Logframe well designed?
 - *Did they include relevant objectives and well formulated?*
 - *Did they include relevant performance indicators and targets?*
 - *Did the Logframe include the baseline data?*
- Were the project's financing arrangements appropriate to meet project objectives and country needs?
- Is the design still relevant to the circumstances prevailing at the time of the evaluation?
- Were the modifications to the project design (if any) during implementation appropriate and timely for the beneficiaries needs?

2.19. Also, under this section, the PPER may cross-reference and confirm the findings of the PCR in respect of changes in project design and scope or, if it disagrees with these, describe the findings of the evaluation mission.

1.4. Assessment of Relevance:

2.20. Please present your summary of the arguments in (1) one paragraph to rate the relevance of the project.

2.21. The overall relevance rating, which is presented in the report as the last sentence in this chapter, could be Highly Relevant, Relevant, Partly Relevant, or Irrelevant (see **Annex-1: Guide for Performance Rating** for the full guide to performance rating).

2. Effectiveness

2.22. The assessment of effectiveness covers the capacity of the project to produce an effect and to assess the level of success. This includes a thorough review of the project theory of change, the Logical Framework at design and at completion and the achievement in terms of outputs and outcomes. The sub criteria checklist for effectiveness includes the following:

2.1. Project Outputs and Outcomes

2.23. This section provides an assessment of the achievement of project outputs and outcomes compared to planned targets. The discussion starts by Outputs first then Outcomes to demonstrate the logic that the progress of outputs is leading to outcomes and how the actual outputs and

outcomes were achieved at the time of project completion against the targets listed in the design and monitoring framework.

2.24. During this assessment, the evaluator should look at the achievement of project outputs and outcomes per component as defined in the design and monitoring framework. In writing this section, evaluators should aim for a concise narrative describing what went right, what went wrong, and the challenges in each component. An assessment of the major factors responsible for any shortfall in achievement or exceeded expectations should follow. Also, major factors responsible for any nonachievement of outcome are discussed.

2.25. **Project Outputs** This section mainly tackles the following issues:

- Were the project inputs fully utilized to generate the outputs?
- Did the project realize its planned activities (including the modified ones)?
- Did project activities lead to the desired outputs (as intended in the results chain – and whether the assumptions materialized)?

Project Outcomes

This section mainly tackles the following issues:

- To what extent were the anticipated outcomes achieved (make cross reference with the ToC and logical framework)?
- Are there any unanticipated outcomes (reasons for any positive or negative unanticipated outcomes)?
- What were the major factors influencing the achievement or non-achievement of the outcomes?
- To what extent did outputs leading to the achievement of intended outcomes (as planned in the results chain) under current circumstances?

2.2. Net Effect of the Project

2.26. This section deals with the net effect of the project (as compared with existing or constructed counterfactual) and other project externalities (unintended consequences – positive, negative, or specific problem solved/created). It also analyzes the project design, logic, the effectiveness of any measure taken to mitigate risks and other factors than the project which have contributed and/or hindered the effectiveness of the project.

2.27. Subsequent changes are assessed under this section. If a change in scope was made during implementation, the reasons for the change are discussed, the effect on outcome described, and the evaluation made against the new outcome. Overall, this section attempts the following issues:

- To what extent did the Project achieve its Impact Goal(s)/Overall Objective compared to expectations?
- Is the achievement of Project Impact Goal(s)/ Overall Objective a direct result of the project's outcomes (counterfactual analysis)? (Analyze factors other than the project which have contributed and/or hindered the effectiveness of the project)
- Are the Theory of Change and Logical framework well designed to address the context needs?
- Are the environmental safeguard measures and mitigation of risks taken during appraisal and implementation effective with regards to the project context?

2.3. Assessment of Effectiveness:

2.28. Please present your summary of the arguments in (1) one paragraph to rate the effectiveness of the project.

2.29. The overall effectiveness rating, which is presented as the last sentence in this section,

could be Highly Effective, Effective, Less Effective, or Ineffective (see **Annex-1: Guide for Performance Rating** for the full guide to performance rating).

3. Efficiency

2.30. The assessment of efficiency evaluates the extent to which the project has converted its resources (funds, expertise, time, etc.) economically into results. Whether the project implemented in the most efficient way compared to alternatives and if outputs achieved on time and with quality. Thus, the assessment of efficiency includes the following sections: (i) Cost Benefit Analysis, (ii) Cost Effectiveness Analysis and (iii) Analysis of cost and schedule.

3.1. Economic and Financial Analysis

2.31. This section provides an assessment whether the benefits of the project (achieved or expected to be achieved) exceed project cost. It re-estimates (if data available) Financial and/or Economic rates of return (FIRR; EIRR), (did they exceed the planned or sector threshold?). EIRR/FIRR should be estimated whenever feasible, where estimating an FIRR/EIRR is not feasible, a least-cost analysis should be carried out, with approach summarized in this subsequent section.

2.32. The main assumptions for re-estimation of the project's Economic Internal Rate of Return (EIRR) at post-valuation and an example of its re-estimation are shown in **Annex-3A: Main Assumptions for Re-Estimation of Project's Economic Internal Rate of Return (EIRR) at Post-Evaluation** and **Annex-3B: Re-estimation of Project's Economic Internal Rate of Return (EIRR) at Post-Evaluation** respectively. Also, the main assumptions for re-estimation of the project's Financial Internal Rate of Return (FIRR) at post-valuation and an example of its re-estimation are shown in **Annex-4A: Main Assumptions for Re-Estimation of Project's Financial Internal Rate of Return (FIRR) at Post-Evaluation** and **Annex-4B: Re-estimation of Project's Financial Internal Rate of Return (FIRR) at Post-Evaluation**, respectively.

2.33. The FIRR/EIRR estimates should reflect actual quantifiable benefits and costs realized up to the time of evaluation and assessments as to the most likely pattern of a project's sustainable performance. A critical element in estimating the FIRR/EIRR is a review of the without project assumptions used since appraisal. Experience suggests that sensitivity tests on the rates of return based on possible changes in key assumptions should be carried out since appraisal but also at evaluation as part of the good practices.

2.34. The adoption or rejection of recommendations for improved performance made later in the PPER might also form the basis for sensitivity testing. If the re-estimated FIRR/EIRR is lower than the appraisal estimates but still above the opportunity cost of capital, it is considered acceptable in terms of project efficiency. Where the assumptions made at appraisal or the methodology used are found to be inappropriate, this would be reflected in the assessment of the Bank's performance.

3.2. Cost Effectiveness (Optional)

2.35. This section provides an assessment whether the benefits of the project were achieved at least-cost. The least-cost or cost-effectiveness analysis carried out at appraisal is reexamined and, if practical, a new estimate is made. Cost per beneficiary is important in sectors such as education, health, and rural development, where suitable approaches for calculating FIRR/EIRR may not necessarily exist.

2.36. This section mainly tackles the following aspect:

- Were the Outputs realized with a least cost (in comparison with similar projects and/or programs funded by the Government/other donors in the recipient country)?
- Was the project implemented in the most efficient way compared to alternatives?
- What is the impact/induced effects per additional investment in outputs and the cost per beneficiary? (Efficiency and Value for Money).

3.3. Analysis of Cost and Schedule

2.37. This section provides an assessment of actual cost and disbursement. It also examines the schedule of implementation, delays in project disbursements since start-up, the reasons for delays, and its effect on project implementation.

i. Assessment of Actual Cost and Time

2.38. The project cost is reported as at the time of appraisal, at evaluation, and at the time of PCR preparation. PCR findings (if available) are validated and, wherever possible, cross-referenced, and summary tables presented. The PPER indicates concurrence with PCR findings unless the evaluation mission found otherwise. In the latter case, the PPER describes its findings and discusses the effects of the evaluation mission's findings on the overall conclusions reached in the PCR. The summary of actual itemized project cost compared to appraisal estimates should be preferably presented in a table.

