

June 26, 2000

MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

SUBJECT: Egypt: Country Assistance Evaluation

Egypt has a population of over 60 million people, a per capita income of \$1,290, and a central role in the geopolitics of the Middle East. For more than 30 years it was a heavily protected economy dominated by the public sector. By the late 1980s, in spite of huge concessional aid flows, Egypt had a heavy debt burden, large fiscal deficits, slow growth, and growing unemployment. In 1991, Egypt began a program of stabilization and structural reform. With the help of large debt reduction, Egypt achieved economic stability, but growth in the early 1990s proved elusive. In 1996, structural reforms were deepened and growth accelerated to 5% in 1997 and 1998. Undertaking these reforms without significant social unrest has been a major achievement.

Estimates of poverty vary greatly, from 23% to 47% of the population, depending on the definition and source of information. Some social indicators such as life expectancy have improved markedly in the last twenty-five years and compare favorably to other countries at similar income levels, while other indicators such as infant mortality and literacy have improved less than could be expected, given universal access to health care and high rates of school enrollment. Major challenges are maintaining growth, creating employment, improving governance, and improving the social infrastructure.

Until 1990, lending was concentrated on investments in industry and finance, infrastructure, power, and agriculture. Starting in 1991, the Bank's strategy shifted to policy-based lending in support of Egypt's reform program. Successive strategy papers focused, appropriately, on deepening structural reform through a series of policy-based loans, human resource development, poverty alleviation, and protecting natural resources and the environment. The strategies articulated in Bank documents never materialized. After the FY91 SAL, Egypt never again agreed to policy-based lending, in part because it did not need balance of payments support. Egypt did, however, continue to implement reforms along the lines agreed with the Bank under a policy matrix (SAMP) that became part of IMF conditionality. Lending in the 1990s has been concentrated on social funds, education, health, and rural development. This de facto strategy is more responsive to Egypt's needs than past lending.

The focus of this evaluation is on the period since 1990. The Bank's impact on the reform program was primarily through the SAL, the SAMP (the policy matrix used eventually by the IMF) and support for Paris Club debt reductions. In recent years, the Bank has affected the reform process through informal discussions via the Resident Mission. The assistance at a macroeconomic level has had a satisfactory and likely sustainable outcome, but one important gap has been the absence of work on a strategy to alleviate poverty. At a sectoral level, results have been mixed. Irrigation and drainage and the social fund have had good outcomes, although the sustainability of the social fund is uncertain; in power and industry, the outcome of recent Bank assistance has been unsatisfactory. Bank assistance to Egypt has been more costly than in other countries, because of the high cost of dropped projects. Overall, taking into account macroeconomic and sectoral activities, the outcome of Bank assistance in the 1990s is rated as marginally satisfactory, with uncertain sustainability and modest institutional development.

Report No. 20513

Egypt

Country Assistance Evaluation

June 26, 2000

Operations Evaluation Department

Document of the World Bank

Abbreviations and Acronyms

| | |
|-------|---|
| APPI | Aggregate Project Performance Index |
| CAE | Country Assistance Evaluation |
| CAS | Country Assistance Strategy |
| CG | Consultative Group |
| CSP | Country Strategy Paper |
| ESW | Economic and Sector Work |
| FIAS | Foreign Investment Advisory Service |
| FY | Fiscal Year |
| GDP | Gross Domestic Product |
| IBRD | International Bank for Reconstruction and Development |
| ICRG | International Country Risk Guide |
| ID | Institutional Development |
| IDA | International Development Association |
| IDF | Institutional Development Fund |
| IFC | International Finance Corporation |
| IMF | International Monetary Fund |
| MNA | Middle East and North Africa (Region) |
| OED | Operations Evaluation Department |
| PE | Public Enterprise |
| PFP | Policy Framework Paper |
| PHN | Population, Health, and Nutrition |
| PPP | Purchasing Power Parity |
| QAG | Quality Assurance Group |
| SAL | Structural Adjustment Loan |
| SAMP | Structural Adjustment Monitoring Program |
| UNDP | United Nations Development Program |
| USAID | United States Agency for International Development |
| WDI | World Development Indicators |

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This report was prepared by Laurie Effron (Task Manager). Barbara Yale and Betty Casely-Hayford provided statistical analysis and administrative assistance.

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Preface

The focus of this Country Assistance Evaluation (CAE) is to analyze the extent to which World Bank assistance has addressed the major issues confronting Egypt and has contributed to the accomplishments of the country in the recent past. The analysis focuses in particular on the period since 1990, although it includes an overview of Bank assistance to Egypt since the 1950s. The CAE assesses the relevance, efficacy, and efficiency of that assistance and makes recommendations for the future. This report has been sent to the Government for comment, and their comments have been incorporated.

This CAE is based on the review of a wide array of World Bank documents, including correspondence files, appraisal, supervision, and completion reports, credit agreements, OED evaluation reports of individual operations, economic and sector reports, and strategy papers. OED staff also met and discussed with Bank staff who worked on Egypt in the past or are working on Egypt at present. An OED mission visited Egypt in August 1999 and met with Government officials, private businessmen, other donors, and academic researchers. Questionnaires were sent in advance of the mission to some members of government and civil society and can be found in Annex VI of the report.

The contributions and cooperation of all are gratefully acknowledged. Responsibility for the analysis and conclusions of the report rests solely with OED.

1. Background

1.1 Egypt is a country of over 60 million people, has a per capita income of \$1,290,¹ and occupies a central position in the geopolitics of the Middle East. In 1990, after more than thirty years as a state-dominated and heavily protected economy, Egypt had serious macroeconomic imbalances and, in spite of huge amounts of grant funding, heavy external debt. Investments in health and education had improved some social indicators, although less than could have been expected, given the resources allocated to these areas. A rapidly growing labor force meant pressure for job creation to prevent social unrest.

Egypt's Reform Program, 1991-98: A Macroeconomic Success Story

1.2 First Phase: 1991-95. In 1991 Egypt began an ambitious program of stabilization and structural reform, supported by donors. The first phase, up to 1996, consisted of controlling fiscal deficits; exchange rate reform; liberalizing most prices and interest rates; reducing import tariffs; and the start up of the privatization of public enterprises. The Government was successful in achieving most of its objectives. Fiscal deficits and the money supply were controlled and stabilization achieved, with the help of debt forgiveness; even with price liberalization, inflation came down from 20% in 1991 to about 9% in 1995 (Figure 1.2). From being one of the most heavily indebted countries in the world at the end of the 1980s, Egypt reduced its debt to 60% of GDP by 1995.

1.3 Privatization up to 1996 was slow, however, with the outright sale or partial divestiture of fewer than 20 companies, out of an identified portfolio of 314. Government officials were sensitive to the potential for labor unrest and social turmoil that had characterized previous reform efforts and were unwilling to pursue rapid privatization. Private investment remained stagnant at about 10% of GDP,² growth was sluggish until 1995 (Figure 1.1), and employment creation lagged the increase in the active labor force.

Figure 1.1

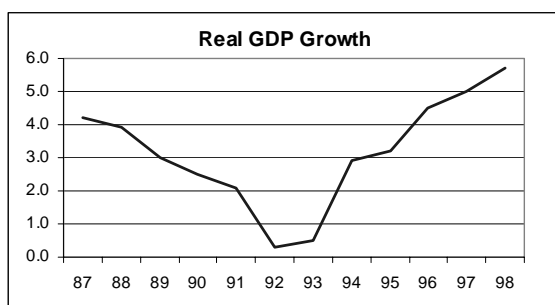
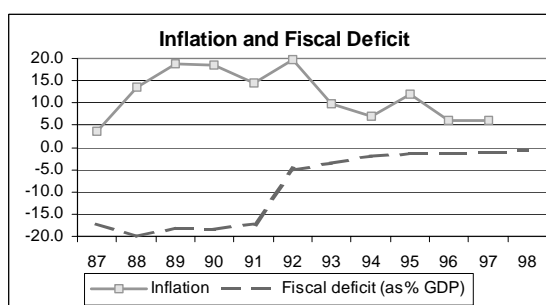


Figure 1.2



1.4 Second phase: 1996-99. In 1996, realizing the need to deepen the reforms, the Government began to speed up privatization and pursue other reforms more aggressively: in less than two years, it sold controlling interest in 65 companies and minority interest in

¹ This is the 1998 figure used by the World Bank; Government's estimate is \$1,460.

² This is similar to other MNA countries, but well below the average of 17% for developing countries.

another 16; it removed most quantitative restrictions and reduced tariffs; decontrolled many rents; liberalized investment procedures; passed a new investment law; undertook financial sector reform and tax reform; the civil service was reduced by 2%, although employment in education and health expanded. Results over the next several years were good: private investments grew to almost 13% of GDP, growth was 5.3% in 1997, 5.7% in 1998 and is estimated at over 6% for 1999; inflation continued to decline to less than 4% by 1998. In 1997, Egypt was assigned investment grades by internationally recognized rating agencies and both foreign direct investment and portfolio investments increased dramatically. International reserves grew from 7 to 16 months of imports between 1989-91 and 1995-97. Egypt should be given considerable credit for carrying out fundamental reforms without undue civil unrest and for maintaining sound macroeconomic performance in the face of the financial crises that have hit many emerging markets in the 1997-99 period.

Poverty and Social Indicators Are Still Major Concerns

1.5 Estimates of poverty vary greatly (from 25% to 47% of the population), depending on the source of information and definitions of poverty used.³ Although many social indicators such as infant mortality and life expectancy have improved markedly over the past 25 years, some of these indicators are not as high as could be expected, given the virtually universal access to health care and the high rates of school enrollment. This implies that the efficacy of service delivery in these sectors needs improvement. In addition, average social indicators mask wide regional disparities and urban-rural differences.

1.6 Compared to twenty five years ago, Egypt has made large strides in increasing life expectancy, and reducing fertility and infant mortality rates (Table 1.1). Population growth has slowed to about 2% per year, from 2.4% in the early 1970s. Gross primary and secondary enrollments have increased considerably. Child malnutrition is low and compares well to countries at similar income levels and within the Region (Annex II, Tables 3-4).

Table 1.1: Social Indicators: Egypt, 1970 and 1996

| | 1970 | 1996 |
|----------------------------|------|------|
| Life Expectancy | 51 | 65 |
| Total Fertility | 5.9 | 3.3 |
| Maternal Mortality | n.a. | 170 |
| Infant Mortality | 158 | 53 |
| Access to Health Care | n.a. | 99 |
| Gross Primary Enrollment | 72 | 100 |
| Gross Secondary Enrollment | 35 | 74 |
| Illiteracy | 60 | 39* |

* From 1996 Census: not strictly comparable to other figures on illiteracy. See Annex II, Table 3.

