Corporate Unit Evaluation Central Project Evaluation

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Central Project Evaluation

Promotion of Small and Medium Enterprises, Egypt
Project number 2014.2182.5

Evaluation Report

On behalf of GIZ by Renate Müller and Noha Hassan (GOPA Worldwide Consultants)

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Abbreviations

ASRT	Academy of Scientific Research and Technology
BDS	Business development services
BMZ	German Federal Ministry for Economic Cooperation and Development Deutsches Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung
BoP	Base of the pyramid
CPE	Central Project Evaluation
CRM	Customer relationship management
CS/PS	Civil society/private sector
FGD	Focus group discussion
GDC	German Development Cooperation
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
ICTI	Industrial Council for Technology and Innovation
IDA	Industrial Development Authority
IDP	International Development Partner
IIS	Industrial Innovation Strategy
IMC	Industrial Modernisation Centre
IMF	International Monetary Fund
IZ	Industrial zone
LNOB	Leave no one behind
LTE	Long-term experts
MTI	Ministry of Trade and Industry
MSME	Micro, small and medium enterprises
MSMEDA	Micro Small and Medium Enterprises Development Agency
NUCA	New Urban Communities Authority
OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
OI	Outcome indicator
POI	Programme Objective Indicator
PSD	Private sector development
PSME	Promotion of small and medium enterprises
RBM	Results-based monitoring
SDG	Sustainable Development Goals
SGB	Small and growing business
SEDE	Sustainable Economic Development for Employment
SIA	Sustainable industrial area

SME	Small and medium enterprises
TOC	Theory of Change
UNIDO	United Nations Industrial Development Organization

The project at a glance

Egypt: Promotion of Small and Medium Enterprises (PSME)

Project number	2014.2182.5
Creditor Reporting System Code	25010 – Private Sector Development
Project objective	Prerequisites for increasing competitiveness and creating jobs in micro, small and medium enterprises (MSMEs) in the processing industry and its supply industries are improved.
Project term	01 March 2015 – 29 February 2020
Project value	EUR 12,000,000
Commissioning party	German Federal Ministry of Economic Cooperation and Development (BMZ)
Lead executing agency	Ministry of Trade and Industry (MTI)
Implementing organisations (in the partner country)	Small and Medium Enterprises Development Agency (MSMEDA) Industrial Modernisation Centre (IMC) Academy of Scientific Research and Technology (ASRT) Industrial Development Authority (IDA)
Other development organisations involved	No formal cooperation
Target group(s)	Start-ups and small and medium enterprises in selected sectors (food processing and engineering industries) and industrial zones)

1 Evaluation objectives and questions

The following section describes the objectives and main evaluation questions.

1.1 Evaluation objectives

The subject of this central project evaluation (CPE) is the bilateral technical cooperation project, Promotion of Small and Medium Enterprises (PSME) (PN 2014.2182.5). The CPE is part of a random sample from all projects implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH above a commissioning value of 3 million euros. The objective of this CPE is to assess the project's performance, covering the full range of activities over an implementation period of five years. This is a final evaluation that took place in June 2020, four months after the end of the project term. The evaluation provides a well-explained, reliable assessment of the project success, and sound information and criteria for decision-makers, stakeholders and change agents on how to continue with cooperation in private sector development (PSD).

1.2 Evaluation questions

The project was assessed on the basis of standardised evaluation criteria and questions developed by GIZ's Central Project Evaluation Department. The questions were based on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) evaluation criteria, namely relevance, efficiency, effectiveness, impact and sustainability (see the evaluation matrix in Annex 1). Specific evaluation dimensions and analytical questions were derived from this framework by GIZ. Aspects of coherence of criteria, complementarity and coordination were reviewed. Important additional topics were the project's contribution to Agenda 2030 and its principles (universality, inclusiveness, 'leave no one behind' [LNOB] and multi-stakeholder partnerships), and to cross-cutting issues such as gender. The CPE also reflected on conflict sensitivity issues according to GIZ guidelines (GIZ, 2019c).

During the inception phase (January 2020), no additional evaluation questions emerged from project stakeholders. The main stakeholders who were consulted expressed interest in the development effects of the entrepreneurial activities and collaboration with the private sector. In addition, progress on the capacity development of the Industrial Development Authority (IDA) was prioritised by the political partner (Int_12 with the political partner). These interests of the cooperation partners correspond with the epistemological interests expressed by GIZ (Foc_Dis_10). The project was part of the Sustainable Economic Development for Employment (SEDE) programme. GIZ expressed interest in analysing whether cross-sectoral collaboration among the projects of the SEDE programme has leveraged potential synergies (Int_5 with GIZ). Likewise, GIZ's PSD sectoral unit expressed interest in learning from this evaluation to prepare future projects in this sector (Int_11 with GIZ). The CPE also reflected on how PSD strategies should be designed within the specific political economy context of the country.

2 Object of the evaluation

This chapter aims to define the evaluation object, and describe in detail the theory of change (TOC; results model and underlying hypotheses) and the system boundary (area of responsibility).

2.1 Definition of the evaluation object

The object of this evaluation is the technical cooperation measure PSME Egypt (PN 2014.2182.5), hereafter referred to as the project. The project was implemented from March 2015 to February 2020 to address the unfavourable business environment for employment creation and the low level of competitiveness of small and medium enterprises (SMEs). After two budget increases, the total project value amounted to 12 million euros. The project builds on results and experience from similar previous PSD measures. A predecessor measure does not exist and is therefore not part of the evaluation. The CPE covered the full range of activities over the five-year implementation term. Geographically, activities were concentrated on economically vibrant industrial metropolitan areas (Cairo, Alexandria, Mansoura, El Sadat City, El Obour City and Al Asher Men Ramadan), and urban areas in Upper Egypt (Minya, Qena, Asyut and Sohag). The following map indicates the main geographical focuses of the project.

Figure 1: Geographical map of project interventions

Source: Google My Maps

Political and sectoral context and framework conditions

During the term of implementation, Egypt witnessed considerable political, economic and social changes. In November 2016, the International Monetary Fund (IMF) approved a loan for structural reforms (IMF, 2016).

Egypt's real gross domestic product grew from 4.37% (2015) to 5.6% (2019), driven mainly by gas extraction, tourism, the wholesale and retail trade, real estate and the construction sector. Although the macroeconomic environment has improved, social conditions have remained difficult. Between 2016 and 2018, nominal wage growth fell below inflation. Unemployment and youth unemployment remained a significant problem for the country. There are many reasons for the high prevailing unemployment in Egypt, but the main ones are over-population, government policies, the effect of economic policies, a lack of adequately educated and skilled labour, rapid changes in technology and fluctuating business cycles. Official estimates reported that the share of the population living below the national poverty line increased from 27.8% in 2015 to 32.5% in 2018. The highest poverty rates still prevail in rural Upper Egypt.

Several government changes affected the Ministry of Trade and Industry[1]. One of the key affiliates, the Micro, Small and Medium Enterprises Development Agency (MSMEDA), was established in 2017 with the mandate to provide financial and non-financial services to enterprises. MSMEDA was restructured in 2018 and is directly affiliated with the prime minister's office. In 2016, the Egyptian government launched Egypt's Vision 2030, its national Sustainable Development Goal (SDG) strategy. In line with this vision, the Ministry of Trade and Industry (MTI) published its development strategy (2016–2020) to create three million jobs and achieve an industrial growth rate of up to 8%. The project is related closely to two main pillars of the MTI strategy: industrial development, and MSMEs and entrepreneurship development (MTI, 2017).

Egypt has been experiencing a prolonged political transition since the January 2011 revolution (known as the Arab Spring). Political changes occurred in 2013 when General Abdel Fattah el-Sisi led a coalition to remove the President of Egypt, Mohamed Morsi, from power and suspended the Egyptian constitution of 2012. The resulting challenges have affected state–society relations and created a deep political rift (Ragab, 2017). In Egyptian society there are divisions of interest between public and private actors who support the implementation of large-scale (mega) economic projects such as the Suez Canal development project, those who call for adopting IMF-inspired economic reforms and those who prioritize the provision of social protection for the most vulnerable sections of society (Ragab, 2017). The state remains strong in Egypt and continues to be involved in economic matters. Concerns have increased about the stronger engagement of companies owned by the Ministry of Defence. In 2017, the IMF report critically assessed private-sector investment conditions in Egypt and called for reforms to enable businesses to gain better access to land, infrastructure and finance in the face of entrenched state interests. This created a complex political and sectoral context for the project to operate in. Activities of state-owned companies in some economic sectors create an uneven playing field for private actors (GIZ, 2017b). This affects the economic freedom of entrepreneurs and policy measures to promote SME growth.

Project objective and level of interventions

The project's objective was to support Egyptian manufacturing MSMEs to grow and create new, higher quality employment through enhanced innovation capacities. The main political partner of the project was the MTI. The project supported public and private institutions and MTI-affiliated bodies, private and public incubators, accelerators and other business innovation centres, to create an enabling environment for innovation and entrepreneurial learning. It pursued a multilevel approach, which covered capacity development at individual and organisational level within government institutions, the private sector (enterprises, business membership organisations and private service providers), civil society and network organisations, and technical support of the highest political level agenda-setting. The project had a sectoral focus on manufacturing, agri-food and creative industries. The three intervention areas (outputs) and the corresponding stakeholder structures are described below.

Innovation policy advisory (output A)

[1] Four different ministers between 2015 and 2019.

At policy (macro) level, the project supported MTI and the industrial innovation system to develop the Industrial Innovation Strategy (IIS, 2017). Support included a policy advisory service and capacity development measures for MTI to increase its steering and coordination functions. Public–private dialogue forums were promoted to strengthen participation of private sector representatives. The main stakeholders were the MTI Policy Strategy Unit and the Industrial Council for Technology and Innovation (ICTI). While the Policy Strategy Unit is primarily responsible for setting the strategic framework, the ICTI promotes the implementation of policies through the work of around 12 technology and innovation centres.

Another important actor in the field of innovation is the Academy of Scientific Research and Technology (ASRT) under the jurisdiction of the Ministry of Higher Education. ASRT promotes the interface between research, education and entrepreneurship (innovative business ideas) through its support centres, the technology and innovation commercialisation offices.

Business innovation (output B)

Output B supported incubation and acceleration programmes and business development service (BDS) providers to better gear their services towards start-ups, early-stage enterprises and MSMEs (with a focus on small and growing businesses [SGB]). This leads to a favourable ecosystem for start-ups and MSMEs (with access to better business services and facilitation of business linkages). Furthermore, inclusive business models were promoted to address the needs of disadvantaged groups or the 'base of the pyramid'[2] (BoP) population segment, targeting women, young people and disadvantaged people. The main state-affiliated stakeholders were the Chamber of Food Industry and ASRT. Output B also involved cooperation with several private sector partners: about 20 private BDS providers (e.g. Rise Up Egypt, ICE Alex, Quick-Wins) and international development partners (IDP), including the United Nations Global Compact and Startup Haus Cairo/Enpact. In addition, partners from academia (University Sohag and private universities) were involved in this intervention area.

Industrial business services (IBS, output C)

This output had two distinctive intervention areas. The initial interventions (IBS) were meant to capacitate the public and private support system for SMEs in selected sectors (the food industry and supply industries). The part on industrial zone (IZ) management evolved over time. IBS support measures included strengthening the consulting capacities of public and private BDS providers to increase access and acceptance of services by SMEs. Another key element was strengthening internal procedures for MSMEDA, as the main government entity responsible for coordination of national MSME development policies and support. The main stakeholders were the Industrial Modernisation Centre (IMC), MSMEDA and selected technology and innovation centres of MTI, namely the Food and Agro-Industries Technology Centre and the Engineering Innovation Technology Centre. Apart from the public provider, the following private BDS providers were supported: Nas Academy, Promech, Industrial House and Etkan. IDA is the key partner in IZ management as it is tasked with finding investors, regulating designated zones and operating strategic management for new IZ. IDA was capacitated to improve management skills to provide internationally state-of-the-art services for running IZ (e.g. real estate services, investor care, zone marketing and maintenance). Seven public IZ were targeted (four in Sohag: El Kawthar IZ, El Ahaiwa IZ, West Gerga IZ and West Tahta IZ; two in Qena: El Hew IZ and Qeft IZ; and one in Monofya: Sadat IZ). Four IZ were supported for transformation into sustainable industrial areas (SIA[3]). Three were private IZ: East Port Said Suez Canal Economic Zone, Engineering Square (E2) and 6th of October; and one was public: Qeft.

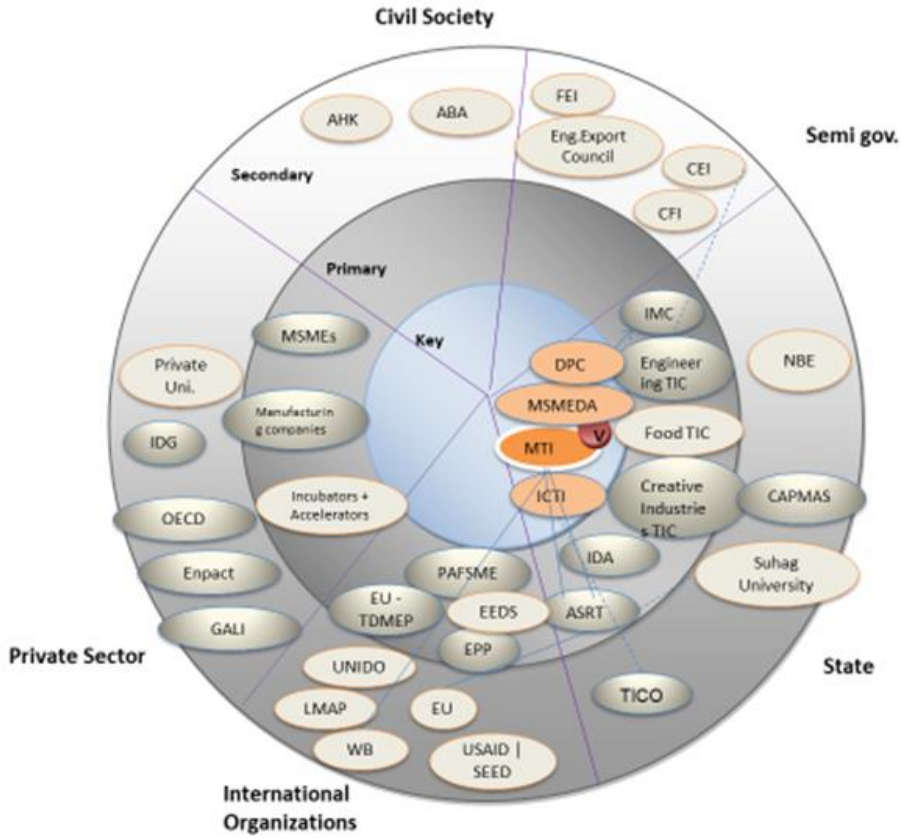
[2] The bottom of the pyramid, the bottom of the wealth pyramid or the bottom of the income pyramid is the largest but poorest population group who live on less than $2.50 a day.

[3] Sustainable Industrial Area (SIA) management approach: 'An International Framework for Eco-Industrial Parks', which was jointly published by UNIDO, the World Bank Group and GIZ in 2017.

Stakeholder landscape of the project

The stakeholder landscape considered the roles of MTI affiliates in the innovation system for stimulating innovation (knowledge), enabling innovation (idea), facilitating innovation (prototype) and commercialising innovation (product), based on a thorough analysis. The following figure (stakeholder map) provides an overview of the main stakeholders and partners.

Figure 2: Stakeholder map of the project



Source: PSME project

Target groups and cross-cutting issues

According to the project proposal (GIZ, 2016), the direct target group (final beneficiaries) consisted of owners, managing directors and employees of MSMEs in the manufacturing industry and related supply industries. Start-ups, early-stage enterprises and young entrepreneurs also belonged to the direct target group. A specific type of business was addressed: inclusive business entrepreneurs. These businesses have a double dividend: they have a commercially viable basis and contribute to poverty reduction. The proposal also focused on women entrepreneurs and young people in general (young people between 18 to 35 years). University students and graduates were included in the direct target group. The indirect target group were all public and private stakeholders involved in the three outputs (see Figure 2 above). In quantitative terms, the project targeted mainly MSMEs and start-ups. Gender equality and good governance were marked as a secondary objective (BMZ marker defined as 1).

2.2 Results model including hypotheses

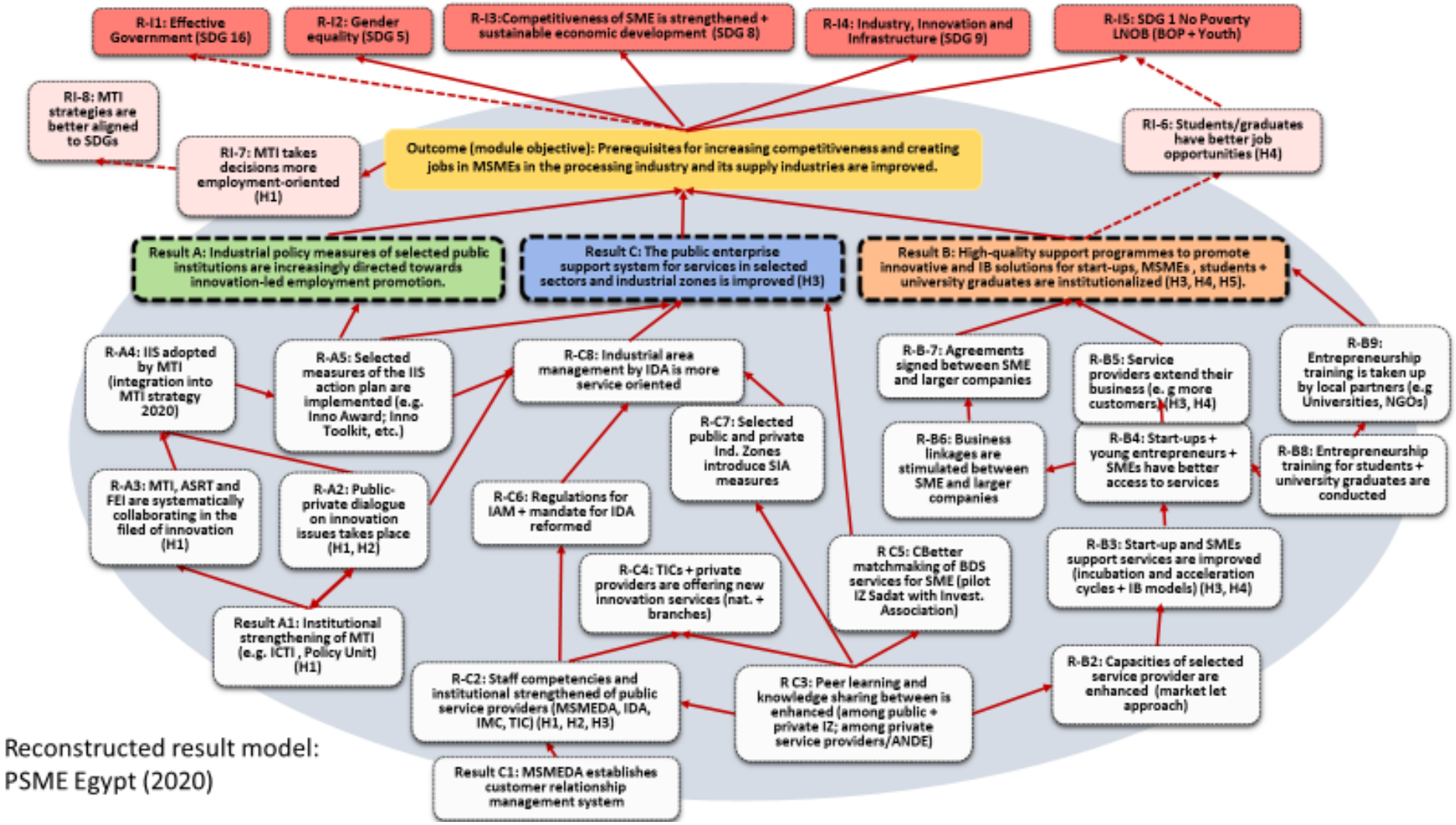
This section establishes the foundations for theory-based evaluation of the project by presenting the updated results model (TOC). The project objective (outcome) was: ‘Prerequisites for increasing competitiveness and

creating jobs in MSMEs in the processing industry and its supply industries are improved'. To achieve the outcome, the project focused on three output areas: output A: industrial policy measures, output B: promotion of innovative and inclusive business solutions for start-ups, MSMEs, university students and graduates, and output C: improved industrial business services of the public SME support system. In the project's overall results model, the results A, B and C jointly contribute to the project's objective (outcome). To assess the achievements, the project defined four outcome indicators (OI):

- OI.1: 600 people (including at least 100 women and 150 young people) have been employed by 3,000 local manufacturing companies and their suppliers, which benefited from support programmes.
- OI.2: Four employment-relevant recommendations (e.g. from MTI's Innovation Action Plan or the Youth Employment Promotion Dialogue) have been incorporated into the strategic decision-making processes of MTI or affiliated organisations.
- OI.3: 300 enterprises (start-ups or existing companies of which 30 apply an inclusive business model) that benefited from the project's support measures confirm improvement in one of the following criteria: (i) product development or innovative business model improvements, (ii) access to new markets or (iii) reduction of production costs.
- OI.4: 60% of 3,000 SMEs in industrial zones rate the consultancy services of selected service providers as improved.

The project developed an overall results model in 2016 and a capacity development strategy in 2017. Both documents provide an overview of intended change processes. No steps have been taken to update these documents. The TOC is outlined in the results model, which was reviewed, reconstructed and partially adjusted in close cooperation with the project team during inception (see the following figure).

Figure 3: Results model PSME Egypt



The underlying results hypotheses of the overall project contain several elements.