2.39. The second analysis is undertaken when actual costs differ substantially from the estimates in the appraisal report. The reasons for cost over-runs or under-runs such as design and quantity changes, price increases, and currency exchange fluctuations, if not analyzed in the PCR, are examined. The effect of cost over-runs or under-runs on the project's cash flow streams and its financial, economic and social performance. Based on actual disbursements, the actual financing plan of the project compared to appraised estimates should be provided in a table for better clarity.

2.40. Significant delays in project disbursements since start-up, the reasons for delays, and the effect on project implementation (e.g. effects on project's cash flow streams, financial, economic and social performance) are examined in this section. The Bank's assistance and role or lack of it in ensuring timely disbursements is assessed with facts and details, if not obtained in the PCR. The project implementation schedules should be given through a table as a good practice.

ii. Review of Disbursement

2.41. Under this section, evaluator should focus the discussion on the summary of the actual disbursed funds of the project including the details of planned and actual disbursed funds.

3.4. Assessment of Efficiency:

2.42. Please present your summary of the arguments in (1) one paragraph to rate the efficiency of the project.

2.43. The overall efficiency rating, which is presented as the last sentence in this section, could be Highly Efficient, Efficient, Less Efficient, or Inefficient (see **Annex-1: Guide for Performance Rating** for the full guide to performance rating).

4. Sustainability

2.44. The assessment of sustainability looks at the probability that the human, institutional, financial, and natural resources are sufficient to maintain the outcome achieved over the economic lifetime of the project. The assessment is also based on the risk that changes may occur that are

detrimental to the continued benefits associated with the achievement or expected achievement of the project's objectives. It deals with the impact of any possible adverse changes on the stream of benefits if some or all of these changes were to materialize.

2.45. Project sustainability strategy should be an integral part of operational performance and should be considered since the project design and be reviewed during implementation. This section should not duplicate discussion in other parts of the report, and it should not be focused only on sustainability of outputs alone because sustainability of outputs alone might not be sufficient to ensure sustainability of outcome or sustainability of the entire project. Rather, it should provide a focused assessment of sustainability in many aspects. Important determinants of sustainability might include the following:

4.1. Sustainability of Project Benefits

2.46. This section deals with technical, financial, and economic soundness of the project results (including O&M facilitation, availability of recurrent funding, staff, spare parts, and workshop facilities). This section mainly tackles the following issues:

- To what extent did the benefits of the project continue after IsDB funding ceased? Was there an exit strategy and plan since the design that can support the project relevance after end?
- Has there been an adequate O&M system to run the project facilities (Physical infrastructure)?
- To what extent is the operating body of the project able to leverage the financial resources (budgetary, donations, etc.) to sustain the project operation after its completion?
- Is there sufficient technical expertise and training to operate, maintain and to regularly service all the facilities of the project?
- What were the major factors which influenced the achievement or non-achievement of sustainability of the project?

4.2. Beneficiary Ownership and Commitment

2.47. This section discusses the beneficiary commitment including supportive legal/regulatory framework, socio-political environment, and stakeholder support. This section mainly tackles the following issues:

- Is there sufficient local ownership of the end-beneficiaries of the project's outputs? What is the level of ownership acquired by the stakeholders? And how do they use? How can they evolve and / or continue the benefits resulting from the action after the end of the intervention?
- To what extent are the beneficiaries committed to contribute to the sustainability of the project outcomes on the long-term (including by paying regular fees and by setting-up local organizations to manage the facilities if applicable)?

4.3. Institutional Sustainability

2.48. This section addresses the organizational and management effectiveness to contribute to the long-term sustainability of the project. This section mainly presents the following issues:

- Are there appropriate institutional arrangements to ensure the long-term sustainability of the project?
- Does the authority in charge of the operation of the project have the necessary capacity to adapt to any changes and challenges?
- To what extent are the domestic laws/policies/regulations, and the institutional and national/international context conducive to maintaining the results of the project?

4.4. Social and Environmental Sustainability

2.49. This section deals with the resilience of the project results to exogenous factors such as social, cultural, political and environmental concerns. It also focuses on how the project activities conserve natural resources and protect ecosystems to support health and wellbeing of the effected communities, in short and long terms. If not applicable in the specific project under evaluation, leave the section blank or remove it from the PPER.

2.50. During this assessment, evaluator should refer to the project SIA, associated SMMP, project log-frame (if applicable), evaluation mission findings as well as interviews with project stakeholders and community (see **Annex-1: Guide for Performance Rating** for the detail about the **tools to use to assess S&E sustainability** aspect during evaluation exercise). Determinants related to this section are the followings:

4.4.1. Mitigating environmental impacts

2.51. This sub-section deals with the specific factors related to air pollution, GHG emissions, natural resource exploitation, biodiversity risk, wastes generation/recycling, chemicals use and disposal, etc. Mainly:

- Was there an Environmental Management and Monitoring Plan (EMMP) prepared as a result of EIA outcome, and integrated into project roles and responsibilities processes (e.g., RACI)?
- Was the evaluability of environmental impacts established in the project design? If so, was such evaluability integrated in EMMP?
- Was monitoring and inspection procedures applied? If so, what and how effective were the measures taken to mitigate environmental risks and negative impacts?
- What is the avoidance, minimization, rehabilitation and/or compensation measures taken to mitigate potential environmental risks during implementation and following the project's completion?
- What actual or expectable positive and negative effects has occurred, and the extent of change occurred on the ambient environment and host community health/wellbeing?

4.4.2. Mitigating social impacts

2.52. This sub-section deals with the specific factors related to equity, gender equality, human rights, health and wellbeing, etc. Mainly:

- What unintended social results/impacts (positive and negative) did the intervention produce? How did they occur?
- What social remediation measure were taken to mitigate and remediate potential sever post impacts on community welfare?
- Did the intervention produce the intended results/impacts in the short and medium term? If so, for what beneficiaries, community and natural environment; to what extent; and in what circumstances?
- To what extent and in what circumstances would the positive social results/impacts likely to be sustained in the long-term?

4.4.3. Environmental safeguard measures and Mitigation of risks

2.53. This sub-section assesses the effectiveness of environmental safeguard measures and mitigation of risks taken during appraisal and implementation with regards to the risks (especially climate risks) associated with the project implementation context and challenges. The evaluation should assess if the project contributes to mitigating climate risk or develop resilience to climate risk. It deals with the following issues:

- Were the Environmental safeguard measures and Mitigation of risks plan developed and well designed?
- Did the plan include relevant measures to address any environmental concerns and mitigate climate risks?
- To what extent the project contributes to mitigating climate risk or develop resilience to climate risk?

4.4.4. Environmental sustainability

2.54. This section emphasizes on the effort of the project to maintain the health and wellbeing of the effected communities, in short and long terms. It addresses the following aspects:

- Were there effective environmental management and monitoring system and safeguards measures to ensure the long-term environmental sustainability of the project?
- Does the authority in charge of the project operation has the necessary experience, expertise and training to protect the ecological environment and adapt to any changes to the ambient environment?
- Did the project design and results ensure: efficient use of water and energy? minimal emission of pollution and GHG? rationalized use of natural resources? safe management (use/disposal) of chemicals and wastes
- Were the results of the project correlated with the global and national environmental sustainability targets and indicators? If so, are there significant gaps, and what steps in place to tackle it?