1.7 But some indicators, such as school enrollment rates and access to health care, are measures of inputs. And some outcome indicators, such as literacy, infant mortality, child mortality, and maternal mortality, do not reflect the high levels of inputs. For example, primary school enrollment has been above 70% for the past 25 years and close to those in comparator countries, yet illiteracy rates are still about twice the average of comparator countries (Figures

1.3 and 1.4).⁴ In spite of almost universal access to health care, which is higher than in most countries at similar income levels, infant mortality is about 30% worse than in the comparator

³ Government does not endorse these estimates and is carrying out a national study to measure it.

⁴ Comparator countries are those with similar per capita income, measured as purchasing power parity. See Annex III, Tables 1 and 3 for a list of countries and social indicators, past and current.

countries; and maternal and child mortality rates are still high and no better than in comparator countries (Figure 1.5). Although the proportion of GDP spent on education and health is similar to or greater than in comparator countries, the efficiency of service delivery in these sectors clearly needs improvement.

1.8 Wide disparities persist between Upper Egypt (the south) and Lower Egypt (the north) and between the rural and urban populations. Fertility rates in Upper Egypt are twice those in Lower Egypt; infant and child mortality rates are three times higher in rural areas than urban areas; maternal mortality rates are five times higher.

Figure 1.3:

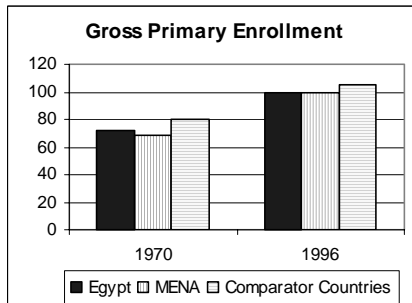


Figure 1.4:

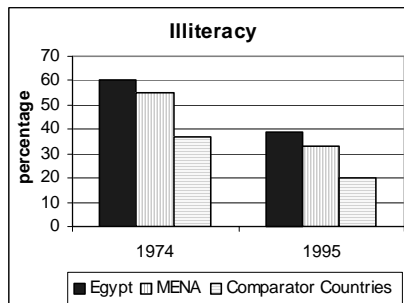
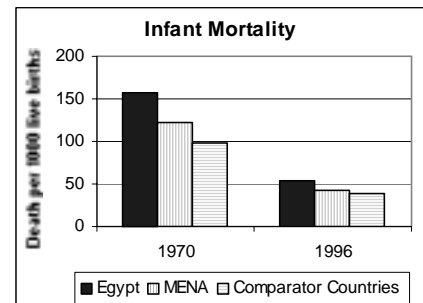


Figure 1.5:



1.9 *The gender gap.* Educating girls has important externalities: it can improve children's health and contribute to slower population growth. In Egypt, progress in education has not been evenly distributed between men and women, boys and girls. Although girls have made up a significant proportion of school enrollments for many years -- in 1980, girls were already 40% and today make up almost half of total primary school enrollments -- adult female literacy lags far behind that of men (which suggests that girls' enrollment rates may overstate actual school attendance). In terms of female literacy, Egypt compares poorly to other countries in the Region and countries at similar income levels (Table 1.2).

1.10 The child mortality rate for girls in Egypt is more than 25% higher than for boys; this disparity is far higher than in any other country in the Region or the comparator group. Survey results suggest other factors inhibit women's well-being and potential for improvement: women have limited financial autonomy and limited freedom of movement.⁵ Any strategies to improve the quality of life would have to include interventions to overcome biases against girls and women.

Table 1.2 Gender Gaps: 1994-96

| | <i>Egypt</i> | <i>MNA</i> | <i>Comparator</i> |
|--|--------------|------------|-------------------|
| Primary School Enrollment (% female) | 45 | 46 | 48 |
| Secondary School Enrollment (% female) | 44 | 47 | 49 |
| Illiteracy Rate: female (male) | 50 (29) | 45 (24) | 25 (16) |
| Child Mortality Rates: girls (boys) | 28 (22) | n.a. | * |

* Mortality rates are higher for girls in 4 of the 17 comparator countries and lower in 13; averages mask these differences. Annex II, Table 3.

Source: World Development Indicators, 1998

⁵ From *Egypt Demographic and Health Survey 1995*, by National Population Council, Cairo, Egypt.

Huge Challenges Remain

1.11 Employment creation by the private sector remains a priority: Egypt's labor force is growing at a rate of 500,000 new entrants per year. To prevent increasing unemployment, sustained growth rates of 6%-8% are needed.⁶ This in turn means higher levels of savings and investments. Further improvements in the business environment are required (bureaucracy; infrastructure; commercial judicial system; export facilities; labor restrictions) as well as continued progress on privatization and private sector development of infrastructure to attract larger volumes of capital. Public enterprises (PEs) awaiting privatization -- and there are still over 200 of them -- are mostly the least profitable or loss-making. These PEs need to be liquidated or restructured (there are another 400 enterprises jointly owned by Government and private partners which are also to be fully privatized; as of mid-99, Government has sold its shares, totally or partially, in about 35 such companies). This could result in further unemployment and the need for an effective safety net.

1.12 Governance problems persist. Egypt has an extensive bureaucracy left over from the days when the Government was the employer of first resort. In 1995, there were 5.6 million public sector employees (including 900,000 in PEs; excluding the military), comprising over one-third of the labor force, and accounting for about 28% of current expenditures. The Government has plans to reduce government employment by some 2% per year, but maintain the size of the education and health ministries. This, however, is only one aspect of governance problems. Bureaucratic gridlock and turf battles hinder efficient service delivery; legal and regulatory impediments exist to private investments and effective banking. A 1997 survey of villagers' perceptions of government services, including social insurance, health, education, police, and local administration, found that over 60% of the respondents reported difficulty getting services and delays,⁷ suggesting the need for a substantial program of civil service reform.

1.13 The quality of education is inadequate. In spite of high enrollment rates, literacy remains low, technical secondary schools are graduating seven times more graduates than can be employed by the private sector, more than half of the officially unemployed hold an intermediate degree or higher, and yet there is a shortage of skilled workers.⁸ This suggests large inefficiencies and a serious market mismatch in the educational system. Fundamental reforms in the structure and content of the educational system are required.⁹

1.14 Implementing a sound water strategy. The limiting factor for Egyptian agriculture, on which over one third of the population still depends, is water. Over 95% of agricultural production comes from irrigated lands and population growth, urbanization, and industrialization will mean growing competition for water. In addition, urbanization and industrialization are affecting the quality of water, particularly north of Cairo. Although water

⁶ Depending on assumptions about the labor-intensity of that growth; in fact, some 80% of non-agricultural workers are employed by small and medium enterprises with fewer than 10 employees, which suggests that efforts to increase employment should be focused on removing legal and regulatory obstacles to these firms.

⁷ *Source*: "Citizens' Opinions About Administrative Units and Their Reform". El-Sayed and Badr, 1997, as reported in "In Pursuit of Progress: an agenda for social development in Egypt," by Saad Z. Nagi (1998)

⁸ *Source*: Private Sector Development in Egypt, Giugale and Mobarak, ed., 1996.

⁹ The Government has commented that it is in the process of reducing the proportion of students in technical schools from 70% of the total to 50% (the remainder are in general secondary schools).

use efficiency in agriculture is relatively high, there is scope for some improvement, and groundwater sources and reuse hold potential for increasing the overall supply. The Government has devoted considerable effort to developing a national water strategy to deal with these issues, but further actions are needed to minimize water losses, ensure sustainability of new land developments, improve the enforcement of environmental regulations, and improve the efficiency and coordination of the numerous institutions involved.

2. Bank Assistance

Overview of a Long Relationship

2.1 The first Bank loan to Egypt was in 1959 to help develop the Suez Canal (see Box). Total commitments grew in the 1970s, but even at their peak in the 1980s (Figure 2.1), Bank commitments remained modest compared to the huge amounts of aid provided to Egypt by the United States. Thus, the Bank has always had a relatively small role in assistance to Egypt.

Box 2.1 Egypt and the World Bank

Egypt's view of the Bank has always been influenced by the earliest interaction. Starting in 1953 and for more than three years, the Bank actively considered financing the High Dam at Aswan. Bank financing was contingent on grant financing from the United States and Great Britain, and when those two countries backed out in 1956, so did the Bank. The High Dam, one of the largest ever built, was ultimately financed by Soviet money. Within a week of the withdrawal of the American and British offer of financing, Egypt nationalized the foreign-owned Suez Canal Company. The Bank played a key role in helping to settle the claims for compensation arising from this, which then opened the way for the Bank to make its first loan to Egypt in 1959, to the Suez Canal Authority for improvements to the canal.

Nevertheless, the Bank's failure to finance the High Dam has left, in the minds of some Government officials and Egyptian citizens, a certain mistrust and a view that the Bank is unduly influenced by important shareholders. Over the years, the relationship between the Bank and Egypt has been uneven: at times cordial, at times contentious. In the view of many Bank staff, the relationship has been driven as much by the strength of personal relationships as it has been by substance or disagreements over the direction and pace of policy reforms. Government disagrees, commenting, "the relationship has been driven by mutual trust that has developed through long years of cooperation."

But Egypt's experience with the first and only SAL in the early 1990s also left a bad taste. Egypt was heavily indebted; the Paris Club based its substantial debt forgiveness on progress under the Bank and IMF reform programs. It was the moment of greatest need by Egypt for the Bank's approval of its reform program and therefore the moment of greatest Bank leverage. What started out as substantial agreement between Egypt and the Bank on the need for and scope of reforms developed into disagreements over implementation. Once release of the second tranche of the SAL was authorized in 1993 (but not disbursed), the Government was reluctant to borrow from IBRD at all, to borrow from IDA in support of reforms, or to agree to substantial conditionality. The ready availability of large amounts of grant funding has allowed Egypt to finance investment projects and avail itself of external advice without recourse to Bank funds and without having to deal with Bank conditionality. The Government has commented that the reluctance to borrow from IBRD was not connected to conditionality; it was a question of the terms of the loans, which were much less attractive than the substantial amounts of grants and concessional funds to which it had access.

Sources: The World Bank Since Bretton Woods, Mason and Asher, 1973, and Bank staff.