- **Hypothesis 1.** Better linkages among the Egyptian public stakeholders of the innovation system improve the innovation culture. More effective dialogue between public and private stakeholders is conducive to an innovation culture. If stakeholders know each other and share information, a sense of community is created and strengthened. Therefore, linkages are an essential element of a vibrant innovation ecosystem (R-C.3, R-B.6).
- **Hypothesis 2.** Institutional strengthening of public stakeholders (ICTI, MTI policy unit) leads to more effective policymaking and interactions with private sector representatives (R-A.1, R-A.2).
- **Hypothesis 3.** Linkages between private sector actors and research institutions lead to a more favourable business and innovation environment for SGBs (R-C.8). This in turn stimulates SMEs to improve their business model by adopting and adapting new technologies (processes, production and new products). These improvements at enterprise level (e.g. reduction of costs and productivity gains) will lead in the mid to long-term to a higher demand of labour (direct and indirect employment effects). Thus, the project outcome contributes to employment effects and sustainable economic development (impact level; for more details see Section 4.3). According to the hypothesis, employment and poverty reduction effects arise from induced employment effects (changes in employment outcomes among individuals and enterprises that are not part of the intervention's target group). The effects are induced through all the intervention's initial effects, both direct and indirect. These include multiplier effects (positive), displacement effects (negative) and effects due to an altered economic environment (R-I.3, R-I.4).
- **Hypothesis 4.** The hypotheses of the TOC are that young people and women will be reached equally well by the project (R-I.2). Thus, no specific measures need to be designed for the needs and capacities of young people and women. The evaluators do not consider that this hypothesis is plausible as experiences show that specific measures are more effective.
- **Hypothesis 5.** For the BoP target group only, the underlying hypothesis is that a tailor-made approach (inclusive business model) is needed to reach out to these most disadvantaged groups.

Result A (output A), industrial policy measures of selected public institutions are increasingly directed towards innovation-led employment promotion, refers to technical expertise and advisory services for MTI geared towards promoting innovation-led employment policies. Good practices developed in other fields of action (e.g. IZ management and regulation) are considered for policy advice. Activities include international and regional expertise for strategic issues on innovation systems, study tours, peer learning formats and capacity development measures for MTI staff. The outputs are that the adopted IIS has become part of the MTI industrial strategy 2020 (R-A4) and the implementation of selected measures of the IIS action plan (R-A5) are supported (e.g. the Inno Award and the Inno Aware Tool Box). To achieve the outcome, it is equally important that sector ministries improve cooperation with each other (R-A.3) and that private sector interest is considered (e.g. by fostering public–private dialogue on innovation, R-A.2).

The underlying hypotheses are that a) innovation-led strategies of MTI foster more competitiveness of MSMEs, which in the middle to long term has higher employment effects, and b) the better the collaborative culture among ministries, private sector representatives and research institutions, the higher the positive effects of the IIS. Both hypotheses hold true as a favourable business environment stimulates private investments in modernising production and management systems.

Result B (output B), high-quality support programmes to promote innovative and inclusive business solutions for start-ups, MSMEs, students and university graduates are institutionalised, pursues a market-oriented approach to improve the ecosystem for start-ups and SGBs (leading to R-B3). The strategy of result B encompasses specific approaches geared to the needs of target groups. Activities include providing technical expertise to develop and improve incubation and acceleration programmes for MSMEs and to strengthen BDS providers (leading to R-B.2). Institutionalisation of improved services should be reached through a market approach (e.g. service providers increase their turnover and profit) in the long run (leading to R-B.5). Activities also include replicating best practices (R-B.4) of services in other regions (e.g. Upper Egypt).

In addition, matchmaking measures are conducted with selected private BDS providers to link SMEs to larger companies or international markets (R-B.6), measured by signing agreements between both partners (R-B.7). Concerning inclusive business models (R-B.3), support packages are replicated from the previous regional programme (Responsible and Inclusive Business Hub), with proven value in the Egyptian context. The project did not develop a gender-specific implementation strategy to reach out to women's start-ups and female entrepreneurs. The project team considered that such measures were not necessary for women's economic empowerment in Egypt. Activities to promote inclusive business models are an innovative approach for a specific segment of MSMEs. Furthermore, entrepreneurial skills training courses for students and university graduates are offered to prepare them for self-employment and potential start-up activities (R-B.8 und R-B.9). This course of action is an add on (only an occasional intervention).

The underlying hypotheses are that (a) a favourable ecosystem offering high-quality incubation, acceleration and matchmaking services improves the likeliness that people (male and female) succeed in pursuing their entrepreneurial ideas and/or business plans, (b) (innovative) BDS geared to the needs of MSMEs lead to more competitiveness of locally manufactured products, and (c) women and disadvantaged groups are reached (BoP) with inclusive business models and gender-sensitised approaches. These hypotheses hold true for the conceptual framework, except (c) women's economic empowerment. Based on international expertise of enhancing the economic capacities of women and gender-sensitised PSD, the evaluators consider that a gender-specific approach is needed.

Result C (output C), the public enterprise support system for services in selected sectors and IZ is improved, refers to two support packages that target the supply side of business service provision. These are a) strengthening the management capacities of the IDA (R-C.8) to improve industrial area management using the SIA approach (leading to R-C.7) for planning and operations and b) improving industrial business (public) service providers such as IMC, MSMEDA, selected technology and innovation centres and ICTI. This is achieved by establishing a service quality management system (R-C.1) and capacity development measures for selected private BDS providers on food safety management and business modelling for industrial SMEs (leading to R-C.4). Activities include capacity development measures for IDA and MSMEDA, exposure visits and study tours (R-C.3), technical expertise and training-of-trainer's courses, and advanced training for consultants. The actual approach of result C also considers sustainability issues by disseminating the SIA approach (R-C.7).

For result C, the underlying hypotheses are that a) a more professional business operation of IDA will create a more conducive environment for SMEs by reducing transaction costs and increasing the predictability of IDA decisions, b) peer learning among SMEs and IZ operators (public and private operators) enables faster adaptation of locally tested innovations by various partners and c) services geared to the needs of SMEs increase the likeliness that the services are demanded by the enterprises.

The system boundaries of the results model (from outcome to impact level) are defined based on the scope of control of the project. That is, results outside the system boundary (impact) are beyond the exclusive responsibility of the project and are affected by other factors, stakeholders and interventions. A system boundary lies clearly between designing enabling framework conditions for policy strategies and selected pilot measures (policy level) and improving the supply side (provision of high-quality business services). There is also a system boundary between the outcome of establishing prerequisites for competitiveness and employment creation and policy-makers' decision-making process for implementation (R-I.7 and R-I.8). Moreover, employment creation is multifactorial. Whether a one-time intervention such as training for students and graduates will lead to better employability and self-employment (R-I.6) is beyond the direct influence of the project. Contributions to impact beyond the project's sphere of responsibility are outlined with plausible hypotheses (see Section 4.3).

The project impact is foreseen to be achieved through the outcome of improved prerequisites for MSME competitiveness. Plausibly, the project's contributions to higher level developmental goals are described in the results model and the programme objective indicators (POI.1, POI.2 and POI.3: SDG 8: Decent work and economic growth; SDG 1: No poverty (R-I.3); and SDG 9: Industry, innovation and infrastructure [R-I.4]). There is a

substantial attribution gap in gearing MTI decision-making towards employment (R-I.7), as this depends largely on political will, which is outside the project's sphere of influence. In addition, the project envisages changes in gender equality, and the project's underlying assumption is that it contributes to gender equality with its intervention strategy. Accordingly, the project has a BMZ marker relating to SDG 5: Gender equality (GG-1 meaning gender is a secondary objective). Other assigned BMZ identifiers, which refer to the target groups' core problems, are poverty reduction as a significant objective (AO1) and good governance and participation of the private sector (PD/GG 1).

Conflict/fragility context and risks

The project was implemented in a transformative society after the Arab Spring, with high social and economic disparities. Connectors/deescalating factors[4] and dividers/escalating factors[5] were adequately considered in the design. Connectors such as fair competition and providing equal access to MSMEs and/or BDS providers to participate in the project (e.g. the tender process for working with local service providers) were guiding principles of the project. Concerning dividers, the project was aware of entrenched state interest in economic development. The state benefits from extensive subsidies and privileges including access to land, and frequently operates in competition with the private sector, but without the requirements of transparency and accountability to shareholders. In addition, some business associations are closely related (affiliated) to state bodies. The project regularly observed political and implementation risks and documented them in the progress reports: tensions and unresolved social and political conflicts; a focus of economic policy on interventionism and mega-projects; an ongoing foreign currency shortage; and deterioration of civil society actors' operations, including those of business associations.

At partner level, the risks included (a) potential conflicts between IMC and MSMEDA to function as a service window for MSMEs, (b) potential risk of duplicating efforts with other IDP support projects, (c) fragmented responsibilities for IZ management functions (IDA, Ministry of Housing and other entities) and (d) a lack of coordination between public and affiliated bodies. Additional potential connectors include (i) coordination efforts to identify common ground among MTI and the Ministry of Higher Education (e.g. a joint steering committee including ASRT and ICTI to create dialogue between both entities) and (ii) promoting networking and dialogue among stakeholders (in the public and private sector) through joint study tours and events.

The project observed less awareness of risks concerning migration issues, reaching out to young people and women's economic empowerment (e.g. the socio-economic background of returning migrants might impede their reintegration into the labour market and society, and cultural factors could prevent women from participating in the incubation programme). In sum, the project did a valid risk analysis and was little adapted to conceptual amendments over the implementation term. During the inception mission, dividers, connectors and security risks were discussed.

Adaptation of the results model to the changing context

Soon after the start of the project, the design had to be modified due to changing priorities of BMZ. Over time, the initial design that was planned in 2014 was amended three times because of changing GDC priorities in 2015 and a substantial increase of funds in 2016 and 2017 (GIZ 2015, 2016, 2017, 2017a). The first modification in 2015 were made to broaden the PSD approach from a narrow focus on innovation and resource efficiency (BMZ, 2018). The stand-alone project was embedded in the SEDE programme and its focus on employment promotion. The second conceptual change of scaling-up measures and extending the term (five years instead of three) came with additional budget funds (a 100% increase). In addition, proven approaches of supporting inclusive business models (introduced by the Responsible and Inclusive Business Hub Project) were integrated when the business hub project ended. Lastly, the third amendment in 2017 was triggered by addi-

[4] Connectors and deescalating factors take the form of peace-promoting actors and institutions, structural changes, and peace-promoting norms and behaviour. For more details, see: GIZ (2007).

[5] Dividers and escalating factors can be seen as sources of tension, for example destructive institutions, structures, norms and behaviour. For more details, see: GIZ (2007).

tional allocated funds (a 50% increase). Modifications were again made by scaling up (target values and geographical outreach) and integrating new interventions for university students and/or graduates. The following table provides an overview of the amended methodological approaches.

Table 1: Overview of modification offers

Year of amend-ment	Additional budget	Amendments of methodological approach/time frame
2015	---	Narrow approach on innovation and resource efficiency matters broadened due to changes in BMZ priorities (BMZ, 2018) Inclusion in the SEDE programme focused on employment issues
2016	EUR 4.0 million	Scaling up of target values Integration of interventions to support inclusive business models from the Responsible and Inclusive Business Hub project Extension of the term to five years until February 2020
2017	EUR 4.0 million	Modifications due to budget increases (funds from the Rückkehrer und Reintegrationsprogramm[6], 2017) and extension of target groups to university students and graduates

3 Evaluability and evaluation process

This chapter focuses on the availability of information and data (including the quality of the results-based monitoring system) for the evaluation process and hence assesses the evaluability of the project.

3.1 Evaluability: data availability and quality

Availability of reference documents and project data

The following documents were identified and made available to the evaluation mission.

Table 2: Overview of basic documents

ma	Availa-ble (Yes/No)	Estimation of actual-ity and quality	Relevant for OECD/ DAC Crite-rion
Projects proposal PSME, October 2014	Yes	Available in German	All criteria
Modification project design: July 2015, October 2016, November 2017	Yes	Available in German	All criteria
Contextual analyses: August 2016	Yes	Available in German; not updated	Relevance
Peace and Conflict Assessment (PCA Matrix, 2016)	Yes	Available for SEDE	Relevance
Gender analyses: update 2019	Yes	Sufficient	All criteria
Annual project progress reports nos. 1–5, final report and programme reports	Yes	Good	All criteria
Evaluation reports	No	Not available	-
Country strategy BMZ: September 2018	Yes	Good; update 2018	Relevance
National strategies: Industry and Trade Development Strategy 2016–2020, MSMEDA Strategy 2018–2023, Industrial Innovation Strategy 2016	Yes	Relevant	Relevance
Sectoral/ technical documents: Innovation Strategy 2017; Employment and Labour Market Analysis 2017	Yes	Relevant	Relevance
Results matrix; UNDP (2018): Sustainable Development Goals Report: Egypt 2030.	Yes	Sufficient; update November 2017	Effectiveness

[6] BMZ Programme for Return and Reintegration of Migrants

Results model (overall project), 2016	Yes	Sufficient; no update	All criteria
Data from the results-based monitoring system (RBM)[7]	Yes	Sufficient; regular update	Effectiveness
Map of actors[2], 2017	Yes	Sufficient	All criteria
Capacity development strategy/overall strategy[2]	Yes	Sufficient; 2017	All criteria
Steering structure[2]	Yes	Sufficient; 2017	All criteria
Plan of operations[2]	Yes	Sufficient; 2019	All criteria
Cost data (Kostenträger-Obligo Bericht; financial agreements)	Yes	January 2020; sufficient	Efficiency
Cost data assigned to outputs; Excel sheet assigning working months of staff to outputs	Yes	January 2020; sufficient	Efficiency
Documents predecessor project(s)	No	Not relevant	-
Documents planned PSD programme concept	Yes	Work in progress	-

The project offer, modification offer (simplified amendment), operational plans and project/programme progress reports were available to the evaluation team. Project contextual analyses and strategic documents were available to outline the project context and its approach (context analysis from 2016, a gender analysis updated in 2019, a capacity development strategy from 2016 and steering structure information). The project developed a map of actors and a results model, which were both updated during the inception mission and used to construct the TOC and to identify stakeholders for the evaluation. Cost data assigned to outputs were not available (when the project was planned, this calculation was not required by GIZ standards). During evaluation, the efficiency tool was used to retrospectively assign costs to outputs.

Result-based monitoring (RBM) system data: The RBM system (virtual platform called WebMo) is suitable and documents the main information about progress for each indicator (outcome and output level). Assessment of progress is based on defined milestones for each indicator. Amendments of the system are made regularly, based on clear monitoring guidelines documented in the WeMo system. Most indicators comply with SMART (specific, measurable, achievable, relevant and time-bound) criteria and are well-documented (indicator definition sheets). The exception is OI.1: 600 persons employed, which does not fulfil the criteria (no clear measurable target). Its target lies beyond the outcome level (project objective) of improved prerequisites for creating jobs. Therefore, OI.1 is assessed under impact (see Section 4.3). The project made great efforts to monitor effects at company level. Companies were surveyed six months after they had received support from the project (e.g. on completion of the accelerator support cycle). In addition, the assigned service providers had to collect feedback about interventions immediately after the event had taken place. The data quality of this survey was weak due to the methodological shortcomings described below.

[7] Mandatory for all projects based on quality assurance in line management (QSIL)

- Survey data collected for monitoring by assigned local BDS providers are biased as this is more of a self-assessment (in most cases extremely high positive rankings were given of 90–99%).
- Outcome assessment of OI.3: due to an ambitious survey design to follow up on companies over time (6, 12 and 18 months after the support), only 101 out of 558 start-ups/SMEs (output B) were polled. Some of the start-ups/companies were surveyed three times. With a sampling methodology and a one-time interview shortly before the end of the project term, more valid data would have been collected to verify the indicator.
- Only gross employment effects were surveyed; a decrease in employment levels was not considered.
- Outcome assessment of OI.4 IZ service improvement: no substantial baseline was available; the target population was not clearly identified and a baseline study or before/after comparison was not done. Hence, no robust and valid data are available.
- As discussed in the inception phase, data from the partner monitoring system has its weaknesses and there seems to be a general reluctance of partners to provide data. Disaggregated data for women and men were not provided by IMC for professional consultancy training and the data collection methodology is not clear. Partner data was not subjected to any quality criteria-based analyses. A joint review with IMC and plausibility check or independent in-depth analysis would have improved data quality (e.g. five companies reported having created 4,158 jobs or 75% of the total reported jobs).

The intended quantitative methods (gender- and age-sensitive sample surveys) were used. Qualitative methods (analysis of minutes of meetings with MTI, evaluation of IDA monitoring reports and ICTI periodic reports), as outlined in the results matrix, were not used for the RBM. Initial values were set for all indicators. Baseline surveys were foreseen but were not conducted as comprehensively as required by the indicators. Data collection in Egypt is challenging as it is seen as a politically sensitive issue in some cases. However, more evidence of improvements could have been gathered through alternative methods (e.g. in-depth case studies). The use of observation tools like the GIZ instrument Kompass (qualitative assessment of the perceptions of stakeholders) would have helped to understand achievements at company level. Most targets were verified by perception surveys (without comparisons of progress) or before/after comparison. ‘Recall’ questions on improvements in service quality (OI.4) were asked during the main evaluation mission. The project exchanged experiences of collecting primary data for monitoring with other international organisations and projects of the SEDE programme. Among other issues, data resilience (accuracy, reliability, and representativeness) from national systems was subject to a critical analysis. Transcripts of the interviews and focus group discussions (FGDs) were also used for the evaluation (see Section 3.2). The person responsible for monitoring and reporting steered the data collection process and instructions for RBM were in place. A written formal outline of monitoring processes and how the project used the RBM results is not available. Nonetheless, the system is comprehensive and functioning. The instruments are suitable for verifying indicator progress and providing sufficient data for the evaluation. Secondary data was available in good quality and quantity, for example on sector strategies. All secondary sources are included in the list of references (Annex 2). The available data is of sufficient quality to use it as the basis of the project evaluation.

3.2 Evaluation process

This section outlines the evaluation process and how the stakeholders were involved in the evaluation.

The evaluation is based on a one-week inception mission to Cairo from 26 to 31 January 2020. The inception mission aimed to generate an overall understanding of the project and to establish its evaluability in terms of data availability. The results of this mission were summarised in an inception report in the standardised format provided by GIZ Corporate Unit Evaluation. The qualitative data collection process was designed to reach out to the full range of stakeholders: public and private stakeholders, other IDPs and independent experts. Interview partners were selected in cooperation with the project team to ensure that the most relevant stakeholders were chosen. Potential selection biases were avoided at level best (e.g. partners from Upper Egypt were also involved, see Table 2). Internal and external factors influencing the feasibility of the evaluation were discussed

with the project team. Key project staff were accessible for the main evaluation phase. Availability of project stakeholders was good, although some partners at MTI changed several times over the project term.

Instead of the intended two-week evaluation mission to Cairo and Upper Egypt in June 2020, the CPE was conducted remotely from 8 to 25 June, due to the Covid-19 crisis. During the main mission, data were collected on evaluation questions outlined in the inception report and the evaluation matrix. Table 1 shows that a participatory approach was taken: in total 57 stakeholders and partners (including 21 women) participated (45 by interview and 12 by FGD). Most of the interactions were in English; 14 partner interviews were held in Arabic with a written translation into English[8] (see Table 2). Interviews lasted on average about one hour. Most of the identified interview partners participated in the evaluation. One interview partner did not participate for personal reasons. In general, interview partners were open and contributed constructively to the evaluation. However, valuable information about the local context of interview partners, non-verbal information and storytelling (particular from SMEs) were not available for the evaluation due to remote data collection.

Two evaluators (one international and one Egyptian) had equal responsibility for planning and implementation of the CPE. Most interviews were conducted jointly. Interviewees' statements, the findings of FGD and conclusions drawn from the interviews and FGDs were discussed daily. The evaluators pondered all data from the perspective of their professional and regional backgrounds. This allowed data and method triangulation. The project team efficiently supported the CPE mission by providing logistical support. Partners appreciated the evaluation team's assurance of confidentiality. The evaluation team wishes to thank the beneficiaries, partners and project team for sharing their time and experience. All statements in this report are based on consensus between the evaluators. Preliminary results were presented and discussed with the project team in a virtual meeting to validate findings.

Table 3: List of stakeholders of the evaluation and selected interviewees

Organisation/company/target group	**Overall number of persons involved in evaluation (*female/male, f/m)**	**Envisaged participation (no. of persons) in**			
		interviews	**focus groups**	**workshops**	**survey**
GDC and international development partners	4 (f/m: 2/2)	4	-	-	-
German Embassy in Cairo BMZ Bonn United Nations Industrial Development Organization (UNIDO) World Bank					
GIZ	12 (f/m: 4/8)	12	7	7	-
GIZ project team/GIZ partner country staff GIZ team leader, SEDE programme					
GIZ team leader, Promoting Access to Financial Services for Small and Medium Enterprises GIZ team leader, Programme Migration for Development GIZ headquarters Germany: PSD Sector Department					

[8] A translator was present at the virtual call and translated in a written from using the MS Chat function. After the interview, both evaluators and the translator cross-checked the findings and the translation.