4.4.5. Social Sustainability

2.55. This sub-section mainly assesses the following issues:

- Are there any other social/cultural/political challenges that are hindering/are likely to hinder the project social sustainability? if so, are there necessary steps in place to tackle it?
- Is there any concern for a lack of consideration for the socially disadvantaged groups, such as women, youth and the poor, that is hindering/or is likely to hinder the sustainability of the project? if so, are there necessary steps in place to tackle it?
- Are there any particular social concerns that would jeopardize the overall sustainability of the project, and if so, are there necessary steps in place to tackle it?

4.5. Assessment of Sustainability

2.56. Please present your summary of the arguments in (1) one paragraph to rate the efficiency of the project.

2.57. The overall sustainability rating, which is presented as the last sentence in this section, could be Most Likely to be Sustainable, Likely to be Sustainable, Less Likely to be Sustainable, or Unlikely to be Sustainable (see **annex 1** for the full guide to performance rating).

▪

5. Overall Assessment

2.58. The overall project performance rating is based on separate assessments of the four core evaluation criteria (relevance, effectiveness, efficiency, and sustainability) which are then aggregated to produce the overall rating. It is based on the simple average of the scores of the four core criteria. Each core criterion is assigned a whole-number rating or scale point between 0 and 1. A clearly defined descriptor corresponding to each scale point is then assigned. An average of the

values for the core criteria ratings is the overall project assessment rating and ranges between 0 and 1 and expressed in percentage (%).

2.59. To assist with the process of rating each core criterion and to improve transparency and rigor, sub criteria are assigned to each criterion. Each sub criterion is given a scale value (between 0 & 1) from which the rating value for the criterion is estimated. Evaluators have to decide based on his own assessment/judgment to give value (between 0 and 1) to each sub criterion, because the contribution of each sub criterion determines the overall rating of the criterion expressed in percentage (%).

2.60. The overall rating, which is presented in the report as the last sentence in this chapter, could be highly successful, successful, partly successful, or unsuccessful (see **Annex-1: Guide for Performance Rating** for the full guide to performance rating).

6. Assessment of other Crosscutting themes

2.61. This section is attempted only IF APPLICABLE to provide an assessment on other cross cutting criteria such as: gender and youth integration, capacity building, technology and innovation, Youth, synergy with other ISDB interventions in the country and coordination between stakeholders, knowledge generation/retention. The following criteria are indicated for illustrative purpose only. Other criteria can be added if deemed necessary.

6.1. Gender and Youth Integration

2.62. This section mainly tackles the following issues:

- Have the stakeholders, especially women's and youth groups, really participated in the identification of their problems and their resolution, in the planning of activities, and in their follow-up?
- What is the number of women, youth and men beneficiaries of the project? Please indicate the number of project beneficiaries disaggregated by sex and socio-professional categories.

6.2. Capacity Building

2.63. This section mainly tackles the following issues:

- Have the stakeholders, especially women's and youth groups, really engaged in the identification of their capacity development needs, in the planning and implementation of capacity building activities?
- Did the capacity development response formulated by the project meet to the needs of stakeholders?
- What is the number of beneficiaries/stakeholders benefited from the project capacity building activities? Please indicate the number of project beneficiaries benefited from capacity building disaggregated by sex and socio-professional categories
- What were the challenges, success and benefits/impact of capacity building activities on stakeholders?
- Did stakeholders apply the skill and knowledge learned from the project capacity building efforts.

6.3. Technology and Innovation: ICT and Digitalization

2.64. This section mainly tackles the following issues:

- How innovative was the project in terms of design and implementation?
- What is new about the project in terms of design, implementation strategy, intervention

monitoring, etc.? How is this new?

- What is new about the project in terms of new technology (ICT & Digitalization and others) and how the project used this technology (ICT & Digitalization and others) to make the implementation more innovative?

6.4. Synergy and Coordination between stakeholders

2.65. This section mainly tackles the following issues:

- To what extent has the project coordinated with other implementing actors (National Microfinance Directorate, MFIs, etc.), the government, other microfinance programs, and other IsDB interventions?
- To what extent are the benefits of the project additional to those that would have resulted from interventions by the government and other actors such as IsDB?

6.5. knowledge generation/retention

2.66. This section mainly tackles the following issues:

- To what extent has the project generated knowledge for the benefit of stakeholders?
- To what extent the project created, acquired, used and managed knowledge (knowledge created by the project itself and outside the project)
- To what extent the knowledge created benefited the stakeholders?
- To what extent the knowledge contributed to the learning of the stakeholders (EA, PMU, IsDB etc...)?
- What are the strategies put in place to maintain and retain the knowledge created and how it will affect the Bank and EA future programing?

E. CHAPTER 3 – PERFORMANCE OF STAKEHOLDERS

2.67. In this section, the performance of the Bank and the beneficiary of IsDB financing (comprising government and executing/implementing agencies) are assessed. The maximum length of this chapter is three (3) pages.

1. Bank Performance

2.68. This section focuses on the assessment of the Bank performance in terms of the quality of services provided by IsDB during all project phases. It also covers the assessment of IsDB's performance in ensuring project quality at entry, implementation, future operation, and follow-up policy. The assessment of the Bank performance during project supervision is based on the extent to which IsDB proactively identified and resolved problems at different stages of the project cycle. It also includes whether effective arrangements were made for satisfactory implementation and future operation of the project. The assessment of the Bank performance includes the following criteria:

1.1. Quality of Project Preparation

2.69. This section discusses the quality of Bank's input to the design and readiness for project implementation (including consideration of alternative responses, participation of stakeholders, and institutional arrangements). This section mainly tackles the following issues:

- Readiness assessment of the capacity of the executing and operating agencies
- Consultation with stakeholders, beneficiaries, and co-financiers
- Quality of project formulation (background, rationale, objectives, and results chains) in Project Concept Document (PCD), Project Appraisal Document (PAD), and Report and

Recommendations of the President (RRP)

- Assessment of EIRR/FIRR and consideration of alternatives responses and solutions
- Use of previous lessons learned and analysis of their related implications
- Adequacy of risk analysis and adoption or inclusion of mitigation measures and their related financing
- Quality of the project environmental and social impact assessment (ESIA) climate change risk assessment (CCRA), and accuracy of associated safeguard and mitigation action and monitoring plans (if Applicable)
- Clear definition of functions and assignment of responsibilities for the Bank in overseeing project E&S safeguard and CC resilience (if Applicable)

1.2. Use of M&E base on RBM (assessment of project M&E)

2.70. This section deals with the Result Based Management especially if all the project actions and use of resources were oriented towards achieving clearly defined and demonstrable results. This section mainly tackles the following issues:

- Contribution of the bank to mainstreaming RBM in the projects (use of Theory of Change, log-frame, baseline data, M&E plan, and tracking of M&E indicators)
- The Support of the Bank to the design of RBM (adequacy of design and use of M&E, design of the results framework especially the log-frame / results chain / theory of change)
- The extent to which the Bank used adequate monitoring of the implementation of the project
- The extent to which RBM is used to supervising the project (zoom on RBM during preparation and implementation):
 - *Quality of staff assigned (qualifications and experience of project officers)*
 - *Quality of support to EA during project start-up (launching events, familiarization visits, guidance on recruitment, and procurement and disbursement issues)*
 - *Adherence to IsDB supervision policy (problem-solving, responsiveness to changing conditions, and no. of PIASRs produced)*
 - *Quality of Bank's responsiveness to the clients and adequacy of follow-up to recommendations and decisions*
- The Preparation and the quality of PCR

1.3. Overall Assessment of the Bank

2.71. Please present your summary of the arguments in (1) one paragraph to rate the performance of the Bank [**Highly Satisfactory (Average score is $\geq 85\%$)**, **Satisfactory (Average score is $\geq 60\%$ and $< 85\%$)**, **Partially Satisfactory (Average score is $\geq 30\%$ and $< 60\%$)** , **Unsatisfactory (Average score is $< 30\%$)**]