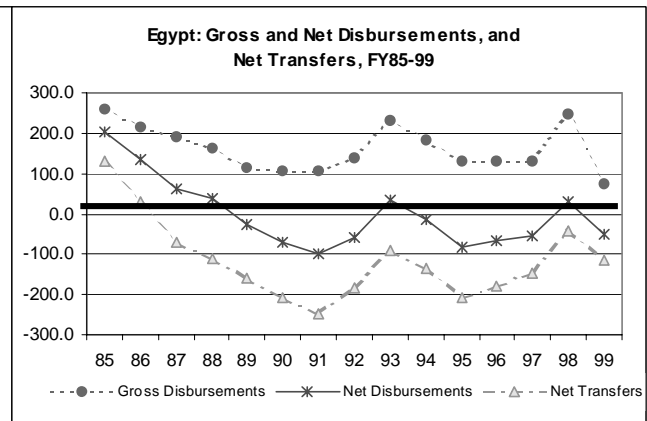
2.2 As an example of the magnitudes involved, net flows of aid to Egypt from 1987 to 1996 averaged \$52 per capita per year, more than twice that of other large countries at similar income levels (Annex II, Table 5). By contrast, *gross commitments* from both the Bank (which is not part of aid flows) and IDA over this period were only \$2.50 per capita per year, *net disbursements* have been negative in most years and *net transfers* negative in all years (Figure 2.2).

2.3 The relationship between Egypt and the Bank has been uneven and filled with uncertainty. This is reflected in the numbers. Over the last twenty years, large commitments in some years were followed by little or no borrowing (Figure 2.1). Of total funds committed, large amounts were later canceled,¹⁰ and the cost of dropped projects has been more than twice the Bank-wide average.

Figure 2.1:



Figure 2.2



2.4 Until FY89, lending concentrated on infrastructure and energy, industry and finance, and agriculture. Starting in the early 1990s, the focus shifted: although support to agriculture has remained important, the Bank has moved more into the social sectors and tried to support policy-based lending (total amounts of lending by sector by time period are in Annex III, Table 2).

Bank Assistance Strategy Since 1991: Relevant Intentions, But Aborted Implementation

2.5 The Structural Adjustment Loan (SAL), approved in 1991, was the first policy-based Bank loan to Egypt. It was part of a larger donor package of assistance, which included a Stand By Arrangement from the IMF and a Paris Club debt reduction.

2.6 According to the 1992 Country Strategy Paper (CSP), the Bank hoped to make a number of policy-based loans in support of privatization and removing barriers to the private

¹⁰ Bank-wide, cancellations are about 10% of commitments; for Egypt, they were 28% of FY80-89 commitments and 24% so far for FY90-99. In Egypt, loans were canceled because Government priorities changed, more attractive grant funding was available, loan agreement compliance was problematic, and, as in other countries, portfolio performance measured by disbursement ratios was improved by cancellations. The Government has commented that the relationship between Egypt and the Bank has, in fact, been quite stable and that the variations in IBRD borrowing reflect primarily variations in the availability of concessional funds.

sector. If adjustment lending could not be justified on balance of payments grounds, the Bank hoped to finance time-slices of public investments linked to policy reforms. Other areas of focus were human resource development; the Social Fund; natural resources and environmental protection; and public sector management (including improvement of the Bank's portfolio performance). Aid coordination also figured prominently in the strategy.

2.7 This strategy was overly optimistic about the Egyptian government's willingness to borrow from IBRD: the 1991 SAL was the only adjustment loan the Bank was to make; no sector investment loans were put in place; and IBRD lending volumes were well below expectations (Table 2.1). By contrast, IDA lending was on target, and more concentrated than in the past on the social sectors.

Table 2.1 - IBRD and IDA Lending: Proposed and Actual, FY93-99

| | CSP 92 | | | | CAS 94 | | | | CAS 97 | | |
|-------------------|--------|------|------|------|--------|------|------|------|---------|------|------|
| | FY93 | | FY94 | | FY95 | | FY96 | | FY98-00 | FY98 | FY99 |
| | P | A | P | A | P | A | P | A | P | A | A |
| IBRD (US\$ M) | 360 | 130 | 360 | 54 | 100 | 26.7 | 100 | - | 400 | 20 | 345 |
| IDA (SDR M)* | 50 | 55.9 | 50 | 48.7 | 58 | 35.7 | 58 | 94.2 | 200 | 122 | 205 |
| Guarantees (US\$) | - | - | - | - | - | - | - | - | 400 | - | - |

P = proposed; A = actual

* IDA amounts in CAS 97 are for FY98 and 99 only and are in millions of dollars.

2.8 The 1994 Country Strategy recognized Egypt's reticence to borrow from IBRD, but still hoped to provide support to the now slowed reform program. The focus was similar to the previous strategy, but with more modest goals for lending and greater emphasis on non-lending support and IDF grants. Again, the strategy did not materialize as expected. The Bank had a negligible role in the slowed privatization program and in private sector development.¹¹ The lower lending targets for IBRD lending were not met (Table 2.1), and only two IDF grants were put in place. By contrast, the Bank made a large effort to monitor reforms through agreement on a policy matrix not attached to lending (the Structural Adjustment Monitoring Program - SAMP), and this ultimately became part of IMF conditionality for an ESAF. IDA lending projections were met, and concentrated in human resources, a second social fund, and agriculture, as expected.

2.9 The 1997 CAS was a joint IFC-Bank document; it was also the first CAS that was developed in collaboration with key stakeholders in Egypt; and it contained a list of expected results against which its success was to be monitored. The four areas of focus were: export development; private sector development; human resource development; and rural infrastructure and environmental protection. In recognition of Egypt's reluctance to borrow IBRD funds, it focused on non-lending services, the potential role for guarantees, and synergies with IFC in supporting private sector development; it also set targets for improving portfolio performance, which continued to be weak.

¹¹ The Government has commented that "The privatization program accelerated in 1996. Moreover, the assistance Egypt now requires in privatization deals with the 'nuts and bolts' of ...the proper mode of privatizing each one of [the PEs]...Resources to undertake these tasks have been made available...on a grant basis...Thus, there is no need or indeed an opportunity for the World Bank to be involved with the privatization program at this stage in its development."

2.10 Again, the Bank's implementation of its strategy has been mixed: no guarantees have been put in place;¹² the number and cost of dropped projects peaked in FY98, after falling in previous years; and Bank/IDA lending in recent years is only partly consistent with the 1997 strategy. For example, in two focus areas, export push and private sector development, operations didn't materialize. Several were dropped and one, Port Sector Reform, was canceled before effectiveness. No explicit coordination with IFC has taken place in lending activities (see Box 2.2). By contrast, lending targets, non-lending assistance, and portfolio management have been more consistent with the assistance strategy. Projections were reached in the FY98-99 period for IBRD lending and exceeded for IDA, prior to Egypt's graduation from IDA in June 1999. In addition, lending has concentrated on human resource and natural resource development, two of the focus areas of the 1997 CAS. In non-lending services, the Bank has produced a number of informal sector reports along the lines anticipated in the 1997 CAS, although the Bank was not able to carry out the analytic studies it had proposed for FY98 and FY99 on poverty alleviation. Finally, portfolio performance has improved: the percentage of problem projects and projects at risk has decreased steadily, disbursement ratios have increased, and several projects have been made effective much faster than usual, although several others are experiencing long delays.

Box 2.2 IFC and FIAS in Egypt

Egypt has been a member of the IFC since 1976; the first IFC resident mission in the world was opened in Cairo in 1978. Since the reform program started in 1991, IFC's portfolio has grown five-fold to a current level of \$277 million; it is by far IFC's largest portfolio in the MNA Region, although still a small portion of total IFC activities and a small presence in Egypt. In the last five years, IFC's strategy, as reflected in CAS documents, has been focused on delivering technical assistance and broadening its presence in the financial sector, on supporting exports and on providing assistance to the privatization program through individual transactions. IFC has carried out this strategy to a substantial degree. It has provided technical assistance on financial sector issues (legal framework for leasing, developing a corporate bond market and a mortgage market). It has made loans or equity participation in the first leasing company; the first investment bank; one of the first mutual funds; the first joint venture life insurance company; and helped to establish the first rating agency in Egypt and a regional investment fund based in Europe to attract foreign investment to Egypt. It has continued to make investments in the more traditional areas of tourism, industry, and banking, although here too IFC has focused either on companies undergoing privatization or on more innovative approaches, such as in tourism, where IFC is participating in a project with environmental and social components. The IFC has been least involved in export oriented industries.

FIAS, too, has been relatively active in Egypt. Since 1991, it has carried out four studies, financed mainly with bilateral and FIAS funding. The studies have received mixed attention and reactions from Government officials, but at least one effort is on-going with considerable input from the Government to strengthen the collection and dissemination of information on foreign investments in Egypt.

¹² Government has noted that they "had indeed suggested to the Bank that it would be willing to consider accepting partial risk guarantees if contractors required these...the contractors did not require guarantees...because they did not feel that there was a risk of a change in policy...".

2.11 The 1997 strategy had several weaknesses. One was the continued over-optimism of the role the Bank might play in supporting Egypt's reform program.¹³ Although the CAS was discussed at length with Egyptian officials, the Bank was unrealistic about the Government's interest in borrowing in two of the four areas singled out as focus areas. In addition, many of the expected results, except for the macroeconomic indicators, were not easily monitorable in the timeframe of the CAS (example from CAS annex: girls' school enrollment should increase by 2 percent per year). Finally, it was clear that the Bank was ready to lend wherever Egypt was willing to borrow, and the list of potential operations was wide-ranging and included export development, support to small and medium scale enterprises, thermal power, hazardous waste management, transport pollution control, and preservation of cultural and historical heritage.

3. Evaluating the Bank's Assistance to Egypt

Overview of Outcomes, Sustainability, and Institutional Development

3.1 As of December 31, 1998, 72 loans and credits and \$3.4 billion in net commitments had been rated by OED. Only one was a policy-based adjustment loan. Projects in agriculture, industry and finance, power and energy, and infrastructure account for 68% of the value of the rated portfolio.

3.2 According to OED's ratings on individual projects, Egypt's implementation record is good: 84% (by value) of projects had satisfactory outcomes, better than the MNA average of 77%, and the Bank-wide average of 74%. Sustainability, however, was weaker, similar to MNA's but below the Bank's. Institutional development (ID) received the lowest ratings, below both MNA and the Bank (Table 3.1), which reflects not only the Bank's inability to affect changes in management and organizations, but also its inability to have an impact on the policy environment in the sectors where the projects were implemented. An analysis of ratings by year of approval shows no clear trend, and only four loans approved since 1990 have been evaluated, too small a number to be meaningful. Ratings by sector show significant differences among the four largest sectors: power and energy is the best, at 96% satisfactory outcomes, infrastructure the worst, at 62% (Annex III, Table 4).