Partner organisations (direct target group)	9 (f/m: 3/6)	9	-	-	-
MTI (Policy Strategy Unit, Industrial Council for Technology and Innovation) IMC MSMEDA IDA					
El Kawthar Industrial Zone – Sohag (IDA) Egyptian Food Chamber IMC Sohag, IMC Sadat Food and Agro-Industries Technology Centre Quality Improvement Centre					
Other stakeholders (public actors, other development projects, etc.)	7 (f/m: 2/5)	7	-	-	-
Engineering Export Council Quick-Wins Chemonics Egypt IceAlex Siemens					
Sadat Investors' Association					
IDG Group					
El-Rehla					
Nafham					
El-Youth					
Youthinkgreen					
Entreprenelle					
Universities/think tanks	2 (m)	2	-	-	-
Academy of Scientific Research and Technology (ASRT)					
Sohag University					
Final beneficiaries	8 (7 m; 1 f)	8	-	-	-
Ezdehar/Themar Craft Pioneer (San'aa) Spiral Ltd Cubii					

Egyptian Group for Manufacturing Investments Organix, Sadt City
Alameya Carton Manufacturing, Sohag

4 Assessment of the project according to OECD/DAC criteria

This chapter is structured along the five OCED/DAC criteria and according to the evaluation dimensions for each criterion given by GIZ (see Annex 1 Evaluation matrix). The assessment was carried out according to the Guide for CPE (GIZ, 2018a) and the specifics of transitional development assistance projects and projects in fragile contexts (GIZ, 2019c).

4.1 Relevance

Evaluation basis and design for assessing relevance

Relevance is assessed along four dimensions: (1) consistence with strategic reference frameworks, (2) consideration of the needs of the target group(s), (3) design to achieve the chosen project objective and (4) adaptation to changes. Under dimensions 1 and 2, additional questions were assessed on the extent that the project had adequately analysed the context of conflict.

Evaluation basis

In the assessment of dimension 1, the evaluation team verified to what extent the project is in line with the following strategic framework documents of key Egyptian partners: Industry and Trade Development Strategy 2016–2020; IIS, 2017; MTI's Strategy 2020; and MSMEDA's Strategy 2018–2023. Moreover, alignment to the national SDG Agenda 2030 was assessed, that is, to UNDP (2018): Sustainable Development Goals (SDG) Report: Egypt 2030, and Egypt's Sustainable Development Strategy: Egypt Vision 2030. Reference frameworks of the commissioning party BMZ are: Country strategy Egypt (last update September 2018); Gleichberechtigung der Geschlechter in der deutschen Entwicklungspolitik (2014); Entwicklungspolitischer Aktionsplan zur Gleichberechtigung der Geschlechter 2016–2020; BMZ Strategiepapier: Sektorkonzept Privatwirtschaftsförderung (2013); and the GIZ Employment and Labour Market Analysis for Egypt (ELMA, 2017). For dimension 2, the BMZ Strategy (BMZ, 2017) Perspektiven für Flüchtlinge schaffen. Fluchtursachen mindern, Aufnahmeregionen stabilisieren, Flüchtlinge unterstützen[9] was also used as a reference document. The context analysis (GIZ, 2017b) was an additional source of information for assessing dimensions 1 and 2.

Evaluation design and methods

The analysis followed the evaluation questions (for a standard and fragile context). No specific design was applied. The first relevance dimension was assessed by a structured comparison of the project design with the objectives and activities outlined in policy documents. The project design encompasses the project objective and the results model (as a TOC) with outputs, activities, instruments, results hypotheses and the implementation strategy. Data collection methods included a review of the policy and project documents. Additional information on the strategic priorities of BMZ and the Egyptian political partner MTI was gathered through interviews. Interviews with GIZ staff involved in the project appraisal process led to an understanding of the initial

[9] Title in English: 'Help refugees build a future. Tackling the root causes of displacement, stabilising host regions, supporting refugees'.

priorities and how the intervention logic of the project evolved over time. Interviews and FGDs with the project team helped the evaluation team to grasp the interpretation of project objectives and relevance during the project implementation process.

Analysis and assessment of relevance

Relevance dimension 1: The project design is in line with the strategic reference frameworks

Egypt has put in place Sustainable Development Strategy: Egypt Vision 2030 to become a competitive, balanced, diversified, knowledge-based economy. Of the nine pillars in the strategy, three relate to knowledge, innovation and scientific research, and include support for innovation-led start-ups and SMEs. Pillar five is on social justice, with a focus on equal access to social and economic opportunities for all. Egypt considers that the private sector plays an important role in implementing national development priorities. The Industry and Trade Development Strategy 2016–2020 paves the way to foster industrial development, increased participation in global value chains and improved competitiveness for Egyptian SMEs. Various interview partners underlined in their statements that PSD issues targeted by the project and its geographical focus on Upper Egypt (Int_41; Int_24, 39 with other stakeholders) are key for economic development.

The project is coherent with the BMZ sector concept PSD, its country strategy focus on sustainable and inclusive economic development and its priority of employment promotion (GIZ, 2016a). Employment issues were thoroughly analysed with MTI to better understand the employment pattern (GIZ Labour Market Analysis for Egypt, 2016). Regarding the BMZ gender action plan, the project design complied with the gender marker requirements (gender as a secondary goal). However, gender equality was not specifically considered in the implementaton strategy. More gender-sensitive assessment and measures would have been required, as recommended in the gender analysis (GIZ, 2019a).

In 2014 and 2016, a context analysis for all sustainable economic development projects (GIZ Sustainable Economic Development Cluster)[10] was conducted. This analysis was not updated over time (Foc_Dis_5). Some analyses on the changing political framework conditions are documented in the BMZ country strategy. Given the fragile context and the fact that Egypt had just come out of a period of relative instability when the project started, more attention could have been paid to fragility and conflict issues (e.g. by conducting a fully-fledged, integrated peace and conflict assessment). Connectors and dividers were sufficiently analysed in the context analysis. In discussions with project staff, more awareness about conflict-sensitive issues was revealed. Staff of the Sustainable Economic Development Cluster carried out a joint analysis of the conflict context as part of the preparation of scoping missions to adjust the project strategy (Int_11, 36 with GIZ).

Synergies with other sector projects are reflected, as the project is part of the Sustainable Economic Development cluster that follows an integrated approach for employment promotion. Financial support for MSMEs through the project Promoting Access to Financial Services for Small and Medium Enterprises was leveraged through joint events for MSMEs. There was also a common geographical focus on Sadat city where two other PSD projects on labour market and employability issues[11] are active through interventions with the Sadat Investors' Association[12]. As part of the IZ management interventions, the project considered sustainability issues by introducing the SIA approach. It reflected with partners on enhancing environmental, economic and social performance (Foc_Dis_5; Int_14 with civil society/private sector actors; Int_23).

The project operated in an environment of changing partner constellations and priorities. Restructuring that took place among the MTI affiliates was managed well by adding new partners to diversify the stakeholder structure (Int_33 with partner). With agile management, the project responded to changing priorities and made efforts to balance support among all partners. This led to flexibility and close communication and contact with political partners, which laid the ground for good cooperation (Int_4, 5, 36 with GIZ). Overall, the project was

[10] The context analysis did not follow the format of the GIZ peace and conflict assessment.
[11] Labour Market Access Project and Employment Promotion Project.
[12] An affiliate of the Ministry of Social Solidarity established in 1989.

subsidiary to partner efforts. Each interview partner had its own distinctive conceptions of what the project objective was and not a lot of thinking outside the box occurred (Foc_Dis_5). Each partner primarily understood its own turf and benefits from the collaboration (own observations). A shared understanding of the results model (framework) on both partner sides was not achieved.

Relevance dimension 1 – The project design is in line with the strategic reference frameworks – scores **28 out of 30 points**.

Relevance dimension 2: The project design matches the needs of the target group(s)

Due to several modifications of the design, the project had a rather diverse target group including SMEs with growth potential geared towards competitiveness, micro and early-stage enterprises (start-ups) targeting employability and innovation, and disadvantaged groups (BoP) pursuing the LNOB principle. The project did a sound benchmarking study on IZ in Egypt before targeting the pilot industrial zones to understand their needs and capacities. Roadmaps were developed to make management more sustainable (SIA approach). In addition, intensive preparatory steps were taken to establish cooperation for industrial BDS and innovation management training. Partners confirmed that the support received (e.g. IDA staff training and advanced training for consultants) matched the needs of their clients (Int_9 with other stakeholders; Int_ 26, 33 with partner organisations). The design of measures for business innovation services was partly built on a regional labour market observatory. Opportunity mapping for the training was done by some assigned BDS providers. Established BDS providers had a stronger take on the conceptualisation of services due to their stronger capacities (Foc_Dis_7). A focus group discussion highlighted that outreach to vulnerable target groups in rural areas needs a context-adequate approach. After reflection on the first round of services provided, outreach to women increased from 27% to 50% ('I think we cracked the code') due to better messaging, outreach to local partners and fine-tuning of delivery issues such as the time frame to provide services (Foc_Dis_11). Interview findings also showed that the educational background of entrepreneurs makes a great difference in capacity to adopt new techniques and articulate their needs (Int_22, 18 with final beneficiaries; own observations). The start-up programmes (incubation) tended to attract more people with a higher educational level (academic background) as in some cases the business ideas had to be presented in English. Furthermore, coaching and follow-up visits to SMEs (e.g. done by IMC after training) contributed to better support for core problems of MSMEs (Int_20 with final beneficiaries). Apart from these private sector target groups, the project supported university students and/or graduates. This target group was added to the project design due to BMZ political priorities in 2017 on the issue of 'returning migrants' (Int_36, 5 with GIZ). The aim was to better prepare these groups to increase their entrepreneurial skills.

The LNOB principle was also pursued by targeting young people in Upper Egypt, as a rather underserved region compared to Cairo and Alexandria. There is a high need to provide opportunities for young people that can change their attitude and perception of job prospects (Int_25). To understand migration patterns in Egypt, a systematic socio-economic analysis was carried out to determine which strata of society are most affected by labour migration (Int_7 with GIZ) or which disadvantaged group of students/graduates are supposed to benefit most. Measures for students/graduates were established by selecting BDS providers to offer services. Overall, the assigned providers customised these support measures (Int_37 with GIZ). A more thorough understanding of the needs of young people who are prone to migrate and thus a more targeted approach to the core problems of migration would have increased the relevance of these project activities. The project also targeted women as owners, managers and potential start-ups. Although a more in-depth analysis of the socio-economic context of female entrepreneurs (including analysis of potential risks) was required, a specific needs analysis was not carried out and gender-specific training programmes were not offered. A deeper understanding is needed of how women's empowerment could be supported and what drives women's businesses (Int_23). By assigning qualified BDS providers to promote inclusive business models, the project supported women entrepreneurs as around 90% of the participants of some inclusive business cycles were women (FGD_7; reports and/or feedback survey of BDS providers). By promoting these models, the project worked well with BDS providers that have close linkages to the BoP community. Moreover, the project focused on providing technical

support and matchmaking with impact investors that include people in poverty across the value chain (Int_38 with GIZ). BDS providers' outreach strategies matched their existing networks in certain areas and their own mandate to reach out to disadvantaged people (e.g. the BDS provider Entreprenelle targeted disadvantaged women in rural Egypt and governorates). The project did not set a specific quota on outreach to disadvantaged MSMEs, women or young people (Foc_Dis_2).

The restructuring of MSMEDA was not foreseen by the project team. The team responded by adding new partners to diversify the stakeholder group. The team confirmed that there was no formal conflict assessment of documentation for identified risks and methods or assessment of how the project adopted and responded to it. The project made efforts to deal with knowledge management. For example, the project team ensured that any endorsed recommendation was formalised by a signed decree to increase accountability in the case of staff fluctuation at top-management level. In addition, the project kept a short time frame between delegation of tasks and implementation. Close relations were formed with the partner organisation's decision-making partners to get early insights about potential policy changes and provide policy advice to partner organisation's top management, to buffer the enforcement of top-down decisions. On a regular basis, potential (security) risks for (GIZ) staff, partners, target groups/final beneficiaries were identified through frequent exchange among staff of the Sustainable Economic Development Cluster and IDPs (Int_36 with GIZ; Int_42).

From today's perspective, the evaluation team concludes that the intended impacts on the various target group(s) were to a large extent realistic given the resources (time, financial and partner capacities), except for the institutionalisation of public and private BDS. Given the structural limitations of public stakeholders (resources and limited discretionary power of management) and a rather distorted BDS market (strong dependency of private BDS providers on IDP funding), the intended changes are seen as too ambitious.

Relevance dimension 2 – The project design matches the needs of the target group(s) – scores **23 out of 30 points**.

Relevance dimension 3: The project is adequately designed to achieve the chosen project objective

The project was planned in 2014 and commissioned at the end of the year (November 2014). This was followed by three modification offers (see Table 1). Such frequent conceptual and methodological changes tied up considerable resources for project steering and management (FGD_5; Int_5, 7, 11, 36 with GIZ). At the present stage of knowledge, the project objectives (original formulation from 2014, slight modification in 2015 and actual phrasing done in 2016) were realistic with respect to the given resources (time, funds and partner capacities). The interventions described in the strategic and operational plans and the use of short- and long-term experts along with financial agreements were adequately combined to achieve the project objective (outcome).

External factors such as GDC priorities influenced the design to some extent. Output B, Business innovation, was insufficiently designed. It resembles a patchwork of trying to integrate various approaches into the project (e.g. taking over from PSD activities that are phasing out). The course of action taken for output B was strongly guided by achieving the output indicators. Attention to institutionalisation issues of private and public BDS providers (see Section 4.6 for more detail) was not at the forefront of the project (Int_11, 37 with GIZ). According to the project team, this will be part of a kind of 'interim support phase' before a new PSD project starts in 2021. The 'Happy Customer' feedback surveys conducted by the service providers were meant as a learning mechanism to improve measures. However, the available data was not reviewed or analysed as it was not aggregated and the quality was weak (see Section 3.1). Conceptually targeting students/graduates was considered to increase the pool of people potentially interested in the incubation programme. From the evaluators' perspective, this causal link was only likely to a limited extent, given the broad-based and general approach followed. A consistent strategy in the form of a TOC has not evolved. Most of the results hypotheses described were plausible (see details in Section 2.2). Work streams were sufficiently delineated to ensure effective work but were insufficiently connected to ensure synergies across the intervention packages of the three outputs

(Foc_Dis_5). Due to missing interlinkages between outputs, the core teams of each output operated rather independently.

The project's sphere of responsibility as a facilitator to provide technical expertise, foster networking and forge alliances among strategic partners was clearly defined for outputs A and C. It was plausible in terms of root causes underlying limiting factors of public capacities for MSME promotion. The level of ambition of output B (institutionalisation) was less clearly defined and understood among the project team due to the conceptual weaknesses of its market-based approach.

The project design considered the potential influence (and conflicts) of partners, MTI, its affiliated bodies and private sector actors. It tried to build bridges between Egyptian partners to increase the innovation culture (e.g. participants of the study tour came from different ministries). The project approach was constructed on plausible, complete assumptions. Adequate risk assessment was documented and regularly updated in the annual progress reports from 2015 to 2020 and the modification offer (GIZ, 2017a). The project dealt with the changes with *a*gile steering regarding the ad-hoc requirements of partners, especially MIT and its affiliates (GIZ, 2017, 2018, 2019, 2020; GOPA, 2016, 2017, 2018). The additional funds from Perspektive Heimat were integrated through an upscaling approach (replication and regional extension to Upper Egypt and the Mediterranean coast) and by designing specific measures for students/graduates. However, the level of ambition was centred more on quantitative (reaching out to 4,000 students/graduates) then qualitative issues (e.g. a more targeted approach for less privileged students). The evaluation team considered that the additional outreach to SMEs in IZ from 100 to 2,500 SMEs within a period of two years was not realistic.

Many other IDPs are active in the field of PSD, including the African Development Bank, the United States Agency for International Development, the United Nations Industrial Development Organization (UNIDO) and the European Union as the most prominent (Int_40 with partner organisation). An increasing number of IDP projects are involved in establishing and strengthening new and nascent incubators and accelerators. The United States Agency for International Development is active through its Strengthening Entrepreneurship and Enterprise Development programme. Similarly, the European Union's Inno Egypt programme supported several incubators at universities[13]. In the field of IZ management, the project worked with the World Bank and UNIDO. With its geographical approach to explicitly target underserved locations (Sohag Governorate), it purposefully targeted the most marginalised. This sent a positive signal to other IDPs, market actors and public stakeholders to pay more attention to strengthening the ecosystem of underserved locations (Int_23). The relevance of joint efforts with other IDPs' activities concerning the Sohag University entrepreneurship programme would have been greater if the project had built on the experiences of UNIDO and the American University of Cairo on entrepreneurship training (Int_25).

The project was aware of the complex political economy of Egypt and its framework conditions at macro, meso and micro level. It was sensitive to the needs of partners, open to new developments and maintained strategic focuses. Changes of key counterparts, political priorities and structural reforms in the context were addressed adequately (Int_4 with GIZ). The potential overload of topics and approaches was challenging but handled with care by the project (Int_5, 7, 11, 36 with GIZ) by scaling up interventions where the project had the potential to make a difference (easy entry points) and responding to BMZ priorities on migration issues. The project dealt well with difficult encounters during implementation, with adequate management strategies that included structures for knowledge management, an RBM system, and annual strategic and work planning, complemented by regular team meetings. Substantial time was invested in clear communication and joint planning with partners. Digital solutions were used where appropriate to improve BDS (MSMEDA, online courses). Digital service provision had the potential to increase transparency and access of MSMEs to information about support programmes.

[13] Heliopolis University, the Mohamed Farid Khamis Foundation, the British University in Egypt, the Egyptian Information, Telecommunications, Electronics, and Software Alliance, the Techno Khair Association in Assiut, and Assiut University Hemma Incubator.

Relevance dimension 3 – The project is adequately designed to achieve the chosen project objective – scores **17 out of 20 points**.

Relevance dimension 4: The project design was adapted to changes in line with requirements and readapted where applicable

During the implementation term, some factors impacted significantly on the implementation context. These were a shift in economic development priorities on large-scale investment projects by the Egyptian Government[14], a transformed military economy[15] and the fact that the project had no valid implementation agreement, which impaired cooperation with state actors. The project reacted by taking on board the issues of IZ management in 2016/2017 and increased its efforts over time. Budget increases were largely handled well under immense time pressure. Conceptual changes – as described above – were adapted but again due to time constraints and burdensome formal administrative partner procedures the project could only partly design a coherent new project design as required by a changing environment. The design resembles a patchwork in which different approaches have been added over time to cope in a flexible, pragmatic way with the required amendments of partners and the commissioning party.
Relevance dimension 4 – The project design was adapted to changes in line with requirements and readapted where applicable – scores **16 out of 20 points**.

Table 4: Rating of OECD/DAC criterion: relevance

Criterion	Assessment dimension	Score and rating
Relevance	The project design[16] is in line with the strategic reference frameworks.	28 out of 30 points
	The project design matches the needs of the target group(s).	23 out of 30 points
	The project is adequately designed to achieve the chosen objective.	17 out of 20 points
	The project design* was adapted to changes in line with requirements and re-adapted where applicable.	16 out of 20 points
Overall score and rating		Score**: 84 out of 100 points** Rating: Level 2: successful

4.2 Effectiveness

Evaluation basis and design for assessing effectiveness

Effectiveness is assessed along three dimensions: (1) the project's achievement of the outcome in accordance with the indicators, (2) the contribution of activities and outputs to the outcome achievement and (3) the occurrence of unintended results. Moreover, specific evaluation questions were assessed on the conflict/fragile context (strengthening of connectors/deescalating factors).

Evaluation basis

[14] Government efforts are underway to encourage greater investment in remote areas through the establishment of IZ, investment law incentives and entrepreneurship campaigns.
[15] In 2017, the International Monetary Fund warned that private sector development and job creation 'might be hindered by involvement of entities under the Ministry of Defence'.
[16] The project design encompasses the project objective and theory of change (TOC = GIZ results model = graphic illustration and narrative results hypotheses) with outputs, activities, instruments, results hypotheses and the implementation strategy (e.g. methodological approach, capacity development strategy and results hypotheses).

Dimension 1 is analysed based on the three outcome indicators that were agreed. Dimension 2, on the contributions of outputs, is based on 12 output indicators (including one additional indicator for output C, CI.4). Output indicator BI.6, on student and/or graduate measures, is beyond outcome level. Hence it is considered under impact (see Section 4.3). Three contribution stories were devised. The results hypotheses cover all three outputs. They were selected based on the results model (see Section 2.2) and the interests of evaluation stakeholders. Dimension 3 focuses on the identification of unintended results, the project's monitoring and measures to deal with potential or actual unintended results discussed in the inception phase. In addition, the evaluation team assessed to what extent the project could ensure that dividers/escalating factors were not strengthened (indirectly). The team followed up on unintended results and risks identified in project reporting documents and the project monitoring system. Additional data was collected during the evaluation mission through interviews and FGDs.

Evaluation design

The analysis followed the evaluation questions. Assessment of dimension 1 was based on project monitoring data and data collected in the main evaluation phase. Analyses of dimensions 2 and 3 were based on contribution analysis. Contribution stories were based on data gathered during both missions of the evaluation team. Contribution stories were presented and validated (discussion of interim results, feedback for debriefing and report), and additional evidence was gathered through feedback loops and used to strengthen the contribution stories. Selected hypotheses were based on the available evidence, its contribution to the project's success, the strategic interest of stakeholders and whether they could clearly be assigned to the project's implementation term. An alternative hypothesis that was developed was that measures geared to the living conditions and capacities of women's start-ups and/or female entrepreneurs increase the effectiveness of women's economic empowerment. Furthermore, contribution analysis was used to consider contextual and other factors that potentially affected the achievement of results. To evaluate dimension 3, an exploratory design was applied by interviewing key stakeholders during the inception phase and verifying and complementing (unintended) results hypotheses during the main mission phase. Unintended results that were identified during the inception mission were that the provision of free BDS by the project might have negative effects on private BDS providers who depend on selling their services (potential market distortion). The design was chosen because experimental and quasi-experimental designs with control groups were not feasible with the given resources.