2. Performance of the Beneficiary of IsDB Financing

2.72. The assessment of the performance of the beneficiary of IsDB financing covers the adequacy of the beneficiary's assumption of ownership and responsibilities during all project phases. The main focus of beneficiary performance is on effective measures taken by the beneficiary in ensuring quality preparation and implementation, compliance with covenants and agreements, establishing the basis for project sustainability, and fostering participation by the project's stakeholders. The assessment covers the performance of the government and executing/implementing agencies. The assessment of the performance of the beneficiary includes the following criteria:

2.1. Readiness and Quality of Preparation

2.73. This section focuses on government commitment, macro-economic policies, sector policies, institutional arrangements, beneficiary ownership, consultation, and end beneficiaries' participation. This section mainly tackles the following issues:

- Readiness of EA (government commitment, macro-economic policies, sector policies, and institutional arrangements including provision of counterpart funding, feasibility studies, and detailed engineering studies)
- Quality of preparation (ownership, consultation, and participation of end beneficiaries)
- Leverage of co-financing arrangements
- Time taken for project effectiveness (less than 6 months)
- Quality of the pre-project environmental and social impact assessment (ESIA) study and climate change risk assessment (CCRA) study and produce associated safeguard and mitigation action and monitoring plans.
- Clear definition of functions and assignment of responsibilities for the beneficiary for compliance with project E&S safeguard and CC resilience measures.

2.2. Quality of Implementation Arrangements

2.74. This section covers the role and functions of key staff, performance of EA and PMU, use of TAs, and adherence to costs and time. This section mainly tackles the following issues:

- Adherence to costs and time
- Adherence and performance of procurement process and procedures (giving details of the procurement issues to the extent available)
- Capacity of PIU/PMU and key staff assigned to the implementation
- Capacity to mobilize counterpart funding, key stakeholders, and other TAs

2.3. Compliance with Covenants and Safeguards

2.75. This section deals with the compliance of project covenants, and environmental and fiduciary safeguard policies. This section mainly tackles the following issues:

- Compliance with financing covenants
- Compliance with reporting requirements
- Compliance with environmental and social safeguard policies

2.76. Under this section, the discussion on covenants should focus on those for which the PCR had identified non-compliance or for which the evaluation mission disagrees with the PCR. Progress in implementing the PCR's recommendations for compliance should be assessed. Reference should be made to the full list of covenants that is normally included in the PCR.

2.4. Responsiveness to Bank Supervision

2.77. This section covers the responsiveness of Bank supervision findings and recommendations for mid-course adjustments. This section mainly tackles the following issues:

- Undertaking of annual planning and reviews of the project
- Adequacy of the design, use of monitoring indicators for decision-making, and reporting on achievements
- Capacity to address supervision follow-up actions and recommendations for mid-course adjustments

2.5. Effectiveness of Measures for Project Sustainability

2.78. This section deals with the effectiveness of measures taken to ensure project sustainability

and satisfactory operations. This section mainly tackles the following issues:

- Extent to which the risk mitigation measures were implemented
- Measures taken by the beneficiary to establish the basis for project sustainability, particularly by fostering participation of the project's stakeholders
- Transfer of skills to the operating body
- Proper handing-over
- Quality of archiving system

2.6. Overall Assessment of the Executing Agency

2.79. Summarize the above section and give an overall assessment of the performance of the Executing Agency / Beneficiary in one (1) para and rate the performance of the EA [**Highly Satisfactory** (Average score is $\geq 85\%$), **Satisfactory** (Average score is $\geq 60\%$ and $< 85\%$), **Partially Satisfactory** (Average score is $\geq 30\%$ and $< 60\%$), **Unsatisfactory** (Average score is $< 30\%$)]

3. Performance of other Stakeholders

3.1. Assessment of consultant

2.80. Perform an overall assessment of the performance of the Consultant(s) as applicable.

3.2. Assessment of contractor

2.81. Perform an overall assessment of the performance of the Contractor(s) as applicable.

3.3. Assessment of other stakeholders – if applicable

2.82. Perform an overall assessment of the performance of any other stakeholder(s) as applicable.

F. CHAPTER 4 – ISSUES, LESSONS, FOLLOWUP ACTIONS AND RECOMMENDATIONS

2.83. This chapter briefly identifies the main issues and learnings from the evaluation. It focuses on general issues, positive and negative, arising from the project evaluated. This chapter also identifies lessons of experience derived from the implementation of the project. These lessons are related to the IsDB Group-wide issues with particular relevance to the sector or the project evaluated. It also seeks to identify areas and issues which warrant further examination and appropriate follow-up actions by the Bank, government and/or executing agency. The length of the chapter should not exceed three (3) pages. This chapter includes the following sections:

1. Issues

2.84. This section provides the main issues, positive and negative, drawn from the project evaluated which is relevant for future operations of the Bank (quoting reference to the text). Issues should be looking forward and focus equally on outstanding issues that need to be resolved and which might affect the operationalization of the project and the sustainability of its benefits. The analysis should not be restricted to the factors that affected the implementation performance of the project as outlined in the guidelines (the summary of issues affecting implementation is still needed because it gives a comprehensive view to Operations staff).

2.85. This section should strike balance on issues that the project faced before and during implementation, and issues that affect the performance of the operation and sustainability of the project. This section should inform Follow up Actions and recommendations and the evaluator may particularly mention any issue pertaining to:

- Changes in project scope/scale/design
- Deficiency in estimating physical inputs, the base unit costs
- Inadequacy of price contingencies
- Changes in exchange rates, in financial and institutional arrangements
- Unrealistic implementation schedule
- Quality of management including financial management
- Delays in selecting staff/consultants/contractors and in receiving counterpart funds
- Inefficient procurement and disbursements, etc....

2. Lessons Learned

2.86. This section provides the main lessons, positive and negative, drawn from the project evaluated which is relevant for future operations of the Bank (quoting reference to the text). A lesson learned is an observation from a project or country program's experience, which can be translated into relevant, beneficial knowledge by establishing clear causal factors and effects.

2.87. It focuses on a specific design, activity, process or practice that may provide either positive or negative insights on operational effectiveness and efficiency, impact on the achievement of outcomes, or sustainability. According to IEvD Guidance Note, key elements of the lessons learned are the followings:

- A lesson learned can refer to a positive experience, in the case of successful results; or to a negative experience, in the case of malfunctioning processes, weaknesses, or undesirable effects.
- A lesson learned should specify the context from which it is derived, establish potential relevance beyond that context, and indicate where it could be applied and by whom.
- A lesson learned explains how or why something did or did not work by establishing clear causal factors and effects. Whether the lesson signals a practice or process to be replicated or avoided – the overall aim is to capture lessons that Management can use in future contexts to improve projects and programs.

2.88. Each of the following criteria should be considered, included, and adequately explained, to ensure that lessons learned are complete and useful. Specific instructions are provided for staff conducting evaluations for the IsDB and templates provided for this purpose must be filled in as a part of the evaluation submission (See **Annex-2: IEvD Guideline on Lesson Learned and Recommendations** for IEvD Guideline on LLR). In the PPER, a maximum of four (4) lessons should be provided in this section and cross references should be added to refer the reader to relevant sections in previous chapters.

3. Follow-up Actions and Recommendations

2.89. This section summarizes mainly project-specific follow-up actions and recommendations which require further action by the Bank, executing agency, and government. The recommendation is based on a prospective action that can improve a project, program, strategy or policy relevance, effectiveness, efficiency and effectiveness by applying sound corrective measures. Whilst lessons learned are largely retrospective, recommendations are more forward looking often to address potential risks to development effectiveness and sustainability. Recommendations should be derived from findings, lessons, or conclusions.