3.3 This evaluation focuses on the period since FY90; looking at the operations exiting the portfolio since then, an aggregate measure, the Aggregate Project Performance Indicator, or APPI, was constructed, using outcome, sustainability and ID. For the period FY90-98, the APPI for Egypt is 6.21, slightly below MNA's (6.34) and the Bank-wide (6.43).

Table 3.1 OED Evaluation Findings

| | <i>No. of Projects</i> | <i>Value \$m</i> | <i>Sat. Outcome (%)</i> | <i>Likely Sustainability (%)</i> | <i>Substantial ID (%)</i> | <i>APPI* FY90-98</i> |
|-----------|----------------------------|----------------------|-----------------------------|--------------------------------------|-------------------------------|--------------------------|
| Egypt | 72 | 3,441 | 84 | 48 | 30 | 6.2 |
| MNA | 475 | 17,751 | 77 | 47 | 33 | 6.3 |
| Bank-wide | 4,757 | 229,739 | 74 | 56 | 36 | 6.4 |

* Based on 34 operations exiting Egypt's portfolio in the FY90-98 period.

¹³ Government has commented: "The Bank has continued to play a valued role in supporting Egypt's reform program. The support, however, has been provided by way of numerous informal discussion... Formal support is not required from the Bank..."

3.4 As an indicator of future trends, the Quality Assurance Group (QAG) ratings on the active portfolio were examined: at-risk projects were 15% by number and 12% by value, which is better than the MNA and Bank-wide averages, and the realism and proactivity indices are both 100%, suggesting that management of the portfolio is good (Annex IV, Table2). On the other hand, QAG examined quality at entry for at least three projects in 1997 and 1998, none of which received a good rating. Thus, indicators of future performance are conflicting.

Assessing Outcome at a Country Level: Focus on FY91-98

3.5 *Macroeconomic outcome: satisfactory and likely sustainability.* Egypt has stabilized the economy and promoted growth. The Bank was present at the beginning of the reforms with the SAL and major ESW on public sector investments, the financial sector, and private sector development. The Bank worked closely with the IMF; and the debt reduction from the Paris Club, one of the largest ever, was based on progress on the reform programs of the Bank and IMF. The debt reduction helped the Government to achieve fiscal discipline. Relations with Government were good at the beginning, and Bank staff worked closely with Government officials who were, or were to become, influential in the reforms. In spite of the relatively modest scale of its financial support to Egypt, the Bank can be credited with contributing to the start up and direction of the reforms.

3.6 On the other hand, by 1995, reforms had slowed, relations with Egypt had become strained (in part over the Bank's insistence on meeting privatization targets stipulated as a condition for the SAL tranche release), and once Egypt reduced its debt, it was unwilling to borrow on IBRD terms. Even IDA proved less attractive than donor grants: IDA approved a credit in FY92 to finance technical assistance in support of privatization, enterprise, and banking sector reform, almost all of which was canceled when Egypt found other funds. The Bank was more marginalized than it had been before.

3.7 Once Egypt accelerated the reforms in the 1996-97 period, the Bank was not visibly involved. Nevertheless, the Bank continued to provide advice on needed reforms in an informal, less visible way through the Country Director, now resident in Cairo, and his staff. It is difficult to evaluate the impact of this input on the pace or direction of the most recent reforms. Overall, the impact of Bank assistance on macroeconomic reforms, albeit modest in scope, is considered satisfactory, although one caveat to this judgment is the failure of the Bank to help strengthen targeted safety nets or to address the potentially adverse impact of the reforms, particularly reductions in subsidies, on the poor.

3.8 *Outcome at the sectoral level: marginally unsatisfactory, uncertain sustainability, and negligible institutional development.* Many projects that have closed since FY91 have been "traditional", large investments in power, industry/finance, and infrastructure. For most of these projects, the Bank and the Government had disagreements over basic policy issues and the Bank was unable to affect the policy environment in the respective sectors (again, the Bank was a relatively unimportant player in terms of aid flows). For example, the last two power projects were canceled because of persistent non-compliance with the financial covenants related to energy pricing. The last three industrial projects (which were lines of credit) failed to meet the objective of maintaining subsidy-free interest rates; one of the projects failed in its objective to bring about policy reforms to encourage exports, which today

remain hampered by administrative procedures and other problems. In all of these projects funding on more attractive terms was available to fill financing gaps. The last water supply project was canceled without disbursing funds because of a change in priorities by the Government. The last urban development project was fraught with disagreements over the Government's priorities for investments and the subsequent urban transport project under preparation was never finalized because of these continued disagreements. Although there are positive outcomes of specific efforts, the outcome of Bank lending in these sectors is considered to be unsatisfactory.¹⁴

3.9 The other areas of Bank assistance in the 1990s include the social sectors and rural development. Although also mixed, outcomes are better than in power, industry, and infrastructure.

3.10 *Social funds.* The first Social Fund for Development was approved in 1991 to soften the impact of the reforms and was a large-scale effort: it mobilized many donors and large amounts of financing. After a slow start it disbursed over \$700 million in about 4 years. It is considered a success: it achieved its main objective of mitigating the negative impact of adjustment for millions of people. A second phase mobilized \$775 million from the donor community and has served as a model for social funds in other countries; a third phase was approved by the Bank in FY99.

3.11 The central issue for the Social Fund, however, is the sustainability of the approach: the entire program is donor funded; the enterprise development program, which lends to small enterprises and has been the largest component, has had mediocre repayment rates and interest rates, mandated by Government, which are too low for commercial viability; the public works program and community development program have generated employment while constructing infrastructure, but maintenance of the infrastructure has not been adequately funded. Although the Social Fund has put effort into targeting and monitoring, they both need improvement. In addition, because of its size and visibility, the Social Fund has been subject to many political pressures. The Bank and Government are aware that the Social Fund is not a viable, long-term solution to addressing poverty.¹⁵

3.12 The Bank has not done any sector work on poverty since 1991, which could have provided a context and better targeting for Social Fund activities. As noted above, the Bank intended to carry out two poverty related studies at the time of the 1997 CAS. Because studies measuring the extent of poverty had been funded by other donors, the Bank proposed focusing its poverty work on three objectives: (a) examining sectoral policies and public expenditures with an aim to improve the impact of reforms on living standards of the poor; (b) providing an underpinning for Bank lending in key sectors of particular importance to the poor, which should have included the Social Fund; and (c) providing the donor community with a better understanding of key aspects of a poverty reduction strategy. The work was

¹⁴ The Government has commented here that the Bank has had an impact on the policy environment in sectors like health and education. OED thinks it is too early to evaluate results in these sectors (para. 3.13).

¹⁵ The Region intends to help the SFD with a visioning exercise to develop a longer term view of its role and structure. The Region has also been working with the Small Enterprise Development Organization (within the SFD), to improve its focus on financial sustainability. The Region noted, "as regards poverty orientation and targeting, the SFD was established to address economic transition, not poverty alleviation, and their current programs reflect this decision."

never carried out, but a third phase of funding for the Social Fund was approved in FY99 anyway. This is one example of where the Bank might have taken a stronger stand on linking strategy (on poverty alleviation) to funding.

3.13 *Education and health.* Since FY97, Bank assistance in education and health has focused more on access in poorer areas and access by women and girls, and is therefore more relevant than in the past. There has also recently been a significant improvement in the quality of the policy dialogue, and the Bank has produced two informal sector notes in education and one in health (see Box 3.1). It is too soon to evaluate the outcome of these recent efforts.

3.14 *Rural development.* Recent Bank intervention in the rural areas has focused on irrigation, drainage, rural finance, and area development projects. Past support to irrigation and drainage has been relatively successful, with satisfactory outcomes and likely sustainability. The Bank appears to have a good dialogue in the sub-sector. By contrast, the Bank's past support to rural finance has made no noticeable impact on improving access of under-served rural populations to credit or the quality of financial services in rural areas; it has not used a consistent approach across operations; and in 1996, the Government lowered interest rates on agricultural loans by three percentage points, in breach of a legal covenant with the Bank, suggesting at best a limited dialogue on policy issues concerning rural finance. Past experience with rural development projects has also been unsatisfactory.

Efficiency of Bank Assistance: Low

3.15 Bank assistance has not been efficient because of the cost of dropped projects. In the past five years, this cost as a proportion of direct costs (lending, ESW, supervision) is almost two and a half times the Bank's average (Annex V, Table 1): a large number of projects are dropped late in the project cycle, after considerable resources have been spent. This reflects the Bank's desire to lend even where the Government is reluctant to borrow and the ease with which the Government has been able to identify grant funds to finance investments identified with Bank help. Almost half of the lending cost has been spent on dropped projects.¹⁶ For approved projects, however, the average cost is lower than for the MNA Region and the Bank.

3.16 The average cost of ESW reports is a bit higher than the Bank-wide average, but similar to the average for the MNA Region. Supervision intensity (cost per project) is similar to the Region's and the Bank's, although it has not shown an upward trend in the last five years as it has for MNA and the Bank. This may be because country portfolio performance reviews, which have been frequent and intense in Egypt, are not captured by data on direct supervision costs. Given the improvements in the portfolio in the past few years, supervision effort appears relatively efficient.

3.17 At the beginning of FY98, the management of Egypt's program was shifted to Cairo. The management structure consists of the Country Director in Cairo, a Deputy Resident Representative in Cairo, and a Country Coordinator in headquarters. Given the probable modest future levels of lending and size of portfolio, this structure should be re-examined.

¹⁶ The Region agrees that the cost of dropped projects is a serious issue and both they and Government commented on the new procedure set up since the beginning of FY98 to minimize the likelihood of projects being dropped. There have been no dropped projects since this procedure was established.

Management is considering the possibility that the Cairo office could become a hub for other Middle Eastern countries, but given the growth in other Resident Missions in neighboring countries, this may not be realistic.

Aid Coordination: Good, But Room For Improvement

3.18 After a ten year hiatus in which no Consultative Group (CG) meetings took place, they started again in the early 1990s and are now held every two to three years. The Bank chairs the CG and provides background papers. Within Egypt, aid coordination takes place at a formal level with some 25 donors and an informal level among several donors. The Bank has worked particularly closely with the IMF, UNDP, and the European Union, but has co-financed projects with a number of donors. Aid coordination has been notably weak where the Bank appraised projects, sometimes approved them as well, only to find that Egypt had obtained funding from other donors at more attractive terms. Donors sometimes filled funding gaps in projects due to cancellations of Bank financing because of policy disagreements. Better aid coordination has become even more important now that Egypt has graduated from IDA. If grant or concessional funds could be blended with IBRD, it would make IBRD loans more attractive to Government while sharpening the policy content of other funding.