Empirical methods

To assess dimension 1, the evaluators relied on project reporting, monitoring and interview data. The additional indicator was assessed through interview data and reports. Dimensions 2 and 3 were based on qualitative data collected in workshops, virtual interviews and FGDs with GIZ, partner organisations, other stakeholders, private sector/civil society, IDPs and final beneficiaries. Interview partners were selected based on the map of actors (institutions) and their level of knowledge. The counterfactual situation was created qualitatively and retrospectively based on the interviewees' observations, for example, by asking what would have happened without the project. Content analysis of statements was applied. Document review, interviews and workshop observation were documented and analysed following the iterative process of description, categorisation, establishing connections and developing the performance story. In addition, survey data, feedback analysis of interventions and recommendations by subcontractors were used to substantiate findings. The data quality overall was medium. Sources, data and evaluators were triangulated. The method could be used to answer the evaluation questions.

Analysis and assessment of effectiveness

Effectiveness dimension 1: The project achieved the objective (outcome) on time in accordance with the project's objective indicators

The project outcome (module objective) is: 'Prerequisites for increasing competitiveness and creating jobs in MSMEs in the processing industry and its supply industries are improved'. The results of output A (innovation policy advisory) are reflected in outcome indicator OI.2. The results of output B (business innovation) and C

(industrial BDS and IZ management) are captured in outcome indicators OI.3 and OI.4. Outcome indicator OI.1 measures direct employment effects but does not measure the outcome of 'prerequisites for competitiveness and creating jobs in MSMEs ... are improved' (see Table 2). The project tried to address the vested interests of all stakeholders at policy and implementation level. The aim was to strengthen 'connecting' factors to support policy measures that balance the various interests of private and public sector actors. Regarding working with various local BDS providers, the project complied with tender requirements to provide equal access to market actors (the facilitation role of the project). The following table provides an overview of achievements made at outcome level measured against the outcome indicators.

Table 5: Overview of the achievement of outcome indicators

Outcome indicators (project's objective indicators in the amended offer, November 2017)	**Compliance with SMART criteria** (SMART: specific, measurable, achievable, relevant, time-bound)	**Achievement, February 2020**
OI.1: 600 people (including at least 100 women and 150 young people) have been employed by 3,000 local manufacturing companies and their suppliers, which benefited from support programmes. Base value: 0 Target value: 600 people employed (including 100 women and 150 young people) Source: panel-type survey of companies supported by the project every six months (repeated observations over time). In total about 103 companies were polled (Youthinkgreen, 2020). IMC survey of 43 companies.	**S:** Formulation as such is not specific. Only 'newly employed' are counted. 'Employment' is defined as 'formal and/or informal'. **M:** Measurable due to additional specification (moderate). **A:** Beyond the sphere of responsibility – relevant for impact. **R:** Not relevant for measuring the essential dimension 'improving prerequisites for SME competitiveness and job creation' of the project objective. Positive changes of the indicator 'employment' are beyond outcome level (not sufficient). **T:** End of project term Conclusion: the indicator is not SMART and does not relate to the outcome.	The revised indicator is assessed under impact (employment effects) as it does not verify the outcome.
OI.2. Four employment-relevant recommendations (e.g. from MTI's Innovation Action Plan or the Youth Employment Promotion Dialogue) have been incorporated into strategic decision-making processes of MTI or affiliated organisations. Base value: 0 recommendations Target value: 4 recommendations Source: MTI Monitoring System, meeting minutes	**S:** Formulation as such is not yet specific, but the RBM-system precisely defines the level of ambition regarding 'employment relevant' and 'incorporated into strategic decision-making' and the partners (strong). **M:** Indicator is measurable given the additional definitions of the RBM-system (good). **A:** Relevant target (good). **R:** Highly relevant to the main political partner and clearly related to the main dimension of the objective: improving framework conditions for employment promotion (good). **T:** Achievable until the end of the project Conclusion: this indicator is SMART. The level of ambition is high concerning 'incorporation into strategic decision making'.	Successful recommendations incorporated: • Industrial innovation strategy and action plan (approved by MTI) • Integration of job quality into the national strategy for entrepreneurship and MSMEs (round table with key stakeholders; no follow-up in strategic document yet) • Regulatory improvement: IDA as the main regulator with the mandate of strategic planning of industries and regulating industry (new mandate confirmed by presidential decree) • Industrial Development Company (IDC) as a professional implementation arm of IDA for IZ development Target value: 90% achieved. Strategic incorporation only partly met. Evidence of how the project has contributed is missing.
OI.3: 300 enterprises (start-ups or existing companies of which 30 apply an inclusive business model) that benefited from the project's support measures confirm improvement in one of the following criteria: (i) product/business model innovation, (ii) access	**S:** Indicator is specific and inclusive business models are defined in the RBM-system. **M:** Indicator is measurable as the RBM-system specifies what to measure regarding the stated 'criteria' (good). **A:** Target is achievable (good). **R:** Relevant	The project provided qualified services for 558 start-ups/enterprises. 8 enterprises out of the 103 companies/start-ups polled closed their business. Improvements were confirmed by 77 of 95 start-ups/enterprises surveyed who are still in business. 239 multiple choices were made by the 95 polled start-ups/enterprises; thus, improvements were made in more than one area. Survey results

to new markets or (iii) reduction of production costs. Base value: 0 Target value: 300 enterprises, 30 of which apply an inclusive business model (defined in the indicator sheet) Source: Same survey as for OI.1 (see above)	with a moderate level of ambition of only 10% of the total companies supported (good). **T:** End of project Conclusion: This indicator complies with SMART criteria. Level of ambition is weak (perception of entrepreneurs/start-ups).	show that 81% of those polled confirm improvements. An additional 40 companies confirmed improvements (monitoring data provided by IMC partner). Among the sample, 42 enterprises/start-ups with an inclusive business model confirmed improvements. Conclusion: The project could not survey the expected number of 300 enterprises/start-ups. The evaluation team acknowledges that the project made considerable efforts to track improvements over time. However, this kind of panel survey was not required to measure achievements against the indicator. A one-time survey of all 558 supported enterprises/start-ups shortly before the end of the project would have been sufficient to provide evidence. The survey results show a high degree of confirmation of improvements (81%). Under the assumption that the survey results are valid, it is likely that a one-time survey of the 558 start-ups/entrepreneurs who benefited from the target value would have been achieved. Against this background and level of data quality, the evaluation team concludes that the target value is most likely achieved (80%).
OI.4: 60% of 2,500 SMEs in industrial zones rate the consultancy services of selected service providers as improved. (German version: 60% von 2.500 KMU bewerten das Beratungsangebot von ausgewählten Dienstleistern als verbessert.) Base value: Baseline study 2016 Target value: 60% of 3,000 SMEs reached by project activities Source: monitoring data provided by partner IMC	**S:** Differences between the original German version and the translation. In the English version, the target group is more narrowly defined 'SME located in IZ'. The RBM-system specifies the service providers: IMC, ICTI and IDA (all these entities are affiliated to MTI). **M:** No baseline study done in 2016. Thus, a comparison is not possible. The indicator does not have a clear scale for measuring 'improvement of services'. The indicator is not clearly measurable (not sufficient). **A:** Moderate level of consent (moderate). **R:** Relevant for outcome. Sample size of the survey is rather low. Only 4% of the total number of SMEs are pooled (moderate). **T:** Surveys conducted by partner IMC. OI.4 (revised): 60% of 2,500 SMEs rate the consultancy services of selected providers as improved. Conclusion: Revised OI.4 can be rated as moderate with regard to the SMART criteria.	There is no exact data regarding the total number of SMEs located in the project's selected IZ. The partner organisation IMC has statistics showing that they provided 2,717 support services to SME in IZ. However, no robust data is available on the quality of services received or the improvements in services over time. Anecdotal evidence and achievement of outputs (e.g. advanced training of trainers) recognise the good services delivered by IMC (Int_13 with other stakeholders; Int_15, 28 with CS/PS actors; Int_2, 20 with final beneficiaries). The professional consultancy training proves that IMC reached out to SMEs (IMC, 2019). Support of other service providers to SMEs in IZ was not tracked. Interview results show better coordination with MSMEDA (Int_15 with CS/PS). A comparison – which is required for measuring this target – was not possible due to the missing baseline. Thus, it was not possible to verify improved business development services by IMC for SMEs. Conclusion: the project paid less attention to how BDS are assessed by SMEs in IZ. A specific survey would have been beneficial. Based on the positive perception of IMC services and the advanced training for IMC consultants, the evaluation team concludes that the target value was 70% achieved. Missing data (comparative values from 2016 to 2020, improvements of other providers' services, methodology of partner survey) led to assessment difficulties.

Effectiveness dimension 1 – The project achieved the objective (outcome) on time in accordance with the project's objective indicators – scores 34 out of 40 points. Points were deducted because the project almost fulfilled one outcome indicator (OI.2), mostly achieved another (OI.3) and only partly met another (OI.4).

Effectiveness dimension 2: The activities and outputs of the project contributed substantially to achieving the project's objective (outcome)

Out of the 12 output indicators, 5 were fully, 4 were almost and 3 were partly achieved. Thus, the agreed project outputs were achieved to a great extent (almost achieved). The following table shows the level of achievement for each output indicator.

Table 6: Overview of output achievement

Output indicator		Achievements, February 2020
No.	Output A: Industrial policy measures	Achievement: 93%
AI.1	**5 measures** of MTI's new Industrial Innovation Strategy are being **implemented** by public institutions with participation of private sector representatives.	Measures: 1. Inno Aware, 2. Inno Award, 3. Inno Management Training (MT), 4. Inno Networks, 5. Cluster Pro. Measures 1–3 are implemented; 4+5 conceptualised but not yet rolled out. Target value: 83% achieved.
AI.2	**80%** of the participants from MTI and affiliated organisations **confirm,** based on **plausible examples,** that the capacity development measures (in total 6) they participated in **improved their capacities** to promote an employment-oriented innovation policy.	Capacity development measures include a study tour on innovation policy in Germany, a workshop on cooperation for improved industry-academia collaboration, innovation awareness expert training, training on a food safety management system, IZ study tour and innovation management. According to the PSME monitoring sheet, 65 out of 73 participants confirm improved capacities (89%) based on the general feedback form. However, no insights on plausible examples are available. Target value: 95% achieved
AI.3	**3 recommendations** to upgrade (management and regulations) in existing **industrial zones** with regard to innovation-driven employment promotion have **resulted in strategic decisions** by MTI or affiliated institutions.	Recommendations on regulatory and operational issues: IDA as key regulator, IDC as main developer and transition plan for the new mandate of IDA. Target value: 100% achieved
No.	Output B: Business innovation	Achievement: 88%
BI.1	**70%** of 500 owners/CEOs/start-ups/MSME (**50** of whom are **females** and **60 apply an inclusive business model**) **confirm** that the **quality and demand-orientation of support** programmes offered by PSME-promoted service providers are satisfying and market-oriented.	558 of 474 owners or CEOs of start-ups or MSME confirmed this (199 inclusive business; 344 female), according to the PSME Monitoring Sheet. Target value: 100% achieved
BI.2	**4 PSME-promoted support programmes** are implemented in **Upper Egypt** and the **Nile Delta** 3 times, of which 1 measure promotes inclusive business models (e.g. in the Business Competence Centre Sohag).	Support programmes (Engineering Day, Agripreneur, Creative Industries) are implemented 3 times in Upper Egypt and 3 times in the Nile Delta. All these support measures relate to promoting inclusive business models. Target value: 100% achieved
BI.3	**150 companies** (start-ups and MSME, including 40 companies that apply an inclusive business model) have successfully participated in PSME-promoted incubation and acceleration programmes and accordingly **received a certificate**.	Successfully participated is defined as a) full completion of course and b) a complete business plan has been developed. 122 out of 293 start-ups and MSMEs have received a certificate. Target value: 81% achieved
BI.4	**8 business partnerships** between start-ups/MSMEs major manufacturing companies are **agreed in writing**, including 3 partnerships applying an inclusive business model.	Intended substantial support for business linkages between start-ups/MSMEs and major manufacturing companies has not been implemented. Linkages between start-ups and MSMEs increased (networking, some business collaboration, peer learning). Target value: 70%
BI.5	**2 event formats** for the **promotion of inclusive business models** have been conducted by public or private institutions twice each.	2 events for promoting inclusive business models have been conducted by subcontracting El Rehla/UN Global Compact. No rationale to institutionalise these interventions or to find a local partner to hand it over to. Target value: 70%
BI.6	**75%** of 4,000 trained university **students and/or graduates confirm** that the support provided by PSME (information and advisory services) has contributed to them	Conclusion: BI.6 will be assessed under impact (see Section 4.3)

	being better prepared for **self-employment and/or starting a business**.	
No.	Output C: Industrial business services (including IZ management)	Achievement: 88%
CI.1	An **internal quality management system** for matchmaking between SMEs and service providers is established at MSMEDA.	As an internal quality system, a customer relationship management (CRM) system has been established. The system is running, and prerequisites are made to sustain it (e.g. the maintenance contract with the computer company has been extended). Target value: 100% achieved
CI.2	**3 new business services for strengthening innovation** (e.g. product development, technology and, marketability) in SMEs in selected sectors are (permanently) offered by MTI's Technology and Innovation Centres.	Differences with German version: the aspect of 'permanently'. The Food and Agro-Industries Technology Centre will be able to offer 'food safety management system building" services to SMEs due to capacity development measures. Target value: 65% achieved
CI.3	**3 measures for the improved management of industrial zones** are integrated into the work processes of the IDA's regional offices. Note: Regional offices are understood as 'branches'. IDA has 22 branches in total.	The project worked with branches in Upper Egypt (Sohag), Middle Delta (Sadat) and 6th of October (Greater Cairo). The following measures have been improved and became partly integrated into the work processes: • communication with investors • communication with companies and IZ managers • access to BDS (pilot IZ Sadat) through collaboration with MSMEDA. Target value: 85% achieved
CI.4	75 out of 100 trained consultants are certified by IMC.	72 out of 96 consultants who participated in the advanced training have been certified and are part of the IMC professional consultants pool (IMC Final Report on Mastering Professional Consultancy, December 2019, page 14) Target value: 100%

During the inception phase, three hypotheses (contribution stories) were devised with the following findings.

Hypothesis 1: Institutional strengthening of public BDS support organisations (IMC, MSMEDA) is a prerequisite for increasing MSME competitiveness (outcome)

The project provided support to strengthen the capacities of key industrial development actors (MSMEDA, IMC and IDA) so that they could perform their role more effectively. Prioritising support was jointly agreed in the steering committee with the main political partner MTI. Through mapping, analysis and benchmarking, the business processes, and standard operating procedures of MSMEDA were analysed (Foc_Dis_11; Int_31 with GIZ; GOPA, 2019). MSMEDA has taken initial steps towards a new organisational structure at top management level. As input for standard operating procedures, the customer relationship management (CRM) system was customised for MSMEDA, a 'change agent team' was formed to promote the CRM concept and capacity development measures were implemented to develop staff abilities. In total, 106 staff at management and operational level were trained (GOPA, 2017–2019[17]). The CRM system is running, staff for administration and maintenance have been trained adequately and investments made to improve computer equipment (servers with higher capacities) for the CRM system (email from the head of MSMEDA computer department, 22 January 2020; Foc_Dis_11). Based on figures provided by MSMEDA, the number of users varies from 13,000 to 15,000 per month. Staff have been trained in the headquarters and regional offices to promote the CRM concept and application. The CRM as an organisational approach to understand and influence customers' behaviour, relationships and interactions can contribute to more transparent, better access of MSMEs to services offered by MSMEDA (RC.1 and RC.2).

IMC is a key organisation of the public enterprise support system. IMC has formulated a consulting sector development component. Accordingly, the project supported IMC to hold a series of training sessions for advanced consultants (Mastering Professional Consultancy) so that they could provide high-quality BDS (offered in-house or by private service providers), accessible to SMEs. Five training modules were developed, to

[17] Activities included training, exposure visits, study tours, technical expertise and training-of-trainers courses.

strengthen consultants' capacities to analyse SMEs' support needs and grow their business. Through cooperation with the project, IMC envisaged fields of specialisation in which the development of consultants is crucial. These include strategic management, marketing and sales[18]. In total, 96 consultants (individuals or from consulting companies) received advanced training (IMC, 2019). IMC believes it can play a key role in setting quality standards for BDS providers (Int_13 with other stakeholders; Int 31 with GIZ). The training course was based on a process of screening candidates (applications, interviews and ranking) done by IMC, the project team and a third party. According to the IMC report, two main channels were used for the nomination (recruitment) of participants: (a) advertising campaign in newspapers and (b) nominations and references from IMC advisors. In total, 72 successful high-quality assignments were made with SMEs through the trainees (IMC, 2019). The business plans that were developed allow the companies to improve business operations through a clear development roadmap that could be supported over the following years (if necessary) by the IMC (IMC, 2019). Trained and qualified consultants are now eligible to join the database of IMC-qualified service providers. IMC staff enhanced their capabilities and assured that implementation was correct, with robust deliverables (IMC, 2019). IMC services are perceived as important for industrial development and are geared to growing SMEs (Int_13 with other stakeholders; Int_15, 28 with CS/PS actors; Int_2, 20 with final beneficiaries). There is a high level of customer satisfaction (success stories) but due to the Covid-19 crisis, many IMC-certified consultants cannot deliver planned services to IMC clients (Int_13 with other stakeholders). The contribution analysis shows that the project has strengthened the capacities of key industrial development actors. There is a plausible causal link between project activities, outputs and outcome indicators OI.2, OI.3 and OI.4 that enables MTI affiliates to perform their role in steering and implementing programmes. Thus, these affiliates can promote industrial development and focus on SMEs more effectively and more closely in line with company needs.

Hypothesis 2: Demand-driven and market-led BDS development leads to better (institutionalised) services for growing SMEs

As in many developing countries worldwide, the BDS market for MSMEs in Egypt is highly dependent on interventions funded by IDPs, as substantial government support programmes are missing. The project has been working with numerous local BDS providers to improve services for MSMEs (in the overall ecosystem). Upper Egypt has been a geographical focus (GIZ, 2017–2020). Collaboration has been based on a market-led approach to subcontract local BDS providers through tender processes. The content of the BDS support package has been based on providing demand-driven business and technical support services to start-ups/early-stage entrepreneurs (incubation programmes such as the Sustainable Bootcamp and the Inclusive Business Circle Format) and to SGBs (acceleration programmes). The project supported 14 incubation and/or acceleration support programmes. As examples for the contribution analysis, two acceleration programmes were selected with a focus on the agricultural/food-processing sector. Together with the GIZ project Promoting Access to Financial Services for Small and Medium Enterprises, a customised training, consultancy and mentorship programme was developed: Ezdehar Food Acceleration (brand name), implemented by the local BDS provider Quick-Wins. A total of 60 SGBs (in four cycles), were supported for a year by offering customised consultancy on their growth plans so they could create new employment opportunities (Quick-Wins, 2019). Part of this collaboration had a training-the-trainer component (nine new trainers trained during the first cycle, which enabled them to fully implement the second cycle accompanied by the Quick-Wins team). Part of the support included a joint Ezdehar wing in the Food Africa 2019 trade fair providing great opportunities for SMEs to generate export leads and new distribution channels across Egypt (FOC_DIS_5, 30; Int_30, 22 with final beneficiaries). Following the same approach, another acceleration programme named Tatweer was developed by the local consultancy company Chemonics Egypt for 36 SGBs in Upper Egypt (of which 18% are owned or operated by women). This support programme contributed to improvements at company level (Chemonics Egypt, 2020). The main actions that were taken were entering new markets (21%) and expanding product portfolios (19%). Actions related to optimisation of production and organisational structure were among the most frequent (16%)[19]. Both BDS providers benefited from the collaboration, increased the number of qualified trainers

[18] Others are organisation and human resource management, supply chain and operations and quality management.

[19] These were followed by identifying and ensuring new suppliers and access to finance, at 12% and 6%.

(Foc_Dis_7) and are likely to offer this support package to other clients (e.g. projects funded by IDP). Some of the smaller BDS providers were also capacitated as they won a tender for the first time (learning-by-doing process). This increased their credibility for future tenders (Foc_Dis_7). Finally, the project contributed to networking among like-minded smaller BDS providers (Foc_Dis_7). Positive tangible results for SMEs are that they built working relationships with other businesses and BDS providers (Int_18 with final beneficiaries). This contributed to MSME owners and managers developing a better understanding of how BDS can help them to improve business (trust building). Some providers even successfully extended their business to other markets by customising programmes for clients in Tunisia (Foc_Dis_11). A capacity development strategy for BDS providers (institutionalisation of services for MSMEs) to improve their own business model was pursued. The sector-specific BDS approach was highly appreciated by interviewees. Generic training in the 'class-room' was not as well received (Int_23; Int_22, 30 with final beneficiaries). Moreover, the partnership approach in working with BDS providers was highlighted as positive (Foc_Dis_7). The contribution analysis shows direct links to improving the quality of the MSMEs support programme. However, these contributions are not as strong in terms of making steps towards the institutionalisation of these services. Not much effort has been put into developing strategies about how to hand over the BDS and to who.