2.90. Follow up actions are specific actions that need to be taken to correct a mistake, an activity

that was planned but not undertaken or additional actions to address an issue that is hindering reaping the full benefits of a completed project and ensure the project sustainability. Generally, follow up actions are meant to address an issue specific to the project and identified by the evaluation. It should be made clear that not all evaluations would require a follow up action.

2.91. According to IEvD Guidance Note, follow-up actions and recommendations should:

- relate to a lesson, finding or a conclusion from which they are derived and indicate where they should be implemented and by whom.
- propose actions to correct deficiencies, avoid mistakes, duplicate, or scale-up in the future in the light of the experience gained from the intervention.
- propose actions that management can specifically address context constraints to improve projects, programs, strategies, or policies.
- establish how the proposed follow up actions will improve the relevance, design, practice, or process to achieve better results in meeting the need of the beneficiaries or targeted users.

2.92. A maximum of four (4) follow-up actions and four (4) recommendations should be provided for each of the following stakeholders (if any) and cross references should be added to refer the reader to relevant sections in previous chapters.

FOR ISDB:

(a) Follow-up Action:

(b) Overall Recommendation:

FOR EA:

(a) Follow-up:

(b) Overall Recommendation:

FOR GOVERNMENT:

(a) Follow-up:

(b) Overall Recommendation:

ANNEXES

ANNEX-1: GUIDE FOR PERFORMANCE RATING

CRITERIA PERFORMANCE

Table-1: Guide for Performance Rating

Average Score	≥ 0.85 & =1	< 0.85 & ≥ 0.60	< 0.60 & ≥ 0.30	< 0 & > 0.30
Relevance	Highly Relevant	Relevant	Partly Relevant	Irrelevant
Relevance of Development Objective	The project Purpose remained fully aligned with the Bank's and Country's development strategies	The project purpose was largely aligned with the Bank's and Country's development strategies	The project purpose was not aligned with one of the following: (i) Bank's strategy (ii) Country's development strategies	The project purpose was not aligned with any one of the following: (i) Bank's strategy (ii) Country's development strategies
Coherence between outputs and outcomes	The outputs contributed directly to the achievement of outcomes	The outputs largely contributed to the achievement of outcomes	The outputs contributed partly to the achievement of outcomes	The outputs did not contribute directly to the achievement of outcomes
Relevance of Project Design	From approval to closure, the design was highly conducive to achieving the project results	From approval to closure, the design was consistently conducive to achieving the project results	From approval to closure, the design was largely conducive to achieving the project results	From approval to closure, the design was not conducive to achieving the project results
Effectiveness	Highly Effective	Effective	Less Effective	Ineffective
Outputs	≥ 0.90 or more of the target is being met	$0.60 \leq$ outputs < 0.90 of the target is being met	$0.35 \leq$ outputs < 0.60 or more of the target is being met	Less than 0.35 of the target outputs is being met
Outcomes	≥ 0.90 or more of the target is being met	$0.60 \leq$ outcomes < 0.90 or more of the target is being met	$0.35 \leq$ outcomes < 0.60 or more of the target is being met	Less than 0.35 of the target outcomes is being met
Net effect of the project (as compared with counterfactual) and project externalities	The project outputs contributed more than expected to the project objectives (including positive externalities)	The project outputs directly contributed to the project objectives as planned	The project outputs partly contributed to the project objectives as planned	The project outputs did not contribute to the project objectives as planned (including negative externalities)
Efficiency	Highly Efficient	Efficient	Less Efficient	Inefficient
Time	<6 months delay	6-12 months delay	12-18 months delay	>18 months delay
Cost	Less than 10% variation	Less than 40% variation	Less than 65% variation	More than 65% variation
Compliance with Conditions/ Covenants of Financing	Less than 10% variation	Less than 40% variation	Less than 65% variation	More than 65% variation
Cost-Benefit Analysis	Less than 10% variation	Less than 40% variation	Less than 65% variation	More than 65% variation

**GUIDELINES FOR PREPARING PROJECT PERFORMANCE EVALUATION REPORT
PUBLIC SECTOR OPERATIONS**

Sustainability	Most Likely	Likely	Less Likely	Unlikely
Technical and Financial Soundness of Project Results	The project has put in place robust mechanisms for technical and financial sustainability to ensure continued flow of benefits	The project has put in place sufficient mechanisms for technical and financial sustainability to ensure continued flow of benefits	The project has put in place some mechanisms for technical and financial sustainability to ensure continued flow of benefits	The project has not put in place any mechanisms for technical and financial sustainability to ensure continued flow of benefits
Beneficiary commitment, including supportive legal/regulatory framework and socio-political/ stakeholder support	The project has been very effective at involving all the relevant stakeholders and there is a strong sense of ownership amongst the beneficiaries	The project has been effective at involving all the relevant stakeholders and promoting a sense of ownership amongst the beneficiaries	The project has involved only a small number of stakeholders and there is limited ownership amongst the beneficiaries	The project has not been effective in involving relevant stakeholders and there is no sense of ownership amongst the beneficiaries
Institutional Sustainability	The project was critical in building institutional capacity in the concerned sector/area of intervention	The project significantly contributed to building institutional capacity in the concerned sector/area of intervention	The project marginally contributed to building institutional capacity in the concerned sector/area of intervention	The project did not contribute to building institutional capacity in the concerned sector/area of intervention
Integration of Cross-Cutting Issues (Resilience, Climate Change, Gender, Youth and Vulnerable Groups)	The project has fully integrated cross-cutting issues and put in place appropriate mitigation measures.	The project has partially integrated cross-cutting issues and put in place appropriate mitigation measures.	The project has integrated cross-cutting issues and put in place minima/limited mitigation measures.	The project has not integrated cross-cutting issues nor put in place the required mitigation measures.
Overall Rating	Highly Successful	Successful	Partly Successful	Unsuccessful

Highly Successful. The overall average rating is greater than 0.85 (85%). This rating is given to projects whose achievements exceed expectations and that have a high probability that the outcome and impact will be achieved sustainably and efficiently over the project's life; that the project remains relevant; and that no significant, unintended, negative effects will occur.

Successful. The overall weighted average falls between 0.6 (60%) and less than 0.85 (85%). Even though the outcome may not have been completely achieved or some negative results may have occurred that prevent a rating of highly successful, no major shortfall has taken place and the expected outcome and impact will, on the whole, be achieved sustainably over the project's life. The project remains relevant, and its implementation and operations are efficient. Any negative effects are small in relation to the gains under the project.

Partly Successful. The overall weighted average falls between 0.3 (30%) and less than 0.6 (60%). Even though the evaluation anticipates a significant shortfall in achieving the design outcome and impact and may consider full sustainability unlikely, it expects that some project components will achieve major benefits, for example, equivalent to at least half the level originally expected.

Unsuccessful. The overall weighted average is less than 0.3 (30%). In this case, the evaluation considers that the project is a technical (minimal achievement of outcome) and/or economic failure. Any facilities are expected to operate at a low level of installed capacity or at high cost, necessitating a large subsidy. Negative effects may be apparent.