The Counterfactual

3.19 Could the Bank have done anything differently that would have had a greater impact? OED thinks that at a sectoral level both institutional development impact and sustainability of Bank projects could have been improved if Bank management had focused in the early 1990s on areas where there was broad agreement on the need for and direction of reforms or institutional development. In the absence of such agreement, the Bank should not have lent at all in those areas. Bank lending in industry, finance, and power has had little impact on basic policy issues and disagreements persist in urban infrastructure. In rural finance, the Bank has not used a consistent approach to policy issues and has had past limited success in influencing institutional capacity or financial viability. By contrast, in more recent years as the momentum for reform has increased, the Bank has not been involved in areas where it might have had some impact: private sector development, financial sector reform, targeted poverty alleviation. The general dialogue with Government has markedly improved over the last several years, and this should be recognized as an important accomplishment, but it may have been at the cost of broadening that dialogue into other areas.

3.20 At a macroeconomic level, Government should be given credit for carrying out substantial reforms without the civil unrest that has marked past efforts at reforms. The Bank, however, provided funding and mobilized large amounts of co-financing in support of the social fund which benefited millions of people and mitigated the impact of the reforms. Had the Bank been absent during this period, it might have been more difficult to prevent civil unrest. Thus the counterfactual argument at the macroeconomic level is that the Bank's presence had a positive effect.

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|---|
| <p>Box 3.1 Good Practice: Education Sector Assistance Strategy</p> |
|---|

The education system in Egypt faces enormous challenges if it is to contribute to the country's development agenda. Since 1996, the Bank and European Union have been working with the government on a framework for education system reform at all levels. In 1997, the Ministry of Education articulated a long-term vision, with input from the Bank and the EU, which recognized the need to improve the quality, efficiency, equity, and quantity of education. The vision paper called for the need for a national dialogue, devolution of authority, and increased community participation; it focused on enhancing quality as a priority and identified objectives and actions needed in four main areas. In 1998 the Bank produced an informal sector note which laid out its sectoral assistance strategy consistent with this vision. The proposed assistance includes provision of informal policy advice to four ministerial committees formulating the national strategy for educational reform by the year 2000 and a series of IDA financed interventions that fit in with the strategies being developed.

This work in the education sector exemplifies the principles of the Comprehensive Development Framework: it focuses on the *long-term vision* and recognizes the need for structural changes within the sector; it involves *strong ownership* at the very top echelons of government as well as at the working level across several ministries, in addition to responding to the concerns expressed by the constituencies in civil society, such as the business community; it is *participatory*, as the Bank is working closely with the European Union and involving other donors in co-financing investments; and it is focused on results, and although these are not clearly quantified in the informal notes, they are clearly described. This approach holds promise for the impact of future Bank work in the sector, although whether it will involve lending on IBRD terms is still unclear.

4. Conclusions and Recommendations

4.1 Egypt has achieved a sound macroeconomic performance in recent years, even in the face of the Asian crisis, falling oil prices, and a downturn in tourism. Nevertheless, poverty and inadequate progress in some social indicators remain serious concerns.¹⁷ Major challenges are maintaining growth, creating employment, improving governance, and improving the social infrastructure. It is uncertain whether the Bank will have a significant role to play in helping the country meet these challenges, because Egypt graduated from IDA in FY99 and may be unwilling to borrow on IBRD terms, particularly in the social sectors where only IDA credits have been used in the past.

4.2 Although the Bank's assistance strategies throughout the 1990s were relevant, the Bank was able to implement only a part of its stated strategies.¹⁸ Where the Bank has been able to lend and provide policy advice, it has had some success. In addition, the Bank has been able to affect reforms indirectly through its input into the design of IMF programs. To evaluate the overall program of Bank assistance, it was necessary to recognize that the assistance has been well below potential and presents a mosaic of outcomes. Weighing satisfactory support for macroeconomic reforms and the generally satisfactory outcome of the social funds against the much less satisfactory support to sectoral investments and certain gaps in sector work and lending to alleviate poverty, the *overall outcome of Bank assistance since*

¹⁷ The Government has commented, "...the government formed a Ministerial Committee in charge of Social Development to address these concerns."

¹⁸ The Government notes "The actual implementation of a strategy must respond to changing circumstances. The Government considers that its relationship with the Bank has enabled the most appropriate policies to be followed in a flexible and pragmatic manner."

*1991 is rated as marginally satisfactory.*¹⁹ The sustainability of the macroeconomic reforms are likely, but the sustainability of some of the sectoral investments is uncertain, including the social fund. On balance, *sustainability of Bank assistance is considered uncertain.* And setting the likely impact on reforms at a macroeconomic level against the negligible impact at a sectoral level, *institutional development is considered modest.*

4.3 With Egypt's graduation from IDA, it is a good opportunity to rethink the assistance strategy, based on discussion with the Government on the role they would like the Bank to play. Given consistent over-optimism by the Bank in past assistance strategies and current uncertainties about the future demand for IBRD, it would be prudent to shorten the time horizon of the next assistance strategy. The future strategy should focus on broadening the scope of Bank's dialogue with Government, to include areas such as: strategies for poverty alleviation; private sector development, including privatization²⁰ and renewing contacts with private sector participants; the financial sector; and governance issues. Recent indications are that the Bank has started work in some of these areas, such as improving the business environment, which covers both private sector and governance issues. This work in turn could lead to innovative projects. The Bank should also continue to lend in areas where it has had positive impact and relations, such as in irrigation and drainage. Within two years, the Bank's administrative budget should be more closely linked to Egypt's effective demand for its assistance. The next CAS should propose clear guidelines on linking the administrative budget to the size and complexity of the portfolio and likely pipeline of assistance.²¹ Finally, given the large amounts of funding available to Egypt on more concessional terms than those of IBRD, the Bank should forge closer partnerships with other donors, which could reduce the risk of last-minute cancellations as well as serve to make IBRD lending more attractive.

¹⁹ This assessment differs from OED findings on individual projects presented in para. 3.2 and Table 3.1, which show 84% satisfactory outcomes on all lending operations since FY70. The assessment here focuses on the period since 1990 only; it takes into account the relevance of successive country strategies as presented in Bank documents; consistency between strategies and proposed assistance, both lending and non-lending; and the extent to which the proposed assistance was in fact carried out. Taking all these factors into account, the assessment on outcome of Bank assistance at a country level in the 1990s is not as positive as OED's outcome ratings on individual projects presented in Table 3.1.

²⁰ Although some Government officials expressed the view that no support from IBRD is necessary in this area, other officials disagreed and suggested that they would welcome such support.

²¹ The Government notes, "We do not consider that there should be a link between borrowing and policy advice; different countries are in different situations regarding access to funds and access to analytical support. The Bank should provide whatever kind of support best suits the circumstances of a particular country. Moreover, simply cutting back on resources would lose the Bank its intellectual capacity to help Egypt, thereby making the recommendations of this report self-fulfilling." OED thinks that the amount of resources devoted to a country must, over time, bear some relation to the size, complexity, and future prospects of the lending portfolio.

Table 1.1: Social Indicators: Egypt, 1970 and 1996

| | 1970 | 1996 |
|----------------------------|------|------|
| Life Expectancy | 51 | 65 |
| Total Fertility | 5.9 | 3.3 |
| Maternal Mortality | n.a. | 170 |
| Infant Mortality | 158 | 53 |
| Access to Health Care | n.a. | 99 |
| Gross Primary Enrollment | 72 | 100 |
| Gross Secondary Enrollment | 35 | 74 |
| Illiteracy | 60 | 39* |

* From 1996 Census: not strictly comparable to other figures on illiteracy. See Annex II, Table 3.

Annex II: Table 1 - 1970 Social Indicators for Egypt and PPP Comparator Countries

| Country | Population | Life Expectancy | Infant Mortality | Total Fertility | Gross Enrollment | | Gross Primary School Enrollment | Illiteracy 1974 |
|---------------------------|------------|-----------------|------------------|-----------------|------------------|-------------|---------------------------------|-----------------|
| | 1971 (000) | | | | Primary | Secondary | (% Female) | |
| Algeria | 14,438 | 53 | 139 | 7.4 | 76 | 11 | 58 | 65 |
| Bolivia | 5,063 | 46 | 153 | 6.5 | 76 | 24 | 62 | 60 |
| Bulgaria | 8,540 | 70 | 95 | 2.2 | 101 | 79 | 100 | n.a. |
| Congo | 1,123 | 51 | 131 | 5.9 | n.a. | n.a. | n.a. | 50 |
| Dominican Rep. | 4,119 | 59 | 98 | 6.0 | 100 | 21 | 100 | 49 |
| Ecuador | 6,300 | 58 | 100 | 6.3 | 97 | 22 | 95 | 31 |
| Egypt | 34,080 | 51 | 158 | 5.9 | 72 | 35 | 57 | 60 |
| Guatemala | 5,438 | 53 | 106 | 6.5 | 57 | 8 | 51 | 53 |
| Indonesia | 119,182 | 47 | 118 | 5.5 | 80 | 16 | 73 | 38 |
| Jamaica | 1,901 | 67 | 43 | 5.4 | 119 | 46 | 119 | 14 |
| Jordan | 2,380 | 55 | n.a. | 7.9 | 83 | 42 | 77 | 38 |
| Morocco | 15,379 | 52 | 128 | 7.0 | 52 | 13 | 36 | 74 |
| Namibia | 785 | 48 | 118 | 6.1 | n.a. | n.a. | n.a. | n.a. |
| Paraguay | 2,458 | 65 | 55 | 6.0 | 109 | 17 | 103 | 19 |
| Peru | 14,010 | 54 | 108 | 6.0 | 107 | 31 | 99 | 28 |
| Philippines | 37,919 | 57 | 66 | 6.4 | 108 | 46 | 103 | 13 |
| Romania | 20,470 | 69 | 49 | 3.4 | 112 | 44 | 113 | 2 |
| Sri Lanka | 12,849 | 64 | 53 | 4.3 | 90 | 47 | 94 | 22 |
| Average | | 56.9 | 97.5 | 5.0 | 80.4 | 31.1 | 85.5 | 36.9 |
| Standard Deviation | | 7.7 | 34.6 | 1.4 | 20.0 | 19.3 | 24.5 | 18.8 |

Source: World Bank Indicators 1998, World Development Reports 1978, 1993, & 1997.

Note: Indicators are for 1970 unless otherwise noted, figure in italics represent 1975.