Hypothesis 3: Improved industrial area management (including uptake of sustainability issues) by IDA leads to better services for SMEs

Responsibility for IZ management is still in a transitional state. IDA has been given central responsibility for the development, management and operation of over 108 existing IZs across Egypt (legislation adopted in 2016 and in line with Law 95/2018). Previously, these IZs had been developed and managed by the governorates (municipalities) and/or the New Urban Communities Authority (NUCA). The IDA is also responsible for the development of new IZs. Due to this change in priorities, the project refocused its strategy to better match MTI requests. IDA was assisted with advisory (technical support, study tours and analysis) and organisational development to use its central role in planning and managing IZ to advance the economic integration of SMEs in these zones (GOPA, 2020; Int_4, 31 with GIZ). This line of activity was supported by policy advice on regulatory issues (output A). A benchmarking study completed in 2017/2018 revealed a lower level of effectiveness and efficiency in the management of public IZs than in private IZs (Meier zu Köcker, 2017). It also identified key challenges and areas of improvement for public IZ. Based on these findings, an integral approach was pursued representing various management levels and functional duties that would be involved in IZ operations and IDA staff (Meier zu Köcker, 2017). Moreover, pilot IZ areas were selected (GIZ, 2020a). The idea behind the pilot was that lessons learned and the transfer of knowledge – with one constant fixed group – would provide the basis for rolling out training and procedures across future IDA/IDC managed IZs. Participants were divided into two groups with each stage of the training programme delivered in Cairo and the Upper Nile. Most of the participants in Upper Egypt were involved in IZ management. The Cairo group had more IDA staff with no IZ management responsibilities at the time (GOPA, 2020). However, IDA wanted to start the process of introducing its staff to the principles and processes of IZ management, in preparation for their new role. Positive feedback of the participants was remarkably high at 98% (GOPA, 2020). The support for IDA was instrumental as the internal structure was enhanced (institutional strengthening of IDA: R-C.2, R-C.6, R-C.7). For example, delegated staff from NUCA were hired to work under IDA (Int_24 with other stakeholders). The project also worked with privately owned IZs as they score high on applying international best practices (Meier zu Köcker, 2017). Although these high-performing private IZ have good success stories to tell, they do not always indicate the best solution to IZ management. Due to their focus on return on investment as their key metric, they do not care about SMEs or dealing with economically challenged regions. However, they were receptive about sustainability issues. The SIA approach was an 'eye opener' on attracting foreign investors. It was seen that the quality of the education system is a factor that might influence decisions by foreign investors (Int_15 with CS/PS actors). Privately owned IZs better understood the added value of complying with the SIA approach and with international standards worldwide (Int_29 with CS/PS actors). In addition, a roadmap was created for industrial parks under the governance of IDA Qeft IZ (GIZ, 2020), with a pilot park (time frame of five years; actions follow a logical sequence and allow for flexibility). Interview results showed improvements in IDA services: 'When we started there have been a lot of delays with IDA it is not perfect now but better'. For example, licensing in the

past took years, now it takes 30 days and there is closer contact between IDA and its clients ('The visit companies now every 3 month'). However, regarding the digital platform for IDA services, it seems that MSME still prefer to meet personally with IDA staff (Int_20 with final beneficiaries; Int_9 with other stakeholders).

Although the new law has been passed, the formal handover of existing IZs to IDA from the governorates and NUCA is ongoing and has yet to be completed. Progress has been made at policy level, with a presidential decree on IDA (R–C4 regulatory issues) but implementation steps have not been taken yet (Int_31 with GIZ). Communication with investors improved (Int_9 with other stakeholders). An online system for investors (application and information services) saved their time and money (Int_9 with other stakeholders). The project contributed to this progress though its comprehensive policy advisory services for IZ management and its technical support on IDA.

To sum up the findings of the contribution analysis: outcome hypotheses 1 and 3 can largely be confirmed; outcome hypothesis 2 cannot be substantiated.

The way the project team managed and partnered with stakeholders contributed to achieving the project objective (outcome): the staff were approachable, open, and fostered knowledge transfer (Foc_Dis_7). The distribution of manuals developed by GIZ, for example, on inclusive business models (Foc_Dis_11), and working with well-established local BDS providers (Foc_Dis_7) contributed to the positive results. Stakeholders also saw a strength in the way the project communicated, networked and coordinated with stakeholders. This helped to focus on SME needs and the presidential initiative (Int_15 with other CS/PS actors).

Digital solutions were pursued in output B and output C. The project supported a CRM computer solution for MSMEDA (output C) and an online entrepreneurship course for students and/or graduates (output B). CRM increases the transparency of MSMEDA activities and potentially improves the access of SMEs to support measures (Foc_Dis_11). Due to the Covid-19 crisis, MSMEDA was even more appreciative of the project's contribution. Participants' satisfaction with the online entrepreneurship course was high but in-depth lessons learned were not documented. Interview partners doubted that many entrepreneurs in the BoP target group were reached online (by social media, email, etc.). More of a 'chain reaction' is needed in the sense that a 'word to mouth approach' might be the best way to reach out to marginalised pockets of society (Foc_Dis_11). Based on a hypothetical prediction of what would have happened in the absence of the intervention (counterfactual question), it can be assumed that output B activities would probably not have been implemented as they mostly depended on subcontracting local BDS providers (external funding). In addition, less progress would have been made in strengthening structural changes of the public support system.

Effectiveness dimension 2 – The activities and outputs of the project contributed substantially to achieving the project's objective (outcome) – scores 26 out of 30 points.

Effectiveness dimension 3: The occurrence of additional (not formally agreed) positive results was monitored and additional opportunities for further positive results were seized. No project-related negative results occurred – and if any negative results occurred the project responded adequately.

In consultations with stakeholders and partners, the following additional positive results (not formally agreed) were identified. The integration of migration issues raised awareness of how labour migration affects economic development, as a large number of young people migrate to Saudi Arabia to find work (Int_5 with GIZ). Moreover, benchmarking with other BDS providers in the Middle East and North Africa (exposure visit to Jordan) helped Egyptian BDS providers to better understand their own strengths and sharpen their business profiles. It also broadened the mindset of service providers about inclusive business models (Foc_Dis_7). Interview partners stated that interventions in Sohag Governorate sent positive signals of working with partners in Upper Egypt. The development efforts of IDP are perceived as highly challenging in such a remote area due to the socio-economic and cultural context of this region (Foc_Dis_11). According to the evaluation findings, this also encouraged financial service providers to invest in Sohag, for example, the European Bank for Reconstruction and Development's Green Finance in Sohag (Foc_Dic_7). Another positive – not formally planned – result was

that professional interventions in the food sector changed the image of working in this sector. This might make it more attractive for young people to seek employment opportunities there (Foc_Dis_11).

Regarding unintended negative consequences, the project understands (and partly anticipated) that providing services for MSMEs without charging fees might cause distortions in the consultancy services market. It might send a negative signal to MSMEs regarding their willingness to pay for BDS in future. As described in Section 4.2, due to the dependence of the BDS market on external funding, development projects also function as 'clients' for private BDS providers. Hence, the project tried to counteract and work besides public institutions and private service providers to overcome this unlevel playing field. The evaluation team observed the following potential unintended negative results.

- Possible unintended effect caused by bias in selecting BDS providers who are well-established and professional ('cherry-picking'). Spill over effects to strengthen the ecosystem are less visible and no deliberate element of capacity development for emerging BDS providers was identified (Foc_Dis_11).
- Uptake of entrepreneurial skills for students/graduates through a master's diploma course runs counter to the idea of a more business/hands-on approach introduced by the project to better prepare people for self-employment and/or entrepreneurship. A formal diploma does not change the mindset of students and help them to develop entrepreneurial skills. Instead, it focuses again on academic merits.
- The process of selecting MSMEs to participate in the support measures might be prone to biases (e.g. word-of-mouth/existing networks with local institutions). For example, the Food Chamber played a crucial role as it was informed about support programmes.
- The process of selecting start-ups/MSMEs through the network of BDS providers might be biased, particularly in the oversaturated environment of Cairo or Alexandria where some people benefit from support programmes more than once.
- The ecosystem of local start-up/acceleration programmes and professional non-governmental organisations working in Cairo or Alexandria on this matter is very well-developed. The supply of support measures is partly higher than the demand of potential start-ups or SGB. Other regions lack offers. Exposure visits were helpful but also demonstrated to the partners the huge gap between the ecosystem in Cairo or Alexandria and other governorates (Int_22 with final beneficiaries).

More information is needed to counteract potential risks of selection bias of the target group and to identify what steps must be taken to further increase outreach to disadvantaged groups outside of metropolitan areas. Escalating factors (dividers) such as entrenched state interest, unfair competition among companies and privileged access to policymakers have been closely observed (see Section 2.2). The project managed to ensure that dividers are not strengthened (indirectly) by knowledge sharing among IDPs to understand changes in the working environment (Int 23; Int_42) and to design complementary interventions (e.g. good collaboration with the World Bank). An intensive consultation process for strategic decisions with a broad spectrum of partners and stakeholders contributed to mitigating the escalating factors and to avoid taking sides.

The security situation was continuously monitored by the GIZ Risk Management Office. Security was a criterion for designing and monitoring measures in Upper Egypt. In the RBM systems (WebMo), the following risks were identified. MTI's endeavour to reform affiliated institutions (e.g. the merger of IMC and ICTI) impaired the implementation of the programme and required a new implementation strategy. This risk was handled with care: the project built its strategy on setting up parallel change processes with affiliated partners. It also integrated staff from different IZ management entities (IDA, NUCA and governorates) into the managerial capacity-building support (Int_4 with GIZ). Another risk identified was that a declining state of the economy prevents MSMEs from investing in growth-oriented but risky innovations. Concerning cooperating with universities (unilaterally extending the target group to students), the project expected the risk that MTI would not endorse this cooperation as universities are supervised by another ministry. These risks did not impede project success.

Effectiveness dimension 3 – The occurrence of additional (not formally agreed) positive results was monitored and additional opportunities for further positive results were seized. No project-related negative results occurred, and if any negative results occurred the project responded adequately – scores 21 out of 30 points. The

project developed a good to moderate monitoring system. Conflict-sensitive issues were dealt with on an informal level among the project team and other technical cooperation projects. This led to the deduction of points.

Conclusions: outcome and output indicators were partly achieved (two outcome indicators partly, and one almost achieved; six output indicators achieved, seven (almost) achieved and four partly). Three robust contribution stories were devised, with GIZ and partner contributions. The contributions of international agencies were generally conducive to development. Effectiveness scores 81 out of 100 points.

Table 7: Rating of OECD/DAC criterion: effectiveness

Criterion	Assessment dimension	Score and rating
Effectiveness	The project achieved the objective (outcome) on time in accordance with the project's objective indicators.[20]	34 out of 40 points
	The activities and outputs of the project contributed substantially to achieving the project's objective (outcome).[21]	26 out of 30 points
	No project-related (unintended) negative results occurred – and if any negative results occurred, the project responded adequately. The occurrence of additional (not formally agreed) positive results was monitored and additional opportunities for further positive results were seized.	21 out of 30 points
Overall score and rating		Score: **81 out of 100 points** Rating: Level 2: successful

4.3 Impact

Evaluation basis and design for assessing impact

The impact of the project is assessed along three dimensions: (1) occurrence or foreseen overarching development results (impact), (2) contribution to the overarching development results (impact) of the project and (3) non-occurrence of unintended negative impact or adequate response and monitoring of additional positive results, with the utilisation of such results to increase impact.

Evaluation basis

Dimension 1 was assessed with reference to plausible project contributions to achieve the programme indicators (POI) of the SEDE programme (POI.1, POI.2 and POI.4). According to the offer, the higher level developmental goals are described in the results hypotheses in Chapter 2 (see results model, RI–3: SDG 8, Decent work and economic growth; SDG 1, No poverty; and RI–4: SDG 9, Industry, innovation and infrastructure). Output indicator B.6 (preparedness of students/graduates for self-employment), identifiers of gender equality and LNOB were analysed. The basis for dimension 2 was a contribution analysis assessing to what extent the project contributes to further intended impacts that go beyond the indicators: i) the employment impact of SMEs (RI–3, SDG 8: Employment), ii) increased demand for BDS by SME (RI–3, SDG 8: Competitiveness), and iii) strengthened steering and management capacities of MTI and its affiliates to set incentives for an innovation-

[20] The first and second evaluation dimensions are interrelated. If the contribution of the project to objective achievement is low (second evaluation dimension) this must also be considered in the assessment of the first evaluation dimension.
[21] See above.

led employment strategy (RI–1, SDG 16: Good governance). Impact evaluation dimension 3: the evaluators looked at the occurrence of unintended (or additional/not formally agreed) positive and negative impacts and if and how they were monitored and dealt with. During the inception mission, no unintended negative and/or positive results at impact level were brought to light. This also applies to the additional evaluation questions on conflict/fragility.

Evaluation design

The analysis followed the evaluation questions. The analyses of dimension 2 were based on a contribution analysis (see also Section 4.3), because experimental and quasi-experimental designs with control groups were not feasible at impact level and with the given evaluation resources. To assess dimension 3 (unintended results), an exploratory approach including appreciative inquiry (for positive effects) and 'do no harm' (for unintended negative effects) was applied. Project reports and data from the RBM system were reviewed to ascertain how unintended negative results were monitored and responded to. Findings were reflected on and validated with the project team.

Empirical methods

The assessment was based on interviews, workshops, surveys and FGD data with GIZ, partners, IDPs, civil society/private sector actors and final beneficiaries. Interview partners were selected based on the map of actors (institutions) and their level of knowledge. Content analysis of statements was used to answer the evaluation questions. No substantiated analysis was available. The approach combined quantitative and qualitative methods and sources. The evaluation team collected data from the project and external sources. The data strength was medium, and sources and data were triangulated. The methods were appropriate to answer the evaluation questions.

Analysis and assessment of impact

Impact dimension 1: The intended overarching development results occurred or are foreseen (plausible reasons)

In line with the results matrix, the impact level of the project corresponds with the SEDE programme objective: 'the institutional and individual capacities for sustainable and employment-oriented economic growth in Egypt are improved'. The project worked on improving prerequisites for increasing competitiveness and creating jobs in MSMEs in the processing industry and its supply industries. It is plausible that the project contributed in the middle to long run to the following three (out of five) programme indicators.

Table 8: Overview of project contributions to programme objectives

	Programme indicator (POI)	Current value (GIZ, 2020) – plausible contributions
POI.1	Selected experts or committees (e.g. from the International Labour Organization, International Organization for Migration, International Finance Corporation, Development Partners' Group or the EU Commission to Egypt) rate the capacity of relevant institutions (e.g. partner ministries, financial intermediaries, the Federation of Egyptian Industries, the National Center for Human Resources Development) to promote employment-oriented growth	The project intends to contribute to POI.1 'by strengthening capacities of public institutions to design industrial policy measures that are increasingly directed towards innovation-led employment promotion'. Based on a survey of experts in 2016 by the SEDE programme, an assessment of 'low' skills of partner institutions was established as the baseline value (GIZ, 2017e). A follow-up survey of selected experts from the International Labour Organization, UNIDO and the United States Agency for International Development showed that the skills of the partner institutions had improved to 'rather low' (GIZ, 2020e). Due to the small sample size and low response rate, the survey findings may only give an indication of the situation. However, there was no direct correlation between MTI decision-making and a greater focus on employment (RI–7). Capacities to formulate employment-oriented policies are of course necessary but without political will and the decision-making power of policymakers they will not be implemented. Conclusion: it is plausible that the project contributed to employment-oriented growth (see also the contribution analysis, impact hypothesis 3 below).

	of above 2 points on a scale of 1 to 6.	
POI.2	Egypt has improved its rating in at least 2 of the following 4 pillars of the Global Competitiveness Index: 5. Higher education and training, 7. Labour market efficiency, 11. Business sophistication, 12. Innovation.	According to the SEDE progress report (GIZ, 2019/2020) on POI.2, the Global Competitiveness Index has slightly improved in pillars 11. Business dynamics (value of 54.1 compared to 53.1 the previous year) and 12. Innovation (value of 39.6 compared to 37.7 the previous year). Note: the Global Competitiveness Index adopted a new survey methodology in 2018/2019 (the composition of key indicators changed, e.g. pillar 11 has a new name). Conclusion: it is plausible that the project contributed to employment-oriented growth (see also the contribution analysis, impact hypothesis 1 below).
POI.4	Managing directors or owners of MSMEs (male and female) rate the advisory and financial services for harnessing their growth potential in a changing global environment by 1 point better on average on a scale from 1–6 (where 6 is the best score).	A survey conducted by the SEDE programme (GIZ, 2019e) showed 'good' satisfaction with the business services landscape (4.6). The same reference group rated the range of financial services offered as 'sufficient' (3.1), which includes areas that the programme modules did not actively work to improve. There is no clear correlation between the programme's activities and the change in the index. The current value is 3.85 (GIZ, 2020e). The project worked closely with public stakeholders to capacitate them (individual level; structural reforms) to improve the innovation system. The project provided strategic policy advice for designing and implementing the IIS. Through dialogue forums, collaboration with stakeholders from other line ministries were stimulated and the Inno Award was successfully launched with the project's support. Thus, it is plausible that the project contributed through its achievements (outcomes) to intended future changes at impact level (i.e. focusing on plausible forecasts). Some changes at impact level are measurable. Conclusion: it is plausible that the project contributed to employment-oriented growth (see also contribution analysis, impact hypothesis 1 below).

Concerning gender equality (BMZ marker GG–1 relating to SDG 5: Gender equality), the project targeted the creative industry sector that has a high percentage of female entrepreneurs/start-ups (Foc_Dis_5). According to RBM data, the share of women participating in the sector-specific training sessions was 80%. No specific quotas were set for women entrepreneurs for the support provided to start-ups/SGBs. However, by promoting inclusive business, it is most likely that the project reached out to more women as women seem 'overrepresented' in this sector (Foc_Dis_7). Some BDS providers reflected on their equal outreach to women and men and changed their outreach approach to increase women's participation. In the second cycle of incubation, some providers boosted the women's participation rate from 27% (first cycle) to 50% (Foc_Dis_7). Interview findings confirmed that there are general prevailing gender disparities in Egypt. Women entrepreneurs are not well-informed about available technical, business-related, and/or financial services. There are hardly any adequate services geared to the needs of women entrepreneurs (Int_18 with final beneficiaries). Moreover, women's access to services can be limited by their geographical location (Int_22 with final beneficiaries). Experiences from successful women's economic empowerment support show that strategic areas from which pathways of change emerge are: gender discrimination in household and societal attitudes; unequal access to skills, technologies or linkages for business development; exclusion from group support networks; and legal and service policies and procedures that marginalise women. Moving forward in time, these pathways are not meant to be linear cause-and-effect processes. The key bottlenecks or barriers facing women's start-ups/female entrepreneurs were not duly analysed to improve BDS. This may explain why there is no direct relation between women participating in training sessions and the results of establishing business (Int_25). The same situation can be observed for the training of students/graduates. While the share of females overall was 68%, only 30–40% undertook in-depth entrepreneurship training (Int_25). Other IDP projects pay more attention to the above pathways for change. For example, UNIDO has a special focus on women entrepreneurs (Int_40 with partner organisation). Job quality and employment issues are areas in which there are opportunities to explore the employment situation of women working in IZ. About 30% of employees working in IZ are women (Int_29 with CS/PS actors), thus childcare and commuting are important issues (Int_29 with CS/PS actors). Many women work in the food sector (e.g. dried fruits, dates, olive oil and essential oils) and there are numerous food processing companies operating in IZ (Int_23).

Through collaboration with key inclusive business promoters in the Egyptian ecosystem, the project managed to replicate three inclusive business incubation programmes (boot camps) and to reach out to marginalised

groups. Through interventions in Upper Egypt, the project helped disadvantaged groups to get better access to support programmes. According to IMC monitoring data, five consultants established a consulting firm in Upper Egypt. Referring to the intervention strategy for students/graduates (returning migrants), the results model is inconsistent as training sessions on entrepreneurial skills are expected to better prepare people for self-employment (R-I.6). In total 4,080 students/graduates were trained across Egypt in Cairo, Greater Cairo, Alexandria, Faiyoum, Minya, Asyut, Sohag, Aswan, El Gouna, Alexandria, Mansoura, Ismailia and Sohag (GIZ, 2020e). Most participants were female students/graduates (80% according to monitoring data). Some entrepreneurial programmes lasted for one day. Most lasted for 4 to 5 days and some courses ran for up to 10 days. Most of the courses covered basic entrepreneurial skills. The project collaborated with six universities: the Arab Academy for Science, the German University in Cairo, Suez Canal University, Mansoura University, Assiut University in Hemma and Sohag University. A geographical focus on specific governorates that are disproportionately prone to migration of young people was not considered (Int_37 with GIZ). One course had a special focus on green economy skills[22]. In the feedback questionnaire, participants were not asked if they felt better prepared (BI.6). Overall, there was high satisfaction with the support provided for the students/graduates (aggregated average feedback rating 90–96%, feedback questionnaires). It is not likely that a one-off course of a couple of days on entrepreneurial skills has a great influence on improving young people's job opportunities. However, the courses probably contributed to raising awareness about self-employment as an alternative way of starting a career after academic studies. Students and fresh graduates need long-term interventions (over two years) and follow-up programmes to ensure business establishment and job creation (Foc_Dis_2).
Impact dimension 1 – The intended overarching development results occurred or are foreseen – scores 36 out of 40 points. Points were deducted due to a lack of targeted measures on gender equality and students/graduates prone to labour migration.

Impact dimension 2: The outcome of the project contributed to the occurred or foreseen overarching development results

This section analyses (based on available data) to what extent there is a plausible causal link between the project outputs, outcomes and impact by analysing three hypotheses (TOC) identified during the inception phase. The numbers in brackets refer to the results model presented in Section 2.2.

Impact hypothesis 1: High quality BDS increase SME competitiveness (RI.3, SDG 8: Competitiveness)

The project worked with public and private BDS providers (outputs B and C) to improve services for MSMEs. Public providers such as IMC and the Food and Agro-Industries Technology Centre (good manufacturing practices, supply chain management, and food quality measures for production and safety) increased their understanding and capacities for service provision (Int_13 with other stakeholders; Int_25; Int_32 with final beneficiaries). This led to a higher quality offer of BDS geared to the needs of MSMEs. In turn, SME owners and operators had more options of adequate services to choose from to improve their businesses. SMEs were more aware of market trends and requirements, which led to a better understanding of necessary improvements of their business operation (Int_30, 32 with final beneficiaries). In addition, peer learning and matchmaking activities (e.g. business linkages) among SMEs participating in the training courses contributed to knowledge dissemination about the business community on innovation (e.g. production techniques and a better understanding of the innovation process). The Investors' Association in Sadat City IZ was established with the support of the Industrial Business Gateway project, for better matchmaking between MSME and service providers.