BANK PERFORMANCE

This section focuses on the assessment of Bank performance in terms of the quality of services provided by IDB during all project phases. It also covers the assessment of IDB's performance in ensuring quality at entry, satisfactory implementation, future operation, and follow-up policy. The assessment of Bank performance is based on the extent to which IDB proactively identified and resolved problems at different stages of the project cycle, particularly those pertaining to issues such as procurement, disbursements, and compliance with covenants. The assessment of the Bank Performance is performed based on the following sub-criterion and sub-questions. Each sub-question is rated between 0 and 1, and the average of these ratings is the sub-criterion rating. Under the assessment of Bank Performance, several questions are asked in the assessment matrix and specific guidance on scoring of each sub-question could be found in the table below:

Table-2: Guide for Bank Performance Rating

SUB-CRITERION	EVALUATOR'S METHODOLOGICAL APPROACH (Sub-Questions)	GUIDELINE FOR RATING
Quality of Bank's input to the design and readiness for project implementation (consideration of alternative responses, Participation of stakeholders, institutional arrangements)	Readiness Assessment of the capacity of the Executing Agency and the Operating Body	With reference to the correspondences and appraisal documents, if the readiness assessment of the capacity of the Executing Agency has been thoroughly done and detailed down in the RRP, then score 1. Otherwise, score 0.
	Review the project environmental and social impact assessment (ESIA) climate change risk assessment (CCRA), and accuracy of associated safeguard and mitigation action and monitoring plans	Before agreement to financing the project, if all the needed studies for expected positive and negative E&S impact and CC risk, and action plans for mitigating significant adverse impact/risk have been reviewed, then score 1. Otherwise, score 0 if there were no such assessment conducted.
	Consultation with stakeholders, beneficiaries, and co-financiers	During the design phase of the project, if all the relevant stakeholders including beneficiaries have been consulted, then score 1. Otherwise, score 0. If there were no consultations with some of the stakeholders, score anywhere between 0 and 1.

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	clear definition of functions and assignment of responsibilities for the Bank in overseeing project E&S safeguard and CC resilience	If the functions and responsibilities of the Bank for supervising project E&S safeguard and CC resilience implementation are clear, then score 1. Otherwise, score 0.
	Quality of project formulation (Background analysis + Rationale + Objectives / Results Chains) in PCD, PAD, and RRP	In the RRP, if the results chain of the project is clearly presented, score 1. Otherwise, score 0.
	Assessment of FIRR / EIRR and Consideration of alternatives responses and solutions	If the FIRR/EIRR have been calculated at the appraisal level with sensitivity analysis, then score 1. Otherwise, score 0.
Use and quality of log frame, lesson learned, adequate risk analysis and compliance to safeguard policies	Design of the Results-Framework (Log frame / results chain / theory of change, Indicators, Baseline)	If there is a results-based framework (logical framework) within the appraisal documents elaborating on the results chain starting from inputs and ending with the expected impact; with the baseline data and monitoring indicators for each step of the logical framework (i.e. inputs, outputs, outcomes and impact), then score 1. If no logical framework is available, score 0. If there is a logical framework, but lacking some of the ingredients listed above, then score anywhere between 0 and 1.
	Use of previous lessons learned and Analysis of their related implications	If the appraisal documents have used the lessons learned derived from the past evaluations, with detailed analysis of their related implications for the project, then score 1. Otherwise, score 0.
	Adequate risk analysis and adoption / inclusion of mitigation measures and their related financial implications	If RRP includes adequate risk analysis with suggestions of mitigation measures to be adopted and elaboration at the supervision stage about their financial implications if risks have materialized, then score 1. Otherwise, score 0.
	Compliance with Environment and Social safeguards	If the project is compliant with the Environmental and Social Safeguards, score 1. Otherwise, score 0.
Quality of supervision (skills-mix and frequency, problem solving, responsiveness to changing conditions, adequacy of follow up)	Quality of Staff Assigned (Qualification and Experience of the Project Officers)	If the qualifications and experience have been relevant to the requirements of the project, score 1. Otherwise, score 0.
	Quality of Support to the EA During Project Start-up (Launching events, Familiarization Visit, Guidance on	During the start-up phase, if the EA was supported through familiarization visit and guidance on IDB rules and regulations, score 1. Otherwise, score 0.

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to recommendations and decisions raised in PIASR)	Recruitment, Procurement, and Disbursement Issues)	
	Adherence to IDB Supervision Policy (skills-mix and frequency, problem solving, responsiveness to changing conditions, # of PIASR produced)	If PIASRs have been regularly produced during the implementation and problems have been addressed accordingly, score 1. Otherwise, score 0.
	Quality of Bank Responsiveness to the Client and Adequacy of follow up to recommendations and decisions	If Bank Responsiveness has been credibly assessed positively by the client, based on concrete evidence, score 1. Otherwise, score 0. If there are some anecdotal findings that the Bank responsiveness was high, score anywhere between 0 and 1.
Adequacy of the M&E design and use of M&E (monitoring indicators, use of monitoring plan, use of baseline data, PCR production and quality.	Results-Based Management (Use of the Log frame, Baseline and M&E Plan, Tracking of M&E Indicators)	If the logical framework has been utilized during the implementation, via tracking monitoring indicators against the baseline and necessary corrective actions were taken as soon as signalled by the M&E system, score 1. Otherwise score 0. On the other hand, if the logical framework has been utilized as explained above, however, no needed corrective action was taken, then score anywhere between 0 and 1.
	Adequacy of the design and use of M&E (monitoring indicators, monitoring plan, use of baseline data)	If the design of the M&E system was sufficient to serve as an implementable supervision and risk measurement tool, score 1. Otherwise, score 0.
	To what extent will you rate the follow-up system of the Bank	If the Bank has already followed up on the needed actions during the implementation, either implied by the M&E system or found out during the supervisions by the Bank, score 1. Otherwise, score 0.
	Production of the PCR	If the PCR was produced within the timeframe set in the guidelines as per the template, score 1. Otherwise, score 0.

Scores obtained for this are added, normalized to a value from 0% to 100%, to calculate the overall assessment of the Bank Performance score. Accordingly, the overall score can be rated as Highly Satisfactory, Satisfactory, Unsatisfactory, or Highly Unsatisfactory, as shown in the table below:

Table-3: Rating Scale for Bank Performance

Category	Rating Range
1. Highly Satisfactory	Average score is $\geq 85\%$
2. Satisfactory	Average score is $\geq 60\%$ and $< 85\%$

3. Partly Satisfactory	Average score is $\geq 30\%$ and $< 60\%$
4. Unsatisfactory	Average score is $< 30\%$

PERFORMANCE OF THE BENEFICIARY OF THE ISDB FINANCING

The assessment of the performance of the beneficiary of IDB financing covers the adequacy of the beneficiary's assumption of ownership and responsibility during all project phases. The main focus of beneficiary performance is on effective measures taken by the beneficiary in ensuring quality preparation and implementation, compliance with covenants and agreements, establishing the basis for project sustainability, and fostering participation by the project's stakeholders. The assessment covers the performance of the government and executing/implementing agencies. The assessment also covers the technical and managerial competence of the executing agency during implementation and indicates whether any cumbersome and complicated decision-making or approval processes hampered the implementation of the project. The performance of the executing agency to monitor the project, and to report to and consult with the Bank and the capacity to make mid-course adjustments are also assessed. It also determines whether the executing agency established a healthy relationship, through a good rapport and an easy flow of communication, with the consultants, contractors, and suppliers and with the Bank.