Annex II: Table 2 - 1970 Social Indicators for Egypt and MENA Countries

| Country | Population 1971 (000) | Life Expectancy | Infant Mortality | Total Fertility | Gross Enrollment Primary | Gross Enrollment Secondary | Gross Primary School Enrollment (% Female) | Illiteracy 1974 | Access to Safe Drinking Water* | Access to sanitation* |
|---------------------------|-----------------------------|--------------------|---------------------|--------------------|-----------------------------|-------------------------------|---|--------------------|---|--------------------------|
| Egypt | 34,080 | 51 | 158 | 5.9 | 72 | 35 | 57 | 60 | n.a. | n.a. |
| Algeria | 14,438 | 53 | 139 | 7.4 | 76 | 11 | 58 | 65 | 77 | n.a. |
| Iran | 29,780 | 55 | 131 | 6.7 | 72 | 27 | 52 | 50 | 50 | 60 |
| Jordan | 2,380 | 55 | n.a. | 7.9 | 83 | 42 | 77 | 38 | 89 | 76 |
| Lebanon | 2,804 | 64 | 50 | 5.4 | n.a. | n.a. | n.a. | 32 | 92 | 59 |
| Morocco | 15,379 | 52 | 128 | 7.0 | 52 | 13 | 36 | 74 | 32 | 50 |
| Syria | 6,509 | 56 | 96 | 7.7 | 78 | 59 | 59 | 47 | 71 | 45 |
| Tunisia | 5,245 | 54 | 121 | 6.4 | 100 | 23 | 79 | 45 | 72 | 46 |
| Yemen | 7,370 | 42 | 186 | 7.0 | 22 | 3 | 94 | 90 | n.a. | n.a. |
| Average | | 53.9 | 121.6 | 7.9 | 69.0 | 25.4 | 65.0 | 55.1 | 69.0 | 56.0 |
| Standard Deviation | | 6.0 | 41.6 | 0.8 | 25.1 | 19.5 | 19.5 | 19.6 | 21.4 | 11.7 |

Source: World Bank Indicators 1998, World Development Reports 1978, 1993, & 1997.

Note: Indicators are for 1970 unless otherwise noted, figures in italics represent 1975.

* figures from 1980.

Annex II: Table 3 - 1996 Social Indicators for Egypt and PPP Comparator Countries

| Country | Population | PPP '93 | Life Expectancy | Infant Mortality | Maternal Mortality Rate | Total Fertility | Child Mortality (age 1-5) | | Access to Health Care | Child Malnutrition | Access to Safe Drinking Water | Access to sanitation |
|---------------------------|------------|---------------|-----------------|------------------|-------------------------|-----------------|---------------------------|-------------|-----------------------|--------------------|-------------------------------|----------------------|
| | | | | | | | male | female | | | | |
| Algeria | 28.7 | 4390 | 70 | 32 | 140 | 3.4 | n.a. | n.a. | n.a. | 10 | n.a. | n.a. |
| Bolivia | 7.6 | 2400 | 61 | 67 | 370 | 4.4 | 53 | 47 | n.a. | 16 | n.a. | 44 |
| Bulgaria | 8.4 | 3730 | 71 | 16 | 20 | 1.2 | n.a. | n.a. | 100 | n.a. | n.a. | 99 |
| Congo | 45.2 | 2430 | 53 | 90 | n.a. | 6.3 | n.a. | n.a. | 59 | 34 | n.a. | n.a. |
| Dominican Rep. | 8.0 | 3240 | 71 | 40 | 110 | 3.1 | 18 | 20 | n.a. | 6 | 71 | 78 |
| Ecuador | 11.7 | 4260 | 70 | 34 | 150 | 3.1 | 12 | 9 | 80 | 17 | 70 | 64 |
| Egypt | 59.3 | 3530 | 65 | 53 | 170 | 3.3 | 22 | 28 | 99 | 9 | 64 | 11 |
| Guatemala | 10.9 | 3390 | 66 | 41 | 190 | 4.6 | 22 | 24 | 60 | 33 | 60 | 66 |
| Indonesia | 197.1 | 3140 | 65 | 49 | 390 | 2.6 | 30 | 27 | 43 | 40 | 62 | 51 |
| Jamaica | 2.5 | 3000 | 74 | 12 | 120 | 2.3 | n.a. | n.a. | n.a. | 10 | 70 | 74 |
| Jordan | 4.3 | 4010 | 71 | 30 | 150 | 4.4 | 6 | 6 | 90 | 10 | 89 | 100 |
| Morocco | 27.0 | 3270 | 66 | 53 | 372 | 3.3 | 21 | 19 | 62 | 10 | 52 | 40 |
| Namibia | 1.6 | 3930 | 56 | 61 | 220 | 4.9 | 30 | 34 | n.a. | 26 | n.a. | 34 |
| Paraguay | 5.0 | 3490 | 71 | 24 | 190 | 3.9 | 10 | 12 | n.a. | 4 | n.a. | 30 |
| Peru | 24.3 | 3130 | 68 | 42 | 280 | 3.1 | 29 | 31 | n.a. | 11 | 60 | 44 |
| Philippines | 71.9 | 2660 | 66 | 37 | 208 | 3.6 | 28 | 25 | n.a. | 30 | n.a. | n.a. |
| Romania | 22.6 | 2910 | 69 | 22 | 41 | 1.3 | 7 | 5 | n.a. | 6 | n.a. | 49 |
| Sri Lanka | 18.3 | 3030 | 73 | 15 | 30 | 2.3 | 10 | 9 | 90 | 38 | n.a. | n.a. |
| Average | | 3318.2 | 67.1 | 39.1 | 186.3 | 3.4 | 21.2 | 20.6 | 73.0 | 18.8 | 66.0 | 59.5 |
| Standard Deviation | | 590.8 | 5.8 | 20.4 | 117.9 | 1.3 | 13.1 | 12.4 | 19.8 | 12.5 | 10.64 | 23.06 |

| Country | Gross Enrollment | | Net Female Enrollment | | Illiteracy | | National Poverty Line |
|---------------------------|------------------|-------------|-----------------------|-----------------|-------------|-------------|-----------------------|
| | Primary | Secondary | Prim. 1993 | 1993 (% Female) | male | female | |
| Algeria | 107 | 60 | 91 | 96 | 26 | 51 | 22.6 |
| Bolivia | n.a. | n.a. | 87 | n.a. | 10 | 24 | n.a. |
| Bulgaria | 94 | 78 | 96 | 84 | n.a. | n.a. | n.a. |
| Congo | 72 | 26 | 50 | n.a. | 13 | 32 | n.a. |
| Dominican Rep. | 103 | 41 | 83 | 99 | 18 | 18 | 20.6 |
| Ecuador | 109 | 50 | 92 | 122 | 8 | 12 | 35.0 |
| Egypt | 100 | 74 | 82 | 89 | 36 | 61 | 39* |
| Guatemala | 84 | 25 | n.a. | 78 | 38 | 51 | n.a. |
| Indonesia | 114 | 48 | 95 | 112 | 10 | 22 | 15.1 |
| Jamaica | 109 | 66 | 100 | 108 | 19 | 11 | 34.2 |
| Jordan | 104 | 75 | 89 | 95 | 7 | 21 | 15.0 |
| Morocco | 83 | 39 | 62 | 60 | 43 | 69 | 13.1 |
| Namibia | 133 | 62 | n.a. | 138 | n.a. | n.a. | n.a. |
| Paraguay | 109 | 38 | 89 | 110 | 7 | 9 | 21.8 |
| Peru | 123 | 70 | 90 | n.a. | 6 | 17 | 54.0 |
| Philippines | 116 | 79 | n.a. | n.a. | 5 | 6 | 54.0 |
| Romania | 100 | 66 | 92 | 86 | n.a. | n.a. | 21.5 |
| Sri Lanka | 113 | 75 | n.a. | 105 | 7 | 13 | 35.3 |
| Average | 104.6 | 56.1 | 85.8 | 99.5 | 15.5 | 25.4 | 20.4 |
| Standard Deviation | 15.5 | 18.2 | 14.1 | 20.1 | 12.2 | 18.8 | 15.1 |

Source: World Bank Indicators 1998, World Development Reports 1993, 1997.

Note: * This figure taken from 1996 Census and includes people 10 years and older. Other figures are for people 15 years and older and so Egypt's figure is not strictly comparable.

Annex II: Table 4 - 1996 Social Indicators for Egypt and MENA Countries

| Country | Population | PPP 1996 | Life Expectancy | Infant Mortality | Maternal Mortality Rate | Total Fertility | Child Malnutrition | Access to Health Care | Gross Enrollment Primary | Enrollment Secondary | Net Female Prim. Enrollment | Gross Primary School Enrollment 1993 | | Illiteracy 1995 | National Poverty Line | Access to Safe Drinking Water | Access to sanitation | |
|---------------------------|------------|---------------|-----------------|------------------|-------------------------|-----------------|--------------------|-----------------------|--------------------------|----------------------|-----------------------------|--------------------------------------|-------------|-----------------|-----------------------|-------------------------------|----------------------|-------------|
| | | | | | | | | | | | | male | female | | | | | |
| Egypt | 59.3 | 2860 | 65 | 53 | 170 | 3.3 | 9 | 99 | 100 | 74 | 82 | 89 | 36 | 61 | 49 | n.a. | 64 | 11 |
| Algeria | 28.7 | 4620 | 70 | 32 | 140 | 3.4 | 10 | n.a. | 107 | 62 | 91 | 96 | 26 | 51 | 38 | 22.6 | n.a. | n.a. |
| Iran | 62.5 | 5360 | 70 | 36 | 120 | 3.8 | 16 | 73 | 99 | 69 | n.a. | n.a. | 22 | 34 | 28 | n.a. | n.a. | n.a. |
| Jordan | 4.3 | 3570 | 71 | 30 | 150 | 4.4 | 10 | 90 | 104 | 75 | 89 | 95 | 7 | 21 | 13 | 15.0 | 89 | 100 |
| Lebanon | 4.1 | 6060 | 70 | 31 | 300 | 2.7 | 9 | n.a. | 109 | 81 | n.a. | 114 | 10 | 20 | 8 | n.a. | n.a. | n.a. |
| Morocco | 27.0 | 3320 | 66 | 53 | 372 | 3.3 | 10 | 62 | 83 | 39 | 62 | 60 | 43 | 69 | 56 | 13.1 | 52 | 40 |
| Syria | 14.5 | 3020 | 69 | 31 | 179 | 4.0 | n.a. | 99 | 101 | 44 | 87 | 99 | 14 | 44 | 29 | n.a. | 85 | 78 |
| Tunisia | 9.1 | 4550 | 70 | 30 | n.a. | 2.8 | 9 | 90 | 116 | 61 | 95 | 113 | 21 | 45 | 33 | 14.1 | n.a. | n.a. |
| Yemen | 15.8 | 790 | 54 | 98 | 1400 | 7.2 | 30 | n.a. | 79 | 23 | n.a. | n.a. | 47 | 74 | 61 | 19.1 | 52 | 51 |
| Average | | 3911.3 | 67.5 | 42.6 | 380.1 | 4.5 | 13.4 | 82.8 | 99.8 | 56.8 | 84.8 | 96.2 | 23.8 | 44.8 | 33.3 | 16.8 | 69.5 | 67.3 |
| Standard Deviation | | 1631.3 | 5.7 | 23.7 | 459.2 | 1.4 | 7.7 | 15.0 | 12.7 | 19.8 | 13.1 | 19.6 | 14.6 | 19.9 | 18.5 | 4.0 | 20.3 | 27.0 |

Source: World Bank Indicators 1998, World Development Reports 1993, 1997.