More demand-driven, quality BDS (supply side) are a prerequisite for improving the competitiveness of SMEs, as described in the outcome. Through word of mouth and networking among SMEs, the tangible added value of BDS was disseminated. According to the impact survey (Youthinkgreen, 2020) conducted by the project,

[22] One five-day training course and a ten-day boot camp on entrepreneurship with a focus on developing business models in the waste sector, based on an opportunity mapping study provided by another GIZ project (National Solid Waste Management Project), which was followed by an incubation programme for selected teams and was externally funded.

81% of participants confirmed improvements (the majority of the 103 companies stated that they had improved their business model, reduced production costs and had better access to the market). The IMC report confirmed this positive impact (IMC, 2019) of its advanced consultants' training courses. More detailed information about IMC tracking is not available. The project trained a total of 50 practitioners in innovation management skills (certified innovation coaches and managers). Five of the 14 certified innovation coaches are women. Six of the 18 certified innovation managers with a leadership position in the company are women. In addition, 18 good innovation management practitioners from companies were trained (8 women). Companies, with the support of coaches, wrote innovation system reports and innovation plans. Of the innovation managers who participated, 35% were from top management, which ensured the companies' commitment to implement innovation plans (Conoscope, 2020). The hypothesis was confirmed in principle: better services geared to the needs and interests of MSMEs increased the likeliness and willingness of MSME operators to make use of these services to strengthen their competitiveness (RI.3). However, the impact depends on whether the public and private service providers sustain the new BDS offers and the consultants who received professional training continue their business (see Section 4.5). Their market position as consultants is improved when they are accepted in the IMC database.

Impact hypothesis 2: Quality incubation and acceleration support programmes lead to job creation (innovation-led employment path; RI.3, SDG 8: Employment)

Under output B, the project provided start-up support (incubation) and acceleration support programmes. In total, 558 people benefitted (potential start-ups, early-stage entrepreneurs and owners/managers of growing SMEs). Out of the total, 344 are women and 199 operate an inclusive business model (GIZ, 2020d). For all support programmes, output B selected a private BDS provider. In total, 17 training courses, events and workshops were held between 2017 and 2020. Two-thirds of the programmes were related to incubation (Int_37 with GIZ). The key hypothesis was that improvements made at company level such as cost reduction (e.g. due to new equipment), development of new innovative products or better business contacts lead to higher turnover and profit. In the long run, this contributes to more jobs (RI.3). Investments in SME competitiveness lead to broadly positive results at company level (including higher productivity and innovation capabilities) as described. But they might also be associated with a decrease in employment levels, due to technical innovations causing less labour demand (trade-offs).

The contribution analysis relates to the impact survey measuring improvement and employment effects. Improvements were confirmed at company level (see hypothesis 1). The survey results showed that polled beneficiaries increased their level of staff (in total: 5,578 jobs based on survey results and IMC monitoring data). The project made efforts to measure employment effects but there were substantial methodological weaknesses in the data collection method (see Section 3.1 above). As the survey did not consider other factors contributing to employment effects (e.g. whether the start-up/MSME benefitted from other support programmes), it is difficult to strongly link employment effects to the project interventions. For the metropolitan areas of Cairo and Alexandria, it is highly likely that some beneficiaries (Int_22 with final beneficiaries) profited from several IDP projects. Interview findings show that innovation-led productivity gains were stimulated (two production shifts) and labour demand increased (Int_3 with final beneficiaries). Anecdotal evidence and very positive feedback by the participants after each support measure (on average over 95%) indicate that the pathway of improved entrepreneurial skills and abilities may give start-ups better opportunities to survive on the market. Growing small businesses adopted acquired knowledge. In addition, the incentives set by the IIS and promotion of automation would create new jobs with special functions and skills (Int_13 with other stakeholders). Labour demand may increase if MSMEs improve their business model. However, there are possible trade-offs between competitiveness (productivity gains) and employment effects. Net employment effects were not measured. The project focused its interventions on employment-led economic growth through priority sectors, selected based on an Employment and Labour Market Analysis (see Section 4.1).

Impact hypothesis 3: Strengthened capacities of MTI and its affiliated bodies enhances the framework conditions for an innovation-led employment strategy (RI.1, SDG 16: Good governance)

MTI affiliates can be considered tools for MTI to implement public tasks and to assure that regulations, laws and standards are respected. The project strengthened the steering and management capacities of MTI and its affiliates (IMC, MSMEDA, technology and innovation centres, IDA, Export Council, etc.) through targeted capacity development measures to develop an innovation-led employment strategy for the industrial sector (Int_6, 19, 33, 40, 42 with partner organisations). In this process, the various roles of MTI affiliates in the innovation system were analysed well and core institutions were identified. MTI affiliates play an important role, since many of them are active in similar phases of the innovation process and have similar tasks (e.g. workforce development). The project stressed that more collaboration and continuous information and experience exchange is needed to avoid duplication of activities, competition or misunderstanding (Int_4, 5, 11, 31, 37 with GIZ). A key starting point for fostering interagency cooperation was the exposure visit to Germany. The participants represented pivotal organisations of Egyptian industry. Thus, they could relate their expertise areas to the components of the study tour and bring their practical insights to policy formulation. They became change agents in their own organisations (Int_6, 19, 33, 40, 42 with partner organisations).

Technical expertise was provided and round table discussions were conducted with MTI and affiliated institutions. IIS measures associated with the characteristics of sector-specific innovation processes (e.g. building material, the chemical industry and the textile sector) were relevant. With an intervention to support partners in developing the IIS, the project promoted government awareness of the need for innovative, out-of-the-box solutions (creating a learning culture). The IIS action plan laid foundations to promote the concept and its adoption across the board with interrelated ministries (Meier zu Köcker, 2017). Crucial measures of the action plan were supported: awareness raising, increasing innovation skills in companies and fostering a learning culture (Inno Aware events and innovation management training), promoting SME networking (Cluster-Pro and Inno Network) and setting incentives for innovation (Inno Award). MTI is very committed to taking over these measures and steps have been planned accordingly (Int_33 with partner) but no decision has been made due to interest from serval institutions. Attempts were made to incorporate these processes, but frequent staff changes impeded substantial progress towards institutionalising them. The project conveyed the message that public institutions should consider themselves as innovation support entities rather than as a ‘controlling body’. MTI highly appreciated the refocus on IZ management (the ‘effort came at a very good time’) and the support provided to strengthen its policy review capacities for the Production Transformation Policy Review (Int_33 with partner organisation). This policy review provided a guiding framework to identify options and actionable policy responses to promote structural transformation and upgrading. This increased the evidence-based decision-making of MTI (Int_33 with partner organisation).

Another important aspect for examining the hypothesis as defined in the offer is the involvement of private sector actors in policy-making processes. For example, consensus building and peer learning were facilitated by the policy review through a peer learning group composed of representatives from governments, business and academia. The private sector in Egypt is comprised of a wide range of organisations and institutions. Some of them are highly visible and influential in shaping the business environment (Federation of Egyptian Industries[23]; Federation of Egyptian Chambers of Commerce). Others have limited influence on the policy-making process. Many are directly or indirectly linked to the Egyptian government (e.g. the federations are semi-official bodies). Within such a business environment there are apparent limitations to private sector involvement in policymaking. Although private stakeholders were involved in the strategy development process and public–private dialogues were organised, it is difficult to assess to what extent the articulation of private sector interest and needs was increased by the project activities. The capacity of business associations to engage MSMEs could be further strengthened to improve the extent to which MSME priorities are reflected in public–private dialogue. This is well understood by the project. To sum up, the hypothesis is valid as it is plausible that the project interventions were instrumental in increasing governance capacities at MTI for policy formulation and effectively structuring the work of affiliates.

[23] Comprised of sixteen chambers of industry that seek to support Egypt’s manufacturing sectors.

It is obvious that the observed impacts were not only influenced by a single project as systemic transformative change processes were needed. Other factors contributing to the company improvements and employment effects that were monitored were not considered, such as support from other IDP projects and economic dynamics (see Sections 4.1 and 4.4). The impact of the project was influenced by a volatile political framework as described in the previous chapters. With a shifting political focus on IZ management, the project responded positively to the new priority of large-scale economic support programmes by MTI but also managed to balance the new strategy and sustaining its focus on SMEs. The sensitive working relationship among some of the public institutions made mandates and capabilities challenging for some of the intended change processes (e.g. impediment to setting up an incubation hub in Sohag, Int_1 with GIZ; Int_25). Many institutional changes in Egypt are centralised (governed by presidential decrees) but operational changes on the ground are implemented gradually.

The project seized opportunities from the broader policy context with its partners and reacted in a pragmatic way to strategic decisions of the commissioning party. However, these challenging planning and steering processes impeded to a large degree the project's development of a consistent strategy. A more TOC-led implementation for the intervention fields would have been positive. Scaling-up mechanisms were applied, including replication of inclusive business support programmes in Upper Egypt and training of multipliers (e.g. training of trainesrs for key MTI affiliates), and a widespread impact could be expected through collaboration with the World Bank and UNIDO in the field of IZ management. The project systematically contributed to changing the mindset of how to improve service quality and to extend services to investors (Int_13 with other stakeholders). IDA managed to change the mindset of its staff to introduce more agile methods that support investors (staff capacity enhancement from 20% to 70% to manage the IZ; Int_9, 24 with other stakeholders). The project consistently shared information and explored synergies with other GIZ sustainable economic development projects (Int 11,16, 36 with GIZ) and with regional programmes (e.g. the GIZ regional project Gender Diversity Management). However, the uptake of this information was rather limited (e. g. potential synergies with the regional project on gender issues was not explored). This seems to be due to the high workload and limited time to absorb information from other projects.

Impact Dimension 2 – The outcome of the project contributed to the occurred or foreseen overarching development results – scores 26 out of 30 points.

In conclusion, impact hypotheses 1 and 2 can be confirmed due to plausible underlying rationale and some findings. Impact hypothesis 3 can only be partly confirmed due to a lack of additional data and the presence of external trends that impeded achievement of the intended impact-level results on good governance and participatory development.

Impact dimension 3: No project-related (unintended) negative results occurred at impact level – and if any negative results occurred the project responded adequately. The occurrence of additional (not formally agreed) positive results at impact level was monitored and additional opportunities for further positive results were seized.

The Central Project Evaluation Team did not identify any immediate negative project-related results at impact level. Stakeholders did not formulate any unintended negative results at impact level. The project balanced the potential negative effects on the BDS market by working with public institutions that have the mandate to provide support programmes for start-ups/MSMEs. Positive synergies between the three dimensions – economic, social and ecological issues – were exploited by introducing the SIA approach, focusing on sustainable standards and offering incubation programmes that target green economy issues (e.g. waste management as a business opportunity). No trade-offs between the ecological, economic and social dimensions of sustainability were observed during the evaluation. Nonetheless, the underlying main trade-offs between the three dimensions are key to achieve sustainable, inclusive economic development. As such, attempts to integrate 'job quality' issues into policy formulation were useful. Environmental effects were addressed through awareness raising on energy efficiency (cleaner, sustainable production) but to a lesser degree. The extent to which the project had (unintended) negative or escalating effects on the context of fragility is low as the project team was aware of

conflict dynamics among affiliated bodies and ministries and the sensitive issue of legitimacy of state and non-state institutions representing private sector interest. As the project term was five years, surveys to thoroughly assess the risks of (unintended) results at impact level would have been recommendable.

The project infrequently monitored key risks identified in the offer (see Section 4.2, Dimension 3). Context-related risks were monitored regularly. There were no signs that the project had escalating effects on conflicts. From a private sector perspective, more involvement with private sector BDS providers should have been acknowledged. The project managed to find a fair compromise in this regard with MTI as a political partner. The evaluation team did not perceive or find any positive deescalating effects of the project. Potential risks concerning the extension of the target group to students/graduates and thus the involvement of the Ministry of Higher Education was considered in the planning phase. The risk 'focus of economic policy on interventionism and mega-projects impairs programme activities on promoting SMEs' was handled by balancing interests and extending the project cooperation structure, with IDA as a stronger partner and linkages and interfaces with MSMEDA strengthened by two permanent staff assigned for a year in Sadat IZ to support investors (Int_9 with other stakeholders). Positive results that were not formally agreed or planned at impact level were not monitored or deliberately exploited but occurred as secondary effects. The project organised networking events for BDS providers (e.g. Jordan training), which increased their professional horizons (Foc_Dis_7). IDA hired staff from NUCA as the project managed to bring staff together from both institutions for training and awareness events (Int_24 with other stakeholders). Furthermore, bringing together entrepreneurs from different educational backgrounds and geographical locations and promoting social entrepreneurship enhanced the inclusivity of the entrepreneurship ecosystem in Egypt (Foc_Dis_7).

Impact dimension 3 – No project-related negative results occurred at impact level and, if any negative results did occur, the project responded adequately and the occurrence of additional (not formally agreed) positive results at impact level was monitored and additional opportunities for further positive results was seized' – scores 23 out of 30 points. Points were deducted due to the moderate degree of risk analysis and reflections on unintended effects. In addition, positive results and potential synergies between the ecological, economic and social dimensions were moderately monitored and exploited.

Table 9: Rating of OECD/DAC criterion: impact

Criterion	Assessment dimension	Score and rating
Impact	The intended overarching development results occurred or are foreseen (plausible reasons).[24]	36 out of 40 points
	The outcome of the project contributed to the occurred or foreseen overarching development results.[25]	26 out of 30 points
	No project-related (unintended) negative results occurred at impact level– and if any negative results occurred the project responded adequately. The occurrence of additional (not formally agreed) positive results at impact level was monitored and additional opportunities for further positive results were seized.	23 out of 30 points
Overall score and rating		Score: **85 out of 100 points** Rating: Level 2: successful

[24] The first and second evaluation dimensions are interrelated: if the contribution of the project's outcome to the impact is low or not plausible (second evaluation dimension) this must also be considered for the assessment of the first evaluation dimension.
[25] See above.

4.4 Efficiency

Evaluation basis and design for assessing efficiency

Efficiency is assessed along two dimensions: (1) production efficiency, concerned with the project's appropriate use of resources regarding the outputs achieved and (2) allocation efficiency, assessed using a range of indicators to determine whether the project's use of resources was appropriate for achieving the project's objective (outcome).

Evaluation basis

Dimension 1 cost–output relations were estimated retrospectively. Data for the efficiency tool stemmed from the project's cost commitment report, at project and component level with cost line details, contracts for main financial agreements, a summary of costs for equipment and terms of reference for the subcontractor[26]. The project had no co-financing resources. Discussion of the allocation of costs to outputs was backed by a review of the financial contracts and drilling down on cost positions in combination with verbal information from the officer responsible for the commission. Staff were assigned to outputs by the project. Based on this, staff costs per output were calculated from the cost commitment statement lines. This approach neglected salary differences within one statement line but protected personal data. Despite due diligence and project involvement, retrospective assignment of costs to outputs is less accurate than ongoing assignment during the project term and the results. Dimension 2 'allocation efficiency' was partly based on cost–outcome data and reflects overarching questions like to what extent cooperation, synergies and/or leverage of more resources were mobilised for efficiency reasons. Outcome achievement was assessed based on outcome indicator measurement.

Evaluation design

According to the standard requirement from GIZ, the 'follow-the-money approach' was used. Analysis of the data followed the analytical questions in the evaluation matrix. It allowed systematic tracking of all project costs, to identify possible inefficiencies and better understand to what extent the outputs could have been maximised with other implementation strategies (maximum principle). Moreover, an additional evaluation question was analysed: whether cross-sectoral collaboration among the various projects of the overall SEDE programme leveraged potential synergies.

Empirical methods

Cost and indicator data were transferred into the GIZ efficiency tool specifically designed for the analysis. During an intensive working session with the project officer responsible for the commission and the financial manager, an ex-post allocation of costs to each output and quantification of partner contributions was done (as an approximation). Using the tool for attributing personnel costs over the lifetime of the project, staff-related costs were attributed to the three outputs. Deviations of the identified costs from the original planning of staff input and instruments (based on the project design of November 2017) was only partially analysed, due to a lack of data.

Analysis and assessment of efficiency

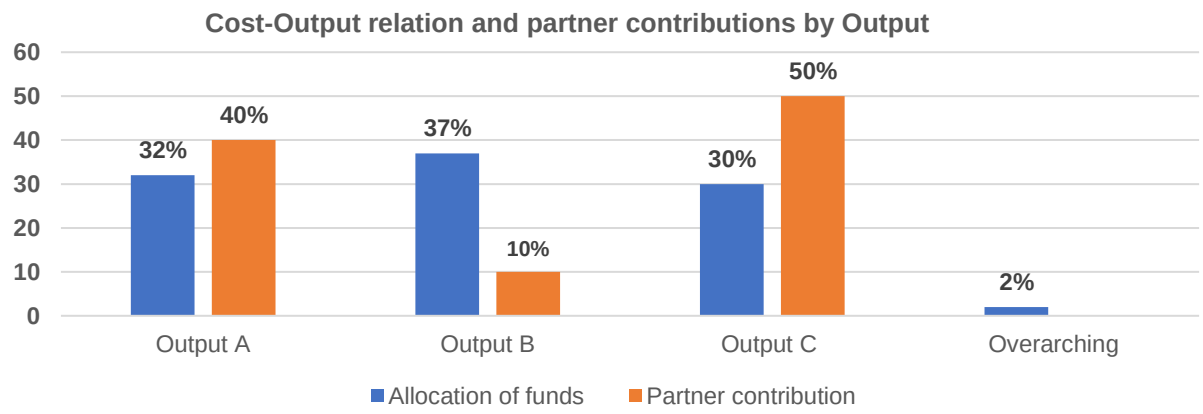
Efficiency dimension 1: Production efficiency

The project ended in February 2020 with a total commission value of 12 million euros. Results of the cost allocation by output are as following: 37% of the budget was spent on output B, 32% on output A and 30% on output C (see Figure 4). Thus, the budget was spent equally on the outputs. Spending on output B Business innovation was slightly above average, due to additional activities for students/graduates. About 650,000 euros are expected to remain (residual funds as of June 2020). According to the project, funds should have been spent

[26] PSME did not work with further expenditure or cost data (e. g. from Winpaccs Cost Control or Optima), which have since been introduced by GIZ as requirements. The worksheet on planned/actual costs could not be completed and was omitted in agreement with the GIZ Evaluation Unit.

equally on the three outputs. Reasons for underspending are that more local instead of international long-term experts (LTE) were employed. Other contributing factors were a substantial budget increase of 30% (4 million euros) in November 2017 with a relatively short implementation period of two years and three months. In addition, windfall profits due to exchange rate losses of the Egyptian pound contributed to the residual funds. A quantitative comparison between identified and projected costs cannot be made as no cost–output plan was drafted[27] (Int_11, 27 with GIZ). The project successfully controlled its resources according to its annual scheduled cost plan. Partner contributions were estimated at 164,000 euros (13% of the total budget). Good financial management was illustrated by the fact that all required cost information was provided during the evaluation and the project staff duly discussed all details with the evaluators.

Figure 4: Cost–output relation and partner contributions per output



The overarching costs of only 2% (retrospective estimation) encompass costs of staff for general project management and administration, office running costs, strategy workshops, costs of buying in equipment and third-party services such as translation. It is most likely that due to (re)planning and conceptualising within the Sustainable Economic Development Cluster, the actual share of overarching costs was higher (about 5% estimated by the evaluation team). In any case, 5% is appropriate. Other costs paid to GIZ staff outside the project[28] were mainly due to strategy adjustment by the sector department and administrative support from headquarters. Not all output indicators were achieved (see Section 4.2). Retrospectively, it was not possible to estimate whether saving funds from one activity and reinvesting them in another would have changed the picture, as a more general strategic adjustment would have been needed along with the redistribution of funds. The effectiveness across all outputs suggests efficient allocation.

In GDC, 'instruments' are defined as different types of support, e.g. short- and long-term experts and funding modalities. The instrument mix included five international LTE, one development advisor for output A and C (employment contract: 2018–2020) and 12 national LTE. The total number of international LTE was lower than planned in 2017 (three instead of five) and more local LTE were deployed (18 instead of 15, see Figure 7). The reason for this shift in LTE composition was that recruitment processes had become too time consuming (according to project staff, probably due to the fragile context) and one LTE left in mid-2019 shortly before the end of the project term. Moreover, more local BDS providers could deliver the quality required for supporting BDS, for example, services for accounting and financial management (Int_11, 27 with GIZ).

A proportion of the overall project budget was outsourced to a consulting consortium (output C, IBS) for two international consulting assignments. Requirements for GIZ-steering related to the outsourced outputs were as anticipated. The assignment on supporting business linkages between Egyptian SGBs, start-ups and large manufacturing corporates was not as successful as intended due to expert deployment (Int_37 with GIZ). Financing contracts were made for a total of EUR 879,401.50. EUR 283,500 were spent on equipment (mainly

[27] Please note: in 2016 this was not a standard requirement of GIZ.
[28] Known as ZAS.

office equipment; about EUR 50,000 were spent on photovoltaics and solar thermal equipment for MTI). The project used the capacity of its partners to achieve its three project outputs. In output A, financing contracts were used to strengthen evidence-based policymaking (a financial contract was made with OCED to conduct the Production Transformation Policy Review). For output B, two financing contracts were made for activities to increase the ecosystem for inclusive business and start-ups: with Enpact (second phase of the Global Accelerator Learning Initiative with a special focus on insights from accelerators operating in Egypt) and the Aspen Institute, USA. Finally, another financing contract was made with IMC for professional consultancy training. The financing contracts were mainly implemented according to plan (Int_11, 27 with GIZ). Such flexible financing mechanisms to collaborate with strategically well-positioned international and local institutions contributed to resource efficiency.