The assessment of the Beneficiary of the IDB Financing Performance is performed based on the following sub-criterion and sub-questions. Each sub-question is rated between 0 and 1, and the average of these ratings is the sub-criterion rating. Under the assessment of the Beneficiary performance, several questions are asked in the assessment matrix and specific guidance on scoring of each sub-question could be found in the table below:

Table-4: Guide for Rating of Performance of Beneficiary

SUB-CRITERION	EVALUATOR'S METHODOLOGICAL APPROACH (Sub-Questions)	GUIDELINE FOR RATING
Quality of Preparation (Ownership, end-beneficiaries' participation, government commitment, macro-economic policies, sector policies and institutional arrangements including provision of counterpart funding.	Readiness of the EA (Government commitment, Macro-economic policies, Sector policies and institutional arrangements including provision of counterpart funding, Feasibility Studies, Detailed Engineering Studies)	Referring to the official programming and planning documents of the Government, if the EA is fully ready –i.e. the project has stemmed from the planning and budgeting cycle of the Government, with the provision of counterpart funding, feasibility study and detailed engineering design available- to start-up the project implementation, then score 1. Otherwise, score between 0 and 1,

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	Conduct quality pre-project environmental and social impact assessment (ESIA) study and climate change risk assessment (CCRA) study, and produce associated safeguard and mitigation action and monitoring plans	Before agreement to financing the project, if all the needed studies for expected positive and negative E&S impact and CC risk, and action plans for mitigating significant adverse impact/risk have been presented, then score 1. Otherwise, score 0 if there were no such assessment conducted.
	Quality of Preparation (Ownership, Consultation / Participation of the end-beneficiaries	While preparing the project, if the Government has consulted with the end-beneficiaries and integrated their feedback into the decision-making process, then score 1. Otherwise, score 0.
	clear definition of functions and assignment of responsibilities for the beneficiary for compliance with project E&S safeguard and CC resilience measures	If the functions and responsibilities of the beneficiary for compliance with project E&S safeguard and CC resilience requirement are clear, then score 1. Otherwise, score 0.
	Leverage of co-financings	If the co-financiers were already determined and communicated by the Government ensuring their commitments, then score 1. Otherwise, score 0.
	Time taken for project effectiveness (less than 6 months)	Score 1, if the project was declared effective within 6 months. Otherwise, score 0.
Quality of implementation: Assignment of key staff, performance of EA and PMU, Use of TAs, adherence to costs and time.	Quality of institutional arrangements (PIU / PMU) and of key staff assigned to the implementation	Referring to the field mission findings, if the qualification and experience of the PMU staff is deemed sufficient to address the requirements of the project implementation, score 1. Otherwise, score 0.

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	Capacity to mobilize counterpart funding, key stakeholders, and other of TAs	If the counterpart funding has been mobilized and corresponding roles of key stakeholders have been fulfilled, score 1. Otherwise, score 0.
	Results-Based Management (Use of the Logframe, Baseline and M&E Plan, Tracking of M&E Indicators)	If the logical framework has been utilized by the beneficiary during the implementation, via tracking monitoring indicators against the baseline and necessary corrective actions were taken as soon as signaled by the M&E system, and accordingly the Bank was informed score 1. Otherwise score 0. On the other hand, if the logical framework has been utilized as explained above, however, no needed corrective action was taken, then score anywhere between 0 and 1.
	Adherence to costs and time.	Referring to the supervision reports and PCR, if the beneficiary has demonstrated its efforts to be able to adhere to the initially targeted cost structure and timeline, score 1. Otherwise, score 0.
Compliance with Project Covenants, Environmental and fiduciary safeguard policies.	Compliance with Financing Covenants	If the beneficiary has complied with the financing covenants of the agreement, score 1. Otherwise, score 0
	Adherence to Procurement Procedures	If the beneficiary has adhered to procurement procedures, score 1. Otherwise, score 0.
	Compliance with Reporting Requirements	If the beneficiary is compliant with the reporting requirements, score 1. Otherwise, score 0.

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	Compliance with Environmental and Social Safeguard policies.	If the beneficiary is compliant with the Environmental and Social Safeguards, score 1. Otherwise, score 0.
Responsiveness to Bank supervision findings and recommendations for mid-course adjustments.	Undertaking of Project Annual Planning and Reviews	If the beneficiary has done implementation reviews and raised the required actions to correct the problems detected during the reviews, score 1. Otherwise, score 0.
	Adequacy of the design and use of monitoring indicators for decision making and reporting on achievements.	Referring to the logical framework (assuming that it is available in the appraisal documents), if the beneficiary has actively contributed to the design of it and used the monitoring indicators for decision making and reporting on achievements (or failures), then score 1. Otherwise, score 0. If there is no logical framework available to begin with, then leave blank.
	Capacity to address supervision follow-up actions and recommendations for mid-course adjustments	Referring to the field mission findings, interviews, supervision reports and PCR, if the beneficiary has demonstrated necessary and sufficient capacity to address the follow up actions and recommendations for mid-course adjustments, then score 1. Otherwise, score 0.
Effectiveness of measures taken to ensure project sustainability and satisfactory operations.	Extent to which the Risk Mitigation measures were implemented	If the beneficiary has fully implemented the risk mitigation measures, then score 1. Otherwise, score between 0 and 1 depending on how much of it was implemented.
	Measures taken by the beneficiary to establish the basis for project	Referring to the field mission findings and interviews, if the

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	sustainability, particularly by fostering participation by the project's stakeholders	beneficiary has taken technical and financial measures ensuring the project sustainability, particularly by fostering participation by the project's stakeholders, score 1. Otherwise, score 0.
	Transfer of Skills to the Operating Body	If the operating body has demonstrated necessary and sufficient skills relevant to the project, ensuring the project sustainability, then score 1. Otherwise, score 0.
	Proper Handing-over	If the handing over was smooth, without any problems, then score 1. Otherwise, score 0.
	Quality of Archiving System	If the beneficiary had a proper archiving system responsive to historical inquiries on the project, then score 1. Otherwise, score 0.

Scores obtained for this are added, normalized to a value from 0% to 100%, to calculate the overall assessment of the Beneficiary Performance score. Accordingly, the overall score can be rated as Highly Satisfactory, Satisfactory, Unsatisfactory, or Highly Unsatisfactory, as shown in the table below:

Table-5: Rating Scale for Performance of the Beneficiary

Category	Rating Range
1. Highly Satisfactory	Average score is $\geq 85\%$
2. Satisfactory	Average score is $\geq 60\%$ and $< 85\%$
3. Partly Satisfactory	Average score is $\geq 30\%$ and $< 60\%$
4. Unsatisfactory	Average score is $< 30\%$

AUTOMATED RATING MATRIX

An automated template for preparing the ratings matrix has also been developed for inputting the scores of sub-questions and generating the overall rating for each criterion as well as the APDO rating. A summary of the matrix with general comments explaining the rating of each criterion is provided for inclusion in the PPER as an appendix (See it in a separate Template of for preparing a draft PPER, external to this Guidelines i.e. in Annex 1).

TOOLS TO ASSESS S&E SUSTAINABILITY

ANNEX-2: IEvD GUIDELINE ON LESSON LEARNED AND RECOMMENDATIONS

ANNEX-3A: MAIN ASSUMPTIONS FOR RE-ESTIMATION OF PROJECT'S ECONOMIC INTERNAL RATE OF RETURN (EIRR) AT POST-EVALUATION

[The case of an education project is shown as illustration; calculations not shown]

The development of the project will benefit the country's economy at large by providing a pool of better-trained graduates, thereby making a useful contribution to the economic development process, especially in the region.

The main assumptions for re-estimation of the project's Economic Internal Rate of Return (EIRR) are given below:

1. The normal exchange rate used is (local currency) per US\$ 1.
2. The standard conversion factor is assumed to be 0.81. Investment cost is multiplied by this conversion factor to obtain the effective investment cost.
3. The average tuition fee is estimated dividing the total tuition revenue by the total number of students enrolled in academic year 20XX. It is about (local currency) or US\$ --- per year per student.
4. The expected incremental salary of graduates is assumed to be around (local currency) or US\$ --- per month. This is the average of the earnings of the cohort of graduates from different universities. For instance, in the project appraisal document of a similar project of the World Bank, a lower figure US\$ --- was used due to variance in the quality of university graduates. This benefit is received by students who graduate starting from 20XX or the second year of the project. The total benefit is the cumulative incremental salaries received by previous graduates' cohort plus the benefit received by the present cohort.
5. The study cost is assumed to be around (local currency) or US\$ --- per month. The length of the study is assumed to be 5 years. This is the average time of study in (member country) at the bachelor's degree.