Annex II: Table 5a: Official Development Assistance (ODA) to Egypt FY87-96

| <i>Egypt</i> | <i>FY87</i> | <i>FY88</i> | <i>FY89</i> | <i>FY90</i> | <i>FY91</i> | <i>FY92</i> | <i>FY93</i> | <i>FY94</i> | <i>FY95</i> | <i>FY96</i> |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross ODA | 1878.8 | 1736.9 | 1745.6 | 5725.9 | 9982.4 | 3937.8 | 4585.4 | 3012.3 | 2262.1 | 2304.6 |
| Net ODA | 1773.6 | 1537.4 | 1544.9 | 5438.5 | 5024.7 | 3541.6 | 3603.5 | 2400.8 | 2694.9 | 2212.0 |

Source: OECD Geographical Distribution of Financial Flows to Aid Recipients

Annex II: Table 5b: Net ODA flows on Per Capita Basis, FY87-96

| <i>Comparator Country</i> | <i>Net ODA PC FY87-96</i> |
|-------------------------------|-------------------------------|
| Algeria | 18.17 |
| <i>Egypt</i> | 52.12 |
| Morocco | 27.89 |
| Peru | 18.48 |
| Philippines | 16.91 |
| Sri Lanka | 36.34 |
| Average | 23.56 |

| Annex 3: Table 1 - List of Managers Responsible for Egypt | | | | |
|--|--------------------|-----------------|------------------|-------------------------|
| | Regional VP | Director | COD Chief | Resident Mission |
| 1991 | Wappenhaus | Ram Chapra | Spirosi Vayadzis | |
| 1992 | Caio Koch-Weser | Ram Chapra | Spirosi Vayadzis | Sven Burmester |
| 1993 | Caio Koch-Weser | Ram Chapra | Spirosi Vayadzis | Sven Burmester |
| 1994 | Caio Koch-Weser | Ram Chapra | Spirosi Vayadzis | Sven Burmester |
| 1995 | Caio Koch-Weser | Inder Sud | Spirosi Vayadzis | |
| 1996 | Kemal Dervis | Inder Sud | | Khalid Ikram |
| 1997 | Kemal Dervis | Inder Sud | | Inder Sud |
| 1998 | Kemal Dervis | | | Inder Sud |
| 1999 | Kemal Dervis | | | |

Annex 3: Table 2 - Gross Commitments by Sector (\$US million)

| Sector | Total FY59-89 | % of total | Total FY90-99 | % of total | Total FY59-89 | % of Total |
|-------------------------|----------------------|-------------------|----------------------|-------------------|----------------------|-------------------|
| Adjustment | 140.0 | 3.5 | 300.0 | 16.1 | 440.0 | 7.5 |
| Agriculture | 845.6 | 21.1 | 534.0 | 28.6 | 1379.6 | 23.5 |
| Education | 152.6 | 3.8 | 161.0 | 8.6 | 313.6 | 5.3 |
| Electric and Power | 538.0 | 13.4 | 220.0 | 11.8 | 758.0 | 12.9 |
| Finance | 280.0 | 7.0 | 0.0 | 0.0 | 280.0 | 4.8 |
| Industry | 874.1 | 21.8 | 0.0 | 0.0 | 874.1 | 14.9 |
| Infrastructure | 511.7 | 12.8 | 2.0 | 0.1 | 513.7 | 8.7 |
| Mining | 2.5 | 0.1 | 0.0 | 0.0 | 2.5 | 0.0 |
| Oil & Gas | 240.0 | 6.0 | 119.0 | 6.4 | 359.0 | 6.1 |
| Pop., Health, & Nutrit. | 30.0 | 0.7 | 394.0 | 21.1 | 424.0 | 7.2 |
| Public Sector Mgmt. | 11.2 | 0.3 | 9.0 | 0.5 | 20.2 | 0.3 |
| Telecommunications | 126.0 | 3.1 | 0.0 | 0.0 | 126.0 | 2.1 |
| Urban Development | 105.5 | 2.6 | 0.0 | 0.0 | 105.5 | 1.8 |
| Water & Sanitation | 154.6 | 3.9 | 130.0 | 7.0 | 284.6 | 4.8 |
| Year Total | 4011.8 | 100.0 | 1869.0 | 100.0 | 5880.8 | 100.0 |

Annex III: Table 3 - EGYPT: SUMMARY OF PROJECT INFORMATION

| TOTAL APPROVED PROJECTS* | | | | | TOTAL APPROVED PROJECTS, BY PERIOD (FY) | | | | |
|--|--------|---------|-----------|---------|---|--------------------|---------------------|---------------------------|---------------------|
| | Number | Percent | Value \$m | Percent | Period | Number | Percent | Value \$m | Percent |
| Adjustment Loans | 3 | 3% | 440.0 | 7% | 1960-1982 | 57 | 58% | 2660.6 | 44% |
| Non-Adjustment Loans | 96 | 97% | 5637.0 | 93% | 1983-1986 | 15 | 15% | 1141.3 | 19% |
| TOTAL | 99 | 100% | 6077.0 | 100% | 1987-1990 | 5 | 5% | 302.5 | 5% |
| OED OUTCOME RATINGS | | | | | 1991-1999* | 22 | 22% | 1972.5 | 32% |
| | Number | Percent | Value \$m | Percent | TOTAL | 99 | 100% | 6076.9 | 100% |
| <i>Satisfactory Outcome</i> | | | | | OED SATISFACTORY OUTCOME RATINGS BY PERIOD** | | | | |
| Adjustment Loans | 1 | 50% | 150.1 | 68% | | <i>Loans Rated</i> | <i>% Satisfact.</i> | Value \$m | <i>% Satisfact.</i> |
| Non-Adjustment Loans | 52 | 74% | 2729.4 | 85% | <i>1960-1982</i> | | | | |
| Total | 53 | 74% | 2879.5 | 84% | Adjustment Loans | 1 | 0% | 70.0 | 0% |
| <i>Unsatisfactory Outcome</i> | | | | | Non-Adjustment Loans | 51 | 80% | 2268.6 | 88% |
| Adjustment Loans | 1 | 50% | 70.0 | 32% | Period Total | 52 | 79% | 2338.6 | 85% |
| Non-Adjustment Loans | 18 | 26% | 491.9 | 15% | <i>1983-1986</i> | | | | |
| Total | 19 | 26% | 561.9 | 16% | Adjustment Loans | 0 | | 0.0 | |
| TOTAL RATED | 72 | | 3441.4 | | Non-Adjustment Loans | 14 | 64% | 642.3 | 71% |
| OED SUSTAINABILITY RATINGS | | | | | Period Total | 14 | 64% | 642.3 | 71% |
| | Number | Percent | Value \$m | Percent | <i>1987-1990</i> | | | | |
| <i>Likely Sustainability</i> | | | | | Adjustment Loans | 0 | | 0.0 | |
| Adjustment Loans | 0 | 0% | 0.0 | 0% | Non-Adjustment Loans | 2 | 50% | 149.1 | 94% |
| Non-Adjustment Loans | 16 | 47% | 1047.3 | 53% | Period Total | 2 | 50% | 149.1 | 94% |
| Total Likely Sustainability | 16 | 44% | 1047.3 | 48% | <i>1991-1999</i> | | | | |
| <i>Uncertain Sustainability</i> | | | | | Adjustment Loans | 1 | 100% | 150.1 | 100% |
| Adjustment Loans | 1 | 50% | 150.1 | 68% | Non-Adjustment Loans | 3 | 33% | 161.5 | 87% |
| Non-Adjustment Loans | 10 | 29% | 500.9 | 26% | Period Total | 4 | 50% | 311.5 | 93% |
| Total Uncertain Sustainability | 11 | 31% | 651.0 | 30% | <i>All:1960-1999</i> | | | | |
| <i>Unlikely Sustainability</i> | | | | | Adjustment Loans | 2 | 50% | 220.1 | 68% |
| Adjustment Loans | 1 | 50% | 70.0 | 32% | Non-Adjustment Loans | 70 | 74% | 3221.3 | 85% |
| Non-Adjustment Loans | 8 | 24% | 410.2 | 21% | TOTAL RATED | 72 | 74% | 3441.4 | 84% |
| Total Unlikely Sustainability | 9 | 25% | 480.2 | 22% | ARPP RATINGS OF ONGOING PROJECTS | | | | |
| TOTAL RATED | 36 | 100% | 2178.5 | 100% | | Number | Percent | Value \$m | Percent |
| OED INSTITUTIONAL DEVELOPMENT RATINGS | | | | | <i>Development Objectives</i> | | | | |
| | Number | Percent | Value \$m | Percent | Satisfactory | 18 | 100% | 1117.0 | 100% |
| <i>Substantial ID</i> | | | | | Unsatisfactory | 0 | 0% | 0.0 | 0% |
| Adjustment Loans | 1 | 50% | 150.1 | 68% | TOTAL | 18 | 100% | 1117.0 | 100% |
| Non-Adjustment Loans | 7 | 21% | 485.9 | 25% | <i>Implementation Progress</i> | | | | |
| Total Substantial ID | 8 | 22% | 636.0 | 30% | Satisfactory | 15 | 83% | 1020.0 | 91% |
| <i>Moderate ID</i> | | | | | Unsatisfactory | 3 | 17% | 97.0 | 9% |
| Adjustment Loans | 1 | 50% | 70.0 | 32% | TOTAL | 18 | 100% | 1117.0 | 100% |
| Non-Adjustment Loans | 20 | 59% | 1126.4 | 59% | DISCONNECT FOR EGYPT | | | | |
| Total Moderate ID | 21 | 58% | 1196.4 | 56% | <i>No. of projects</i> | <i>ARPP % Sat</i> | <i>OED % Sat</i> | <i>Net disc. at exit*</i> | |
| <i>Negligible ID</i> | | | | | Since FY80: | 66 | 86% | 74% | 12% |
| Adjustment Loans | 0 | 0% | 0 | 0% | Last 5 FYs: | 13 | 62% | 46% | 15% |
| Non-Adjustment Loans | 7 | 21% | 300 | 16% | (*) The net disconnect (based on ARPP FY exit) is an indication of the optimism in supervision ratings. The number of projects for which both the OED and ARPP ratings are available may differ from the total number of projects evaluated by OED. | | | | |
| Total Negligible ID | 7 | 19% | 300 | 14% | | | | | |
| TOTAL RATED | 36 | 100% | 2132.8 | 100% | | | | | |

*Through March 31, 1999.