The project effectively combined its LTE development advisor with selected short-term experts for strategic capacity development measures at policy and meso level and for strategy development. Results are ambiguous for the development advisor working for ASRT (Cairo, headquarters) posted in the South Upper Egypt Regional Development Centre in Sohag. The Upper Egypt Regional Development Centre is strongly dependent on ASRT headquarters in Cairo. This centre's success and recognition are measured more as an internal service provider for ASRT headquarters. The conditions and needs of the centre are not sufficiently reflected (e.g. decisions are taken solely in Cairo and there is a lack of communication between national and regional structures). Under the circumstances, it was difficult to get the buy-in for activities by local partners. The entrepreneurship training programme could only be partly undertaken in cooperation with Sohag University. It was designed to qualify young students to potentially join the ASRT National Program for Technological Specialized Incubators (called Intilac) but due to institutional constraints multiple delays were faced (Int_1 with GIZ; GIZ, 2020c). On the positive side, through such a strong commitment to a development advisor deployed in Upper Egypt, more national and international activities are seen than there were three years ago. Cooperation between Sohag University and ASRT remains challenging (Int_11, 12 with GIZ). Lessons learnt from deploying a development advisor are documented: 'It would have been better to cooperate with more than one partner organisation in Upper Egypt. And this especially because there was no real strong partner from the beginning. A consortium could have led to better results' (GIZ, 2020c).

The combination of instruments maximised the output with respect to resources. Alternatives were carefully considered during the design and implementation process (use of local LTE instead of international LTE and use of financing contracts). The complex partner constellation with MTI and its affiliates, semi-public institutions and private service providers was implemented very efficiently by harnessing existing networks, using simple, flexible, direct communication channels. The overall design and approach were implemented well in terms of estimated costs in relation to the project's targeted outputs. The budget increase in 2016 (50% compared to the original budget) and 2017 (another 30% increase) was absorbed by some conceptual changes (see Section 2.2) and by extending the project term to February 2020. The upscaling was appropriate except the target value of OI.4, which was increased tremendously from 100 to 2,500 companies. The evaluation team concludes that two such huge budget increases within a project term binds valuable resources for planning and implementation. The project used state-of-the-art approaches, e.g. agile project management, in response to the dynamic political environment and sometimes competing interests of partner organisations (the evaluation team's conclusion). Interviews indicated that the project had a distinguished reputation for identifying qualified national and international short-term experts and facilitators for change processes (Int_5, 11, 34, 36 with GIZ; Int 23, 42; Int_6, 33 with partner organisations; Int_33 with other stakeholders; Foc_Dis_11).

Efficiency dimension 1 – The project's use of resources is appropriate with regard to the outputs achieved (production efficiency) – scores 64 out of 70 points.

Efficiency dimension 2: Allocation efficiency assessed whether the project's use of resources was appropriate for achieving the project's objective (outcome)

Several concept and budget changes made financial and operational planning difficult. This challenge was exacerbated by the fact that the project had to spend additional funds within a relatively short period of time in a volatile environment. The two budget increases allowed the project to partly enhance its outreach to MSMEs and to integrate additional approaches for disadvantaged MSMEs and students/graduates. All financial agreements and salaries met GIZ's standard benchmarks (salary scales) and procurement processes were followed for assigning local BDS providers (Int_11, 27, 31, 37). Out of the overall budget[29], 54% was spent on LTE; this corresponds to the average percentage of personnel costs for many technical cooperation projects implemented by GIZ.

The evaluators conclude that, given the challenging environment, the outcome within the mandate could have been improved by deploying more qualified staff for strategic and steering tasks by partners and the commissioning party. Concerning results related to preparing students/graduates for self-employment, a more targeted approach of implementing partners (e.g. universities that provide entrepreneurship training courses) and target support (a focus on disadvantaged students) would have had the potential to maximise output B. Changing the conceptual course of action three times over the project term was not instrumental to pursuing the maximum principle (principle of yield maximisation)[30]. The outcome–resources ratio was carefully considered using the same approaches as described for production efficiency, which allowed for reallocation of funding in line with progress towards the indicators (Int_11, 27, 31 with GIZ). Reflection was thorough in the design phase and ideas were pragmatically adjusted during implementation. Alternative implementation modalities were not considered in the planning phase. The training-of-trainer and networking approach are considered a good scaling-up strategy. Through good communication and exchange formats, the project took the necessary steps to leverage synergies with the interventions of other IDPs and to avoid losses in efficiency due to insufficient coordination. The project managed to complement other IDP activities and efficiently pooled resources for IZ management (Int 23; Int_42). The IDA also had a strong interest in the project complementing World Bank interventions in Upper Egypt (Int_24 with other stakeholders).

According to the project offer, overall partner contributions were estimated at EUR 200,000 (GIZ, 2014). The ratio between total budget funds and partner contribution was low (5% of the original budget). Given the budget increase, the partner contribution ratio dropped even lower to 1.4% (retrospectively estimated; contributions were made to different degrees to outputs: A: 40%, B: 10% and C: 50%). Partner contributions were not reasonable compared to budget funds. More attention was needed to better calculate and follow up what kind of partner contributions were actually made. More results were achieved through cooperation among GDC projects. Resources were leveraged as the project strongly cooperated with the Sustainable Economic Development Cluster, in particular with the project Promoting Access to Financial Services for Small and Medium Enterprises (Int_5, 36 with GIZ). SMEs appreciated the provision of information about financial services (banks, leasing and private equity) combined with non-financial BDS for improving business (Int_30 with final beneficiaries). Furthermore, collaboration with the Import Promotion Desk (implemented by Sequa) was rated as positive by some agricultural companies (Foc_Dis_7). Concerning the issue of women's economic empowerment and inclusive business models, the project did not undertake steps to form potential synergies within GDC regional projects working on gender diversity or the GIZ global project Inclusive Business Action Network.

Efficiency Dimension 2 – The project's use of resources is appropriate with regard to achieving the project's objective (outcome) – scores 26 out of 30 points.

Conclusion: the project's use of resources was largely appropriate, mainly due to the decision to allocate funds equally to outputs and to the combination of instruments. The high level of achievement at output level indicates that the output–resource ratio was adequately planned. Coordination with other development partners (GDC and other IDP projects) was sought where relevant and no synergy losses due to insufficient coordination and cooperation were observed. Finally, investing in more (own) personnel for strategic management,

[29] According to the Angebotschätzpreis.

[30] This principle investigates how far the same funds can be used to achieve even greater results. Thus, it is not a matter of seeing how costs could be saved (minimum principle), but rather of how existing resources can be allocated better to achieve results.

planning and steering would have led to a more theory-based implementation strategy. The project's production and allocation efficiency were appropriate.

Table 10: Rating of OECD/DAC criterion: efficiency

Criterion	Assessment dimension	Score and rating
Efficiency	The project's use of resources is appropriate with regard to the outputs achieved. Production efficiency: resources–outputs	64 out of 70 points
	The project's use of resources is appropriate with regard to achieving the project's objective (outcome). Allocation efficiency: resources–outcome	26 out of 30 points
Overall score and rating		Score: **90 out of 100 points** Rating: Level 2: successful

4.5 Sustainability

Evaluation basis and design for assessing sustainability

Sustainability is assessed along two dimensions: (1) prerequisite for ensuring the long-term success of the project: results are anchored in (partner) structures; (2) the forecast of durability: results of the project are permanent, stable and have long-term resilience.

Evaluation basis

The focus was intervention areas selected for the analyses of effectiveness and impact dimensions 2, namely whether partners at political level (e.g. MTI) can sustain in the medium to long term the implementation of key supported strategies and instruments. Moreover, it was scrutinised whether advisory content, approaches or concepts introduced by the project for the various intermediaries are anchored and/or institutionalised. The target group's use of the support that was provided was also analysed. Findings and recommendations for both intervention areas could be taken up in the follow-on project. The analysis for dimension 2 was based on the findings for dimension 1 and additional collected data, to understand perceived capacity gains and attitude changes among interview partners. The evaluation team discussed how the current situation may develop in the future, considering how results are anchored in partner structures. Factors that might influence the durability of long-term results in the future (e.g. structural changes, ownership of partners, financial means and human capacities) were also analysed. Lastly, in the context of fragility, the evaluators reflected on dividing and connecting factors and discussed them with partners and stakeholders.

Evaluation design and methods

The assessment of sustainability built on the contribution analysis approach used to assess effectiveness and to some extent impact. The sustainability of the identified results at outcome and impact level was explored by directly asking the standard CPE questions. The evaluators addressed causation and 'what works, how, in which conditions and for whom' (realist evaluation principle). Data was collected from project documents, documentation of capacity development measures, training feedback and some of the formats the project has developed to transfer knowledge. Additional data was gathered and triangulated through interviews and FGD. During these interactions, evaluators asked for additional data and documents (e.g. figures about outreach to men and women). Due to the virtual interview mode, the evaluation team could not make observations through on-site visits to key partners. The increase in capacity of the target group has been documented effectively in a few cases. Overall, the evidence strength was medium due to the fact that the main surveys that were conducted

only captured rudimental results (relating to OI.3). All forecasts for dimension 2 are based on assumptions. The data collection possibilities allowed the evaluation questions to be answered.

Analysis and assessment of sustainability

Sustainability dimension 1: Prerequisite for ensuring the long-term success of the project: results are anchored in (partner) structures

At policy level (MTI), the project provided targeted capacity development measures related to innovation and IZ management to increase knowledge about international state-of-the art policy measures in these fields. A strict strategic capacity development plan was not followed, instead it was adjusted to the circumstances. Capacity development measures were successfully conducted and aligned to the needs of the partners as confirmed by the findings on effectiveness and impact (OI.2, AI.2, CI.1). The IIS has been approved. However, sustaining its impact in the medium to long term and implementing key instruments and measures that were introduced (e.g. innovation management training and the innovation award) still need attention and effort (Int_31 with partner organisation). MSMEDA staff are qualified to manage and maintain the CRM system (60 people trained; self-assessment of capacity level 60% to run the system; 4 staff trained on system maintenance). The agency also extended the contract with the computer company that introduced the new system (Foc_Dis_11). Technical sustainability issues of the computer system were considered in the planning phase of the CRM system, for example, it had to be an open system that could adapt to any institutional changes that might occur (Foc_Dis_11).

The project also worked on a mechanism to intensify dialogue with the private sector. Private IZ operators took part in the public–private dialogue on the IZ regulatory framework (Int_29 with CS/PS actors). Centralising the development and management of IZs is a huge and ongoing challenge and resistance can be expected at various levels. At operational level, participants from the governorates, NUCA and IDA were rather positive about upcoming changes. However, without structural changes in responsibilities, the staff will not be able to apply the acquired skills and competences at their workplace. The project stimulated a change in mindset for managing IZ, including the development of marketing plans (Int_42; Int 19 with CS/PS actors). Public IZ managers have a low degree of discretionary power to adopt new management approaches. They depend on IDA headquarters' decisions. In contrast, private IZ have more power over change processes (Int_39 with other stakeholders; Int_29 with CS/PS actors).

The advisory content, approaches or concepts introduced by the project for the various intermediaries (e.g. public and private service providers, improved management techniques for IDA, etc.) are anchored in the partner systems to some extent. The project worked with private BDS providers as partners to improve the concepts and methods of supported programmes. Some programmes such as Ezdehar training on food-processing was initiated and conceptualised jointly (Foc_Dis_11). One service provider stated (Foc_Dis 7) that as a new BDS provider on the market the project gave them the opportunity to showcase their capacities for running training courses for BoP ('they believed in us'). This increased the credibility of the BDS provider and helped them to reach the threshold for accessing the market (Foc_Dis_11). In addition, service providers highlighted that through collaboration with the project, a sense of community was strengthened among service providers that promote inclusive business models. Networking and peer learning among trainees increased, for example through exchanging information in the WhatsApp group for the innovation coaches' network (Int_ 39 with other stakeholders; Conoscope, 2020). That helped the members to stay in touch even after the programme ended (Foc_Dis_11).

Considering the circumstances of the BDS market in Egypt, it is understandable and was appreciated that a market approach should be used (Int_2 with final beneficiaries; Int_13 with other stakeholders). The evaluation team did not perceive a systematic support strategy for capacity development of BDS providers (e.g. factoring in what they need to stay in business). IMC-certified trainers are also deployed by other service providers, e.g. MSMEDA, private IZ operators, the European Bank for Reconstruction and Development and the Central Bank

of Egypt (Int_13 with other stakeholders; 29 with CS/PS actors). Feedback was positive on the following instruments: a) the innovation management training handbook (Int_2, 21 with final beneficiaries), b) the SIA toolkit (Int_29 with CS/PC actors) and c) the stakeholder overview (companies, financial/non-financial BDS providers and industrial experts) for the food sector (Foc_Dis_11). Lastly, a recurring topic was that more on-the-job training and practical application through field visits would have improved the learning process (Int_9, 39 with other stakeholders; Int_19 with CS/PS actors). Overall, at operational level, the approaches and methods are to some degree used by the partners. Institutional changes are observed to a lesser degree but necessary strategic political decisions have been made. Individual capacities have been increased but resources at organisational or political level are not yet available to ensure the continuation of the results. Private BDS providers cannot sustain activities without further funding from donors (Foc_Dis_2). Issues of (financial) sustainability of public and private BDS providers are followed up in the interim support of some partners. This issue will be a more prominent part of the new PSD programme in 2021.

Lessons learnt for partners and GIZ seems to be more personalised than systematically documented. Some important lessons learned that are documented in various reports (GIZ, GOPA) have not been subject to systematic internal reflection and in-depth analysis on the course of action taken. For example, in a baseline study, ongoing communication with companies was recommended and integration of a learning loop for service providers (Acumen, 2017). The evaluation team did not find any evidence that the project indirectly strengthened dividers in the long term. In the context of capacity development, cooperation between private and public IZ and among private BDS providers was strengthened, presumably with lasting effects.

Sustainability dimension 1 – Prerequisite for ensuring the long-term success of the project: results are anchored in (partner) structures – scores 36 out of 50 points.

Sustainability dimension 2: Forecast of durability: results of the project are permanent, stable and have long-term resilience

The supported IIS remains as a guiding document for MTI for designing industrial development measures (Int_33 with partner organisations). Innovation issues are key for increasing the competitiveness of the Egyptian economy. The supported innovation measures are considered important instruments to stimulate innovative thinking at company level. There is a good understanding of this issue at political, regulative and operational level. However, due to staff changes in key decision-making positions, the necessary expertise might not be in place in the future. The same is true for the overall framework for IZ management. There are encouraging signs that IDA took ownership of sustaining industrial conferences with investors to discuss investor needs and share IDA services and plans (Int_24 with other stakeholders). The slow, gradual transfer of IZ management responsibilities to IDA might hamper the adoption of new skills and abilities (Int_9 with other stakeholders).

BDS providers supported under output B can continue to apply new techniques and training content for other clients due to their permanent staff and the stable pool of consultants that they work with (Foc_Dis_2,7). This increased the quality of the services as they are more focused on potential start-ups, early-stage entrepreneurs and growing small business. In fact, durability depends to a large extent on the demand of clients in the form of projects funded by IDP. Opportunities to anchor project results sustainably into cooperation partners' structures have been taken up rather late (e.g. anchoring training for the food sector with the Egyptian Food Chamber or a buy-in for innovation management training; Int_2 with final beneficiaries). Advanced training courses for consultants and coaches (output A: innovation coaches; output B: learning by doing for BDS providers and their staff; and output C: IMC professional consultants) have led to more, better qualified consultants on the market. Some of these individuals might have stopped working for their organisation, such as the Engineering Innovation Technology Centre (Int_26 with partner organisations; Int_31 with GIZ). However, it is likely that they are working as freelance consultants and thus are continuing to provide their services on the market. Due to the Covid-19 crisis and the accompanying economic downturn these qualified consultants are facing challenges with delivering planned BDS to clients (Int_13 with other stakeholders). Another factor that encourages durabil-

ity is that many MSMEs have successfully adopted new analytical techniques at company level and have improved their business (better market access) or reduced production costs. There has been a shift in mindset regarding the customer relationship (‘not taking criticism personally’ and ‘I am more attentive to my customer’, Int_22 with final beneficiaries).

Sustainability dimension 2 – Forecast of durability: results of the project are permanent, stable and long-term resilient – scores 33 out of 50 points.

Conclusions: Egypt is considered a fragile country in a rather unstable region. Sustainability depends highly on favourable development at political level and the continuity of key personnel at ministry and affiliated institutions. Unfavourable framework developments can endanger sustainability and durability. In view of the uncertain developments, the forecast is very tentative. Key measures have not yet been sufficiently handed over to partners and thereby connected to partner systems. While the project has created some prerequisites for sustainability and ensured connectedness, the resilience of the results is endangered by the uncertainty of external factors, that is, the degree of permanent staff, structural changes at organisational level to take over responsibility and continued IDP financial support. Sustainability scores 69 out of 100 points.

Table 11: Rating of OECD/DAC criterion: sustainability

Criterion	Assessment dimension	Score and rating
Sustainability	Prerequisite for ensuring the long-term success of the project: results are anchored in (partner) structures.	36 out of 50 points
	Forecast of durability: results of the project are permanent, stable and long-term resilient.	33 out of 50 points
Overall score and rating		Score: **69 out of 100 points** Rating: Level 3: Moderately successful

4.6 Key results and overall rating

Relevance

The project was highly consistent with the strategic reference frameworks of the Egyptian partners and the commissioning party. It addressed real structural problems of the Egyptian economy, including low productivity and limited innovation capacities. The project staff showed awareness of the fragile context as they regularly exchanged information and jointly analysed it. The **project responded to the needs of the target group(s**) **to a good degree** despite the fact that it had a rather diverse target group due to several modifications of the design. Partners confirmed that the support received matched their priorities and needs. More understanding of the needs of young people prone to migrate and female entrepreneurs/women’s start-ups would have increased the relevance of the project activities. **The project worked with a patchwork of approaches** to cope flexibly and pragmatically with a changing environment **and achieve the chosen project objective.** A potential overload of topics and approaches was challenging but handled with care by scaling up interventions in which the project had potential to make a difference (easy entry point) and responding to priorities expressed by BMZ. **The project design was adapted to changes in line with requirements and readapted where applicable.** Frequent conceptual and methodological changes tied up considerable resources for project steering and management. Budget increases were largely handled well and conceptual changes were adapted but due to time constraints and other administrative reasons the project was only partly able to draw up a coherent new project design as required by a changing environment. **Overall, the project was successful for the relevance criterion.**

Effectiveness

The project achieved the objective (outcome) partly in accordance with the project's objective indicators. Two outcome indicators were partly (OI.2 and OI.3), and one almost achieved (OI.4). **The activities and the three outputs of the project contributed substantially to the project's objective achievement (outcome).** Agreed project outputs were achieved to a great extent. Output achievements contributed fairly equally to strengthening the preconditions for promoting MSMEs' competitiveness. The project tried to deal with the vested interests of stakeholders at policy and implementation level to strengthen connecting factors. Three robust contribution stories were devised, with GIZ and partner contributions. The contribution analysis shows that the project strengthened the capacities of key industrial development actors. There is a plausible causal link between project activities, outputs and outcome indicators, to enable MTI affiliates to perform their role in steering and implementing industrial development programmes that focus on SME more effectively. The hypothesis 'BDS development leads to better (institutionalised) services for growing SMEs' was partially substantiated. The approach contributed to improving the quality of BDS. The steps for institutionalisation of these services were not supported. Lastly, the hypothesis 'improved industrial area management by IDA leads to better services for SMEs' can largely be confirmed. Progress was made at policy level with the presidential decree on IDA, but implementation steps have not been sufficiently taken. Communication with investors improved. **The occurrence of additional (not formally agreed) positive results was monitored and additional opportunities for further positive results were seized.** Integrating migration issues into the project raised awareness at partner level about the relevance of these issues for Egyptian sustainable economic development. Moreover, benchmarking with other BDS providers in the Middle East and North Africa helped Egyptian BDS providers sharpen their business profile. The evaluation results show that providing services for MSMEs without a fee sends a negative signal to MSMEs regarding their willingness to pay for BDS in future. However, the BDS market in Egypt relies strongly on the function of development projects as potential clients. The project tried to counteract and worked besides public institutions and with private BDS providers to overcome the unlevel playing field. More systematic monitoring would be needed to counteract potential risks of selection bias in the target group. Escalating factors (dividers) were closely observed by regular, close interactions among the project team and with development partners. **Overall, the project was successful for the effectiveness criterion.**

Impact

It is plausible that the intended overarching development results occurred. The project worked on improving prerequisites for increasing competitiveness and creating jobs in MSMEs. It is plausible that it contributed to programme indicators on employment-oriented growth, and spurred business dynamics, innovation and better BDS for MSMEs. The project was able to target an economic sector with a high percentage of female entrepreneurs/women's start-ups (creative industry). However, key bottlenecks or barriers facing women in business were not duly addressed. The project drew attention to the SDG principle of LNOB as it supported business operations that benefit low-income communities. **The outcome of the project contributed to the foreseen overarching development results.** The analysis of plausible causal links between the project's outputs, outcomes and impact revealed that the hypothesis 'better services geared to the needs and interest of MSMEs increases the likeliness and willingness of MSME operators to make use of these services to strengthen their competitiveness' (I-H.1) is in principle confirmed. There is a mixed picture for I-H.2. It is plausible to assume that labour demand will increase through MSME improving their business model. However, there are possible trade-offs between competitiveness (productivity gains) and employment effects. Referring to the intervention strategy on students/graduates, it is not likely that courses contribute substantially to better opportunities for self-employment. Students and fresh graduates need long-term interventions and follow-up programmes to ensure business establishment and job creation. I-H.3 states that strengthened capacities of public partners enhance the framework conditions for an innovation-led employment strategy. IH.3 could only be partly confirmed due to a lack of additional data and the presence of external trends that impeded achievement of the intended impact-level results on good governance and participatory development. Evidence-based decision-making of MTI increased. In addition, I-H.3 is valid as it is reasonable to assume that project interventions were instrumental in increasing capacities at MTI for policy formulation and effectively structuring the work of

affiliates. Obviously, the overarching development results' impacts that were observed could be influenced by more than one project. Systemic transformative change processes are needed. The evaluation team did not identify any immediate negative project-related results at impact level. The extent to which the project had (unintended) negative or escalating effects on the context of fragility is low. The project team was aware of conflict dynamics and the sensitive issue of legitimacy of state and non-state institutions representing private sector interest. Unintended positive results at impact level were not monitored or deliberately exploited but occurred rather as secondary effects. **Overall, the project was successful for the impact criterion.**