Source:

ANNEX-3B: RE-ESTIMATION OF PROJECT'S ECONOMIC INTERNAL RATE OF RETURN (EIRR) AT POST-EVALUATION

[The case of an education project is shown as illustration; calculations not shown]

The benefits realized from this project will be:

1. Improvement in the teaching system in the university which leads to better quality of graduates.
2. Increased revenues from research activities conducted by the university due to better research facilities.
3. Increased salary received by the graduates in the labour market due to better quality.
4. Increase in local economic activities due to the increase in the university's enrolment capacity. More students are expected to spend their allowances in the local economy to fulfil their needs.

The first and fourth benefits are difficult to quantify while the rest are able to be quantified. The third benefit is actually the expected incremental salary of graduates of the university due to better quality which is the primary benefit of the project.

The economic costs are the investment cost, operational and maintenance cost, and the teaching cost of the graduates during their study in the university. The discount rate used is 7% which is higher than the prevailing mark-up of the ISDB's financing (around 6%).

The result of the economic analysis is the Economic Internal Rate of Return (EIRR) of the project which is estimated at 9.60% with a discount rate of 7%. Since the EIRR is higher than the discount rate, the project is very sensitive to the change in the graduates' earnings. An increase/decrease of 25% of graduates' earnings results in increase/decrease of EIRR of 16.7% and 4.4%, respectively.

Sensitivity analysis also shows that the increase in study cost will reduce the economic benefit of the project. An increase in study cost by 25% reduces the EIRR to 9.5% which is still higher than the discount rate.

However, there is still another benefit which cannot be estimated as mentioned before. This benefit is derived from the impact of the student activities on the local economy. Facilities such as photocopying, manuscript typing, printing, restaurants, and housing are commonly spread out around the university campus. Moreover, the improvement of the enrolment capacity and development of new campus will cause some multiplier effect on the local economy.

Source:

ANNEX-4A: MAIN ASSUMPTIONS FOR RE-ESTIMATION OF PROJECT'S FINANCIAL INTERNAL RATE OF RETURN (FIRR) AT POST-EVALUATION

[The case of a railway project is given as illustration]

The main assumptions for re-estimation of the project's Financial Internal Rate of Return (FIRR) are given below:

	Unit	At Appraisal	At Post-Eval
i. The revenue per passenger/km	Riyal	43	100.8
ii. The revenue per freight/ton/km	Riyal	100	234.5
iii. Current volume of passenger/km from Tehran to Mashhad	billion km	5.556	7.22
iv. Current volume of freight/ton/km	billion km	2.5	1.11
v. Current exchange rate	1 US\$ = Riyal	8000	10700
vi. Based on the above exchange rate, the current passenger revenue	billion Riyal	238.908	728.31
	million US\$	29.86	68.07
vii. Based on the above exchange rate, the current freight/ton/km revenue	billion Riyal	250	260.5764
	million US\$	31.25	24.35
viii. Expenses per passenger/km	Riyal	18	42.21
		100.008	304.874388
	million US\$	12.50	28.49
ix. Expenses per freight/ton/km	Riyal	23.7	55.58
		59.25	401.4
	million US\$	7.41	37.52
x. The passenger traffic is expected to grow by 20% during the 1 st year and 9.24% for the remaining life of the project. The freight traffic is expected to grow by 15% during the 1 st year and 7.18% for the remaining life of the project.			
xi. There is a demand which is not being met by the current supply. It is assumed that when a new system is in place it will generate a higher demand.			

Source:

ANNEX-4B: RE-ESTIMATION OF PROJECT'S FINANCIAL INTERNAL RATE OF RETURN (FIRR) AT POST-EVALUATION

[The case of a railway project is given as illustration]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Incr. revenues & expenses																		
Incremental revenues:																		
Revenues: Passengers						50.40	54.33	58.57	63.14	68.07	73.38	79.10	85.28	91.93	99.11	106.84	115.18	124.17
Revenues: Freights						23.40	23.64	23.87	24.11	24.35	24.87	25.40	25.94	26.49	27.05	27.63	28.22	28.82
Total revenues						73.80	77.97	82.44	87.25	92.42	98.25	104.50	111.22	118.42	126.16	134.47	143.39	152.98
Operating expenses: passengers						23.44	24.61	25.84	27.14	28.49	30.72	33.11	35.70	38.48	41.49	44.72	48.21	51.98
Operating expenses: freights						30.86	32.41	34.03	35.73	37.52	38.31	39.13	39.96	40.81	41.68	42.56	43.47	44.39
Total operating expenses						54.31	57.02	59.87	62.87	66.01	69.03	72.24	75.66	79.29	83.16	87.29	91.68	96.37
Net operating income						19.49	20.95	22.57	24.39	26.41	29.22	32.26	35.56	39.13	43.00	47.18	51.71	56.61
Investment outflows																		
ISDB	0.00	0.00	9.05	28.00	0.00													

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disbursement																			
GOI contribution	18.80	27.68	37.96	20.00	3.48														
Total investment outflows	18.80	27.68	47.01	48.00	3.48														
Net cash flows	-18.80	27.68	47.01	48.00	3.48	19.49	20.95	22.57	24.39	26.41	29.22	32.26	35.56	39.13	43.00	47.18	51.71	56.61	
Project's FIRR	12.50%																		

Source:

ANNEX-5: CHECKLIST FOR SHARING PPER WITH MEMBER COUNTRIES

APPENDIX I: RATING MATRIX

CORE CRITERIA	SUB-CRITERIA	SUMMARISED EVALUATION FINDINGS RELATING TO EACH SUB-CRITERIA	OVERALL CORE-CRITERIA SCORE
1. RELEVANCE	Consistency of project objectives with country overall development strategy and with the beneficiaries' needs and with the ISDBG's Member Country Partnership Strategy (MCPS)		#DIV/0! #DIV/0! #DIV/0!
	Relevance of Project Objectives and Coherence between outputs and outcomes (including the modified ones): It is an assessment of the internal logic of the results chain of the operation and the validity of underlying assumptions. It assesses the extent to which the project's objectives are clearly stated and focused on outcomes rather than outputs. Also, the realism of intended outcomes in the country's current circumstances.		
	Relevance of the design at entry, this includes technical, financial and development related design. <i>It assesses the relevance of the technical options and solutions adopted, to the beneficiaries needs. If applicable; relevance of the design at closing (including the modifications) is also assessed.</i>		
	Total Relevance		
2. EFFECTIVENESS	Achieved of project outputs and outcomes compared to planned targets.		#DIV/0! #DIV/0!
	Net effect of the project (as compared with existing or constructed counterfactual) and other Project externalities (unintended consequences positive, negative, or specific problem solved/created)		
	Total Effectiveness		
3. EFFICIENCY	Cost- benefit Analysis of the project (Did the benefits of the project (achieved or expected to be achieved) exceed project cost?)		#DIV/0! #DIV/0!
	Cost Effectiveness (Were the benefits of the project achieved at least cost?)		
	Total Efficiency		
4. SUSTAINABILITY	Technical, Financial, Economic soundness of the project results (including O&M facilitation, availability of recurrent funding, spare parts, workshop facilities etc.)		#DIV/0! #DIV/0! #DIV/0! #DIV/0!
	Beneficiary commitment, including supportive legal/regulatory framework and socio-political/stakeholder support		

	Institutional sustainability (organizational and management effectiveness)		
	Resilience of the project results to exogenous factor		
	Total Sustainability		
	AGGREGATED PROJECT DEVELOPMENT OUTCOME (APDO)		