**Based on FY of Board approval.

Note: includes projects evaluated through January 31, 1999.

Sources: OED, CTR.

Annex III Table 4 - EGYPT: OED Evaluations by Sector (through January 31, 1999)

| <i>Ln./Cr.</i> | <i>Project Name</i> | <i>Approval date</i> | <i>Net comm. (US\$M)</i> | <i>ARPP exit FY</i> | <i>Outcome</i> | <i>Sust</i> | <i>ID Impact</i> | <i>INV/ADJ</i> | <i>Latest Report Type</i> | <i>Latest Report Number</i> | <i>Latest Report Date</i> |
|--------------------|---|----------------------|------------------------------|-------------------------|----------------|-------------|----------------------|----------------|-----------------------------------|-------------------------------------|-------------------------------|
| Agriculture | | | | | | | | | | | |
| C0181 | Nile Delta drainage project | 24-Mar-70 | 24.0 | 1980 | S | | | Investment | PAR | 03993 | 21-Jun-82 |
| C0393 | Upper Egypt drainage project | 07-Jun-73 | 34.9 | 1982 | S | | | Investment | PAR | 05146 | 27-Jun-84 |
| C0830 | Agricultural development project | 27-Jun-78 | 31.7 | 1984 | U | | | Investment | PAR | 07337 | 30-Jun-88 |
| C0988 | Agro-industries project | 11-Mar-80 | 43.8 | 1988 | S | LIK | MOD | Investment | PAR | 13275 | 30-Jun-94 |
| C1083 | New land development project | 16-Dec-80 | 79.6 | 1991 | S | UNC | MOD | Investment | PAR | 13275 | 30-Jun-94 |
| C1111 | Fish farming development project | 17-Mar-81 | 11.6 | 1989 | U | UNL | NEG | Investment | PAR | 13275 | 30-Jun-94 |
| C1162 | Technical assistance project | 16-Jun-81 | 6.8 | 1992 | U | UNC | MOD | Investment | PCR | 12547 | 24-Nov-93 |
| L1276 | Fruit and vegetables development project | 28-May-76 | 48.6 | 1984 | S | | | Investment | PCR | 06749 | 28-Apr-87 |
| L1285 | Second Upper Egypt drainage project | 08-Jun-76 | 50.0 | 1985 | S | | | Investment | PAR | 07338 | 30-Jun-88 |
| L1439 | Second Nile Delta drainage project | 31-May-77 | 66.0 | 1986 | S | | | Investment | PAR | 07338 | 30-Jun-88 |
| L2243 | Second agro-industries project | 08-Mar-83 | 56.5 | 1990 | S | LIK | MOD | Investment | PAR | 13275 | 30-Jun-94 |
| L2270 | Irrigation pumping stations rehabilitation | 26-Apr-83 | 40.5 | 1992 | S | LIK | MOD | Investment | PAR | 13275 | 30-Jun-94 |
| L2561 | Agricultural Development 2 | 30-May-85 | 80.0 | 1994 | S | UNL | MOD | Investment | EVM | 15503 | 30-Jun-95 |
| L2562 | Drainage 5 | 30-May-85 | 63.0 | 1994 | S | LIK | SUB | Investment | EVM | | 17-Apr-96 |
| L2732 | Channel Maintenance | 26-Jun-86 | 27.9 | 1994 | U | UNL | MOD | Investment | EVM | | 24-Apr-96 |
| L3071 | Agricultural Storage | 25-May-89 | 9.2 | 1996 | U | UNL | NEG | Investment | EVM | | 23-Dec-96 |
| L3198 | Pumping Stations Rehabilitation 2 | 15-May-90 | 30.7 | 1999 | S | UNC | SUB | Investment | ES | | 21-Jun-99 |
| | <i>Subtotal:</i> | | <i>705.0</i> | | | | | | | | |
| Education | | | | | | | | | | | |
| C0681 | Education project | 22-Feb-77 | 23.3 | 1982 | S | | | Investment | PAR | 05070 | 07-May-84 |
| C0868 | Second education project | 19-Dec-78 | 36.5 | 1984 | S | | | Investment | PCR | 06804 | 08-Jun-87 |
| C1069 | Third education project | 07-Oct-80 | 39.9 | 1988 | S | LIK | SUB | Investment | PCR | 08183 | 17-Nov-89 |
| L2264 | Vocational Training | 19-Apr-83 | 17.6 | 1993 | S | LIK | SUB | Investment | PCR | 13967 | 10-Feb-95 |
| L2330 | Road maintenance project | 28-Jun-83 | 23.0 | 1990 | S | UNC | SUB | Investment | PCR | 09665 | 10-Jun-91 |
| L2594 | Vocational Training (Electr) | 25-Jun-85 | 18.1 | 1994 | S | LIK | MOD | Investment | EVM | 15503 | 29-Dec-95 |
| L3137 | Engineering and Technical Education Project | 05-Dec-89 | 30.5 | 1999 | S | LIK | SUB | Investment | ES | | 08-Dec-98 |
| | <i>Subtotal:</i> | | <i>189.0</i> | | | | | | | | |

Electric Power & Other Energy

Annex III Table 4 - EGYPT: OED Evaluations by Sector (through January 31, 1999)

| <i>Ln./Cr.</i> | <i>Project Name</i> | <i>Approval date</i> | <i>Net comm. (US\$M)</i> | <i>ARPP exit FY</i> | <i>Outcome</i> | <i>Sust</i> | <i>ID Impact</i> | <i>INV/ADJ</i> | <i>Latest Report Type</i> | <i>Latest Report Number</i> | <i>Latest Report Date</i> |
|----------------|---------------------|----------------------|------------------------------|-------------------------|----------------|-------------|----------------------|----------------|-----------------------------------|-------------------------------------|-------------------------------|
|----------------|---------------------|----------------------|------------------------------|-------------------------|----------------|-------------|----------------------|----------------|-----------------------------------|-------------------------------------|-------------------------------|

Annex III Table 4 - EGYPT: OED Evaluations by Sector (through January 31, 1999)

| <i>Ln./Cr.</i> | <i>Project Name</i> | <i>Approval date</i> | <i>Net comm. (US\$M)</i> | <i>ARPP exit FY</i> | <i>Outcome</i> | <i>Sust</i> | <i>ID Impact</i> | <i>INV/ADJ</i> | <i>Latest Report Type</i> | <i>Latest Report Number</i> | <i>Latest Report Date</i> |
|---|---|----------------------|------------------------------|-------------------------|----------------|-------------|----------------------|----------------|-----------------------------------|-------------------------------------|-------------------------------|
| Multisector | | | | | | | | | | | |
| L3353 | SAL 1 | 21-Jun-91 | 150.1 | 1993 | S | UNC | SUB | Adjustment | EVM | | 20-Jun-96 |
| | <i>Subtotal:</i> | | <i>150.1</i> | | | | | | | | |
| Oil & Gas | | | | | | | | | | | |
| C1024 | Cairo gas distribution project | 20-May-80 | 50.0 | 1985 | S | | | Investment | PAR | 06860 | 24-Jun-87 |
| L1732 | Gulf of Suez gas project | 19-Jun-79 | 75.0 | 1984 | S | | | Investment | PAR | 06880 | 30-Jun-87 |
| L1928 | Western desert exploration project | 09-Dec-80 | 25.0 | 1984 | S | | | Investment | PAR | 06862 | 26-Jun-87 |
| L2103 | Abu Qir gas development project | 23-Mar-82 | 90.0 | 1987 | S | | | Investment | PCR | 07536 | 13-Dec-88 |
| | <i>Subtotal:</i> | | <i>240.0</i> | | | | | | | | |
| Population, Health & Nutrition | | | | | | | | | | | |
| C0437 | Population project | 23-Oct-73 | 5.0 | 1979 | U | | | Investment | PAR | 04144 | 15-Oct-82 |
| C0850 | Second population project | 05-Oct-78 | 17.0 | 1986 | U | | | Investment | PCR | 07160 | 14-Mar-88 |
| | <i>Subtotal:</i> | | <i>22.0</i> | | | | | | | | |
| Public Sector Management | | | | | | | | | | | |
| C2402 | TA for Privatization, Enterprise and Banking Reform | 25-Jun-92 | 0.4 | 1997 | U | LIK | MOD | Investment | EVM | | 03-Mar-98 |
| LS014 | New Valley phosphate engineering and technical assistance | 01-May-79 | 7.9 | 1985 | S | | | Investment | PCR | 06452 | 20-Oct-86 |
| | <i>Subtotal:</i> | | <i>8.3</i> | | | | | | | | |
| Social Sector | | | | | | | | | | | |
| C2276 | Social Fund For Development | 21-Jun-91 | 140.0 | 1997 | S | UNC | SUB | Investment | ES | | 08-Jun-98 |
| | <i>Subtotal:</i> | | <i>140.0</i> | | | | | | | | |
| Telecommunications | | | | | | | | | | | |
| C0548 | Telecommunications project | 08-May-75 | 29.4 | 1980 | S | | | Investment | PAR | 04601 | 30-Jun-83 |

Annex III: Table 5 - Sectoral Evaluation Findings

| | <i># of Projects</i> | <i>Net Commit. (US\$ m)</i> | <i>Sat. Outcomes (% values)</i> | <i>Likely Sustain.* (% value)</i> | <i>Substantial ID Impact* (% value)</i> |
|----------------------|----------------------|---------------------------------|-------------------------------------|---------------------------------------|---|
| Agriculture | 17 | 705 | 88 | 45 | 21 |
| Finance and Industry | 17 | 882 | 70 | 51 | 28 |
| Power and Energy | 5 | 528 | 96 | n.a. | n.a. |
| Infrastructure | 8 | 318 | 62 | n.a. | n.a. |
| Total: | 47 | 2433 | | | |

* For Agriculture, 11 projects were rated for Sustainability and ID; Finance and Industry, 7 projects; Power and Energy, 4; and Infrastructure only 3. Ratings for these latter 2 sectors are not shown.