Efficiency

The project's use of resources was appropriate for the outputs achieved (production efficiency). The budget was spent equally on the three outputs. Partner contributions were moderate (estimated contributions). Overarching costs were appropriate. The effectiveness across all outputs suggests efficient allocation. The total number of international LTE was lower than planned in 2017, and more local LTE were deployed. The reasons for this shift in LTE composition were time-consuming recruitment processes and the availability of qualified local BDS. Financing contracts were used to strengthen evidence-based policymaking, to improve the ecosystem for inclusive business and start-ups and for professional consultancy training. This financing mechanism was deployed to work with strategically well-positioned international institutions and local partners. This contributed to resource efficiency. The project effectively combined its LTE and development advisor with selected short-term experts for strategic capacity development measures. The combination of instruments maximised the output with respect to resources. Alternatives were carefully considered during the design and implementation process. The overall design and approach were implemented well in terms of estimated costs in relation to the project's targeted outputs. **Allocation efficiency was good. The project's use of resources was appropriate for achieving the project's objective (outcome).** Two budget increases made financial and operational planning difficult. This was exacerbated by the fact that the project had to spend additional funds within a relatively short period of time. Evaluation findings showed that maximum outcome within the mandate could have been increased by deploying more qualified staff for strategic and steering tasks, given the challenging environment for partners and the commissioning party. The results of preparing students for self-employment showed that a more targeted approach of implementing partners (e.g. universities that provide entrepreneurship training courses) and disadvantaged students/graduates would have had the potential to maximise output B. Changing the conceptual course of action over the project term three times was not instrumental to pursuing the maximum principle. The outcome–resources ratio was carefully considered using the same approaches as those described for production efficiency. Reflections were thorough in the conception phase and were pragmatically adjusted during implementation to respond to the required modification of the offer. The project managed to complement other IDP activities. GDC resources were leveraged as the project strongly cooperated and coordinated with the Sustainable Economic Development Cluster. **Overall, the project was successful for the efficiency criterion.**

Sustainability

The project was partly capable of anchoring results in the partner structures. The project undertook steps to build capacity among partner organisations (policy level). A strict strategic capacity development plan was not followed, but capacity development measures were successfully implemented that were aligned to the needs of MTI and affiliated partners. At policy level, the IIS has been approved. To sustain its impact, key instruments and measures such as innovation management training and the innovation award still need attention and effort. MSMEDA staff are qualified to run and maintain the CRM system. The project fostered a change in mindset to manage IZs. Public IZ managers have a low degree of discretionary power to adopt new management approaches. They depend on the IDA headquarters' decision, unlike private IZ that have more power over change processes. IMC-certified trainers are deployed by other service providers, such as MSMEDA, private IZ operators and the European Bank for Reconstruction and Development. Overall, at operational level, the approaches and methods are to some degree anchored (used by the partners). Institutional changes are perceived to a lesser degree, but necessary strategic political decisions are made. Individual capacities have

been substantially increased. Resources at organisational or political level are still needed to ensure the sustainability of the results. **The results of the project are sufficiently permanent, stable and enduringly resilient.** The IIS remains as a guiding document for MTI to design industrial development measures. There is good understanding of this issue at political, regulative and operational level but due to staff changes in key decision-making positions, the necessary expertise might not be in place in the future. There are also encouraging signs that IDA took ownership of sustaining industrial conferences with investors to discuss investors' needs and share IDA services and plans. The gradual transfer of the responsibilities of IZ management to IDA might hamper the adoption of new skills and abilities. Supported BDS providers can continue to apply new techniques and training content for other clients due to their permanent staff and pool of consultants working for them. In fact, durability depends to a large degree on clients' demand in the form of projects funded by IDP. Opportunities to anchor the project results sustainably into cooperation partners' structures have been taken up at a rather late point. Due to advanced training courses for consultants and coaches, there are more, better qualified consultants available on the market. The evaluators rate the **project as moderately successful for the sustainability criterion.**

Table 12: Overall rating of OECD/DAC criteria

Criterion	Score (max. 100)	Rating
Relevance	84 out of 100 points	Level 2 = successful
Effectiveness	81 out of 100 points	Level 2 = successful
Impact	85 out of 100 points	Level 2 = successful
Efficiency	90 out of 100 points	Level 2 = successful
Sustainability	69 out of 100 points	Level 3 = moderately successful
Overall score and rating for all criteria	**82 out of 100 points**	**Level 2 = successful**

Table 13: Rating and score scales

100-point scale (score)	6-level scale (rating)
92–100	Level 1 = highly successful
81–91	Level 2 = successful
67–80	Level 3 = moderately successful
50–66	Level 4 = moderately unsuccessful
30–49	Level 5 = unsuccessful
0–29	Level 6 = highly unsuccessful

5 Conclusions and recommendations

5.1 Factors of success or failure

Overall managerial set-up

A favourable factor for the project was the overall solid set-up of GIZ structures in Egypt and its long-standing good and trustful relationships with Egyptian partners, in particular in the field of Sustainable Economic Development.

The flexible, demand-oriented approach followed by the project team with their partners meant that opportunities could be seized. The project was managed in good alignment with changing partner priorities. The project balanced the needs and interests of project partners (finding a justified compromise) to steer the process forward.

Good communication levels and channels with partners contributed to the success of project implementation. Responsiveness, accessibility and the partnership approach pursued by the project team were highly appreciated by stakeholders, partners and assigned BDS providers. Partner processes were considered and permitted to adapt the project's own key processes in a timely manner to external requirements, thus increasing the project's effectiveness and efficiency and the partner's processes.

Quality, timing and the flexibility of project support was a success factor that was highly appreciated by the political partner. Using financial agreements increased the flexibility of management to support key partner processes.

Products of quality assurance in line management (capacity development strategy, results model, RBM system and stakeholder map) were of a generic quality. Accordingly, these products had only a minor influence on project management and staff due to the quality of the analyses and missing updates. Integrating these tools into project management on a regular basis would support the development of an overall strategy for guidance. Such a TOC would also support a consideration of core problems of the target group of women (e.g. recommendations for gender analyses).

The design of the RBM system had a well set-up, user-friendly online platform. Indicator definitions, monitoring of milestones and data sources were clearly elaborated. Quality of data (sources of verifications) depended strongly on ownership for monitoring in the entire project team. Responsibility for monitoring rested too strongly with the person in charge of aggregating and administering the RBM system. Shared responsibility among the project team would have increased clear, transparent, effective implementation. It would also create a more shared understanding of the results framework among the team and with their Egyptian partners.

Cooperation management according to Capacity WORKS[31]

Strategy: the project team functioned and performed well within their responsibilities (outputs; GIZ team and subcontractor team). However, this somehow prevented the development of a shared understanding of project implementation. Over time, the team could use linkages among outputs (e.g. regarding IZ management). Regarding the interface with the GIZ project Promoting Access to Financial Services for Small and Medium Enterprises, it would be difficult to find qualified technical staff who are equally able to provide technical expertise on financial sector development and PSD.

[31] Capacity WORKS is a GIZ model for the professional management of cooperation systems in which different organisations are involved. The management model for sustainable development uses the formulas for success acquired through decades of experience with international cooperation and was introduced in 2016..

Project implementation was too focused on achieving indicators without reflecting on the overall strategy of achieving the outcome. The guiding overall strategy is only partly perceivable (more a kind of patchwork concept) due to numerous external factors (political priority setting of both parties) but also due to the deliberate decision to only make minor design adjustments. More expertise for overall steering and strategic guidance would have increased effectiveness and sustainability. Opportunities to review the TOC and hence the results matrix accordingly were not seized. Sector focus (related to potential employment effects) and specific technical BDS were appreciated.

A target capacity development approach to strengthen private BDS providers is not a by-product of assigning service providers to conduct incubation and/or acceleration programmes. From the outset, more considerations on achieving sustainability for output B 'High-quality support programmes… are institutionalised' would have been important.

Project management and steering followed a good risk-mitigation strategy by setting up interventions with a broad spectrum of partners and having a wide field of interventions. While this required a good balance of vital interest from various public/private partners, it also enabled the project to react flexibly to partners' changing political priorities.

Learning and innovation

The evaluation revealed that there were some scattered learning loops at different levels (e.g. private BDS providers). These were perceivable but could have been more systematic to improve the TOC and design. Opportunities existed at an early stage to document learning experiences by systematically reviewing submitted reports and drawing key lessons learned (by carefully preparing and structuring them). Better knowledge management would have helped to respond earlier to beneficiaries' need for the capacity development measures, for example, reacting fast to participants' need for more practical training sessions or more time for the training.

Factors beyond the project's immediate range of responsibility (external factors)

Project implementation was a difficult task for the project team because of changes in the institutional set-up of partners, such as ongoing restructuring processes at ministerial level and in affiliated bodies due to presidential decrees and a politically sensitive environment.

The institutional set-up was unstable, and trained staff were not always capable of working on technical aspects. High turnover of staff in partner institutions led to a situation in which they frequently had to train new staff, as skilled and more experienced staff often left the institution after a few years.

Challenges were encountered in improving the innovation culture/system as innovation is a cross-cutting topic requiring inter-ministerial coordination and cooperation (high potential for cooperation pitfalls).

5.2 Recommendations

The following recommendations emerged from the findings and conclusions of this evaluation.

Table 14: Conclusions and recommendations

Conclusion	Recommendation
For GIZ headquarters and country office	
Consideration of sustainability issues from the outset	Sustainability issues of how to increase buy-in of (private) local stakeholders is worth greater consideration in the conceptualisation phase. To support the long-term continuation of results, a design handing-over mechanism is needed in early planning phases and resources must be in place.
Adoption of approaches from expiring technical cooperation projects (Responsible and Inclusive Business Hub)	Explanations are required as to why approaches from expiring technical cooperation projects should be integrated into ongoing projects (e.g. more time is needed for consolidation). This should be done with a clear understanding of what to achieve.
Indicators captured more activities than results	Indicators should be formulated that also capture the positive results to be achieved by the activities (e.g. the quality of service and deliverables of MSMEDA, the use of deliverables by target group, etc.). Good indicators at outcome and output level are useful for project implementation and for collecting sound evidence of what the project has achieved within the partner system.
For the GIZ team	
Steering by indicator achievement	The project team should put more time and effort into developing and/or readjusting the project design over time (especially due to external factors). A sound TOC gives strategic direction and helps to concentrate on key results areas and to use linkages and synergies among different intervention areas.
Generic capacity works tools	The Capacity WORKS standard tools should be updated regularly as essential tools for overall management and steering.
Sequencing of sustainability issues	Sustainability issues have to be considered from the outset. To strengthen private BDS providers, a focused strategy would support the market-led approach (e.g. improving skills of BDS providers staff with skills for better management or conducting surveys or any other instruments demanded by the market, even if it is a rather donor-driven market).
Deployment of instruments: development advisor	Given the context of Upper Egypt, development advisors should be deployed for general capacity development measures in more than one institution. The expertise of a development advisor could be provided for several local public and/or private institutions to improve institutional capacities. This might also help to bring local partners together and thus improve the MSME ecosystem.
Ownership of the RBM system, responsibility for data quality	Develop a shared understanding of responsibilities for monitoring. Checking the quality of data is of utmost importance. This relates to survey designs (method, reliability of questionnaire for collecting feedback for events/training courses, plausibility check, etc.).
Systematic learning loops	More systematic documentation of interventions and analyses of lessons learnt from BDS providers should become a key part of the project team's standard operational procedure. Experiences and lessons learned should be documented and comprehensive hand-over documentation should be prepared for staff changes, if a project runs for more than three years.
For the follow-on project (headquarters, Sustainable Economic Development Cluster, GIZ team)	
Retain sector related BDS support programmes and approaches. The technical expertise provided has been highly appreciated.	

Even more customisation of support programmes for marginalised groups is recommended (e.g. for women and/or young people in rural areas) to respond adequately to the needs of the group. An in-depth analysis of the needs of these groups and the context they live and work in is required.
Linkages between financial and non-financial services are very important for strengthening MSMEs competitiveness. Continue with joint efforts in this regard. A taskforce should be established with staff from PSME and Promoting Access to Financial Services for Small and Medium Enterprises to make sure that expertise from both technical cooperation projects (financial sector development and PSD) is combined. Joint financing of one member of staff from both projects is not sufficient to leverage synergies.
Continue with a balanced approach to working with a potentially broad spectrum of public partners. However, limit the number of affiliates (more concentrated effort) related to overall strategy.
Practical training elements (e.g. case studies, etc.) should be increased concerning BDS provision for MSMEs and capacity development support measures for partner organisations. Practical application of new skills and abilities within the capacity development measures enables participants to apply new skills and knowledge easier in their working environment. Support measures for MSMEs should also consider a longer time period to provide follow-up support over time (e.g. coaching, counselling after a certain time).
Retain investment in political partners institutions (e.g the CRM system, adding services, opening new markets for partners and expanding a partner's network). Multidimensional interventions generate in-depth durable results.
Make an effort to design specific support measures for women's start-ups and female entrepreneurs to consider non-curricula issues such as personal development, peer learning and networking among like-minded female entrepreneurs and potential women's start-ups.
Develop a mechanism to follow-up on any selection bias arising from the saturated circumstances of the ecosystem in Cairo and Alexandria to avoid windfall gains for a small group of potential start-ups and early entrepreneurs benefitting from several support schemes from different IDPs.

List of resources

ACUMEN CONSULTING (2017): Final Report Business Innovation for growth-oriented Egyptian Entrepreneurs in Creative Industries, August 2017.

BMZ (2013): Strategiepapier - Sektorkonzept Privatwirtschaftsförderung

BMZ (2014): Gleichberechtigung der Geschlechter in der deutschen Entwicklungspolitik

BMZ (2016), Entwicklungspolitischer Aktionsplan zur Gleichberechtigung der Geschlechter 2016- 2020,

BMZ (2017): 'Perspektiven für Flüchtlinge schaffen. Fluchtursachen mindern, Aufnahmeregionen stabilisieren, Flüchtlinge unterstützen.

BMZ (2018): Länderstrategie zur bilateralen Entwicklungszusammenarbeit mit der Arabischen Republik Ägypten

Chemonics Egypt (2019) Supporting Start-ups and Small & Growing Businesses in the Agribusiness Sector in Sohag – Review of the Sector

Chemonics Egypt (2020): Supporting Start-ups and Small & Growing Businesses in the Agribusiness Sector in Sohag - Agribusiness Cluster Development Program in Sohag, January 2020

Conoscope Resulting Group (2019): Innovation Management Training Program Documentation Report, Egypt 2019.

Enpact (2019): Start-up Ecosystem Report, December 2019

GIZ (2014): Projektvorschlag Förderung kleiner und mittelständischer Unternehmen, Ägypten

GIZ (2015): Projektvorschlag Privatsektorförderung, Ägypten

GIZ (2016): Projektvorschlag Privatsektorförderung, Ägypten

GIZ (2016a): Interventions for employment creation in Egypt. A Sector Analysis (Employment and Labour Market Analysis).

GIZ (2017a): Projektvorschlag Förderung von kleinen und mittelständischen Unternehmen, Ägypten

GIZ (2017b), Mohr, Carlos): Kontextanalyse für den Schwerpunkt Nachhaltige Wirtschaftsentwicklung für Beschäftigung in Ägypten

GIZ (2017c): MTI Steering structure PSME

GIZ (2017d): Migration Patterns to and from Egypt Situation Analysis, Migration Trends and Framework Conditions

GIZ (2017e): Fortschrittsbericht Programm Nachhaltige Wirtschaftsentwicklung, 2017

GIZ (2018, Andrea Erdmann and Ayman Soliman): Recommendations 2 & 3: "Utilizing IDC as a Master Developer and a Subsidiary of IDC as an IZ Facility Manager" Abstracted from The Recommendations Report for Improved Management of Industrial Zones in Egypt, April 2018

GIZ (2018a): Guide for Central Project Evaluations

GIZ (2018c): Sustainable Industrial Areas (GIZ Working Group) Cairo, Egypt

GIZ (2018d): Innovation Awareness (Inno Aware)Toolbox

GIZ (2019a): Gender analysis for projects in the focal area Sustainable Economic development for Employment

GIZ (2019b): Promotion of Small and Medium Enterprises Innovation Policy Advisory, PSME PowerPoint Presentation, Cairo, 2019

GIZ (2019c): Specifics for Central Project Evaluations of TDA projects and in fragile contexts

GIZ (2019d): Workshop on interfaces under "Perspektive Heimat" at GIZ Egypt

GIZ (2019e): Fortschrittsbericht Programm Nachhaltige Wirtschaftsentwicklung, 2019

GIZ (2020a): Technical support for three Egyptian Industrial Areas to comply with Sustainable Industrial Areas Standards. Developing a Roadmap for the Transformation of Industrial Zone Qeft into a Sustainable Industrial Area (SIA), Author: Dr. Michael Weber, January 2020

GIZ (2020b): Berichterstattung Nachhaltige Wirtschaftsentwicklung für Beschäftigung, 2019

GIZ (2020c): Final Report of the Development Worker, February 2020

GIZ (2020d): Monitoring System (Web-Mo)

GIZ (2020e): Fortschrittsbericht Programm Nachhaltige Wirtschaftsentwicklung, 2020

GOPA (2017): IBS Progress Report No. 1 (September 2015 – February 2016)

GOPA (2018): IBS Progress Report No. 2 (March-August 2016)
GOPA (2017a): IBS Progress Report No. 3 (September 2016 – February 2017)
GOPA (2017b): IBS Progress Report No. 4 (March 2017 – August 2017)
GOPA (2018): IBS Progress Report No. 5 (September 2017 – April 2018)
GOPA (2019): IBS Final Progress Report (September 2015 – June 2019)
GOPA (2019a): Capacity Development Plan Industrial Zones operations in Egypt
GOPA (2020): Final Report - Industrial Zones Operation – Technical Capacity Development
Heba Labib: Innovation in Germany: Reflections on Egyptian Ecosystem Germany Study Tour Report, 10/8/2016 Nile University
IMC (2019): Final Report on Professional Consultants Training, Cairo, Dec 2019
Meier zu Köcker, Gerd: Integrating Industrial Innovation into MTI´s Sector Strategies, mission report, June 2017.
UNDP (2018): Sustainable Development Goals Report: Egypt 2030
Outreach Egypt Consultancy for Development: Report Promotion of Creative Industries in Egypt Delta Region & Greater Cairo Incubation Program, January 2020
Quick Wins: Ezdehar Final Report on Achievements, 2019
Sept, Universität Leipzig: Innovation Management Training, Reports Summary, 2019
Teknolojia: The Final Report on Innovation Workshop for Start-up Founders and Data Professionals (Datapreneur), 2019
The Egyptian Centre for the Advancement of Science, Technology, and Innovation (ECASTI): Science, Technology and Innovation in Egypt Status Brief, 2014
TwoWin: Report on Mentoring Format for Entrepreneurs, November 2019
Weber Sites Consulting GmbH: Technical support for three Egyptian Industrial Areas to comply with Sustainable Industrial Areas Standards Developing a Roadmap for Transformation into Sustainable Industrial Area (SIA) a) Industrial Zone Qeft b) IDG-operated E²- Park, c) IDG-operated East PJort Said Park, January 2020
World Economic Forum: Global Competitiveness Report 2019.
Youthinkgreeen: Report - Measuring Module Indicators of PSME, January 2020

Annex: Evaluation matrix

OECD-DAC Criterion RELEVANCE (max. 100 points)

Assessment dimensions	**Filter - Project Type**	**Evaluation questions**	**Evaluation indicators**	**Data collection methods** (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	**Data sources** (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	**Evidence strength** (moderate, good, strong)
The project concept (1) is in line with the relevant strategic reference frameworks. Max. 30 points	Standard	Which strategic reference frameworks exist for the project? (e.g. national strategies incl. national implementation strategy for 2030 agenda, regional and international strategies, sectoral, cross-sectoral change strategies, if bilateral project especially partner strategies, internal analysis frameworks e.g. safeguards and gender (2))	1. Description of overarching strategic principles / frameworks relevant for the project	Interviews with BMZ, project staff and partners	Intervention's proposal, progress reports National strategies (see Table 'Basic documents', chapter 3)	strong
	Standard	To what extent is the project concept in line with the relevant strategic reference frameworks?	1. Comparison of relevant BMZ strategic reference frameworks named in the intervention's proposal and / or in annual progress reports with those cited by interview partners. 2. Comparison between the SDGs named in the intervention's proposal and / or in annual progress reports and those cited by interview partners	Interviews with BMZ, project staff and partners	Intervention's proposal, progress reports BMZ and national strategies see Table 'Basic Documents' (chapter 3)	good
	and Fragility	To what extent was the (conflict) context of the project adequately analysed and considered for the project concept (key documents: (Integrated) Peace and Conflict Assessment, Safeguard Conflict and Conflict Sensitivity documents)?	1. Number of identified interactions of the intervention with other sectors 2. Qualitative assessment of the interactions with regards to the 3 sustainability dimensions	Interviews with partners and project staff	Intervention's proposal, results models	moderate
	and Fragility	To what extent was the (conflict) context of the project adequately analysed and considered for the project concept (key documents: (Integrated) Peace and Conflict Assessment, Safeguard Conflict and Conflict Sensitivity documents)?	(Integrated) Peace and Conflict Assessment (iPCA) Safeguard Conflict and Conflict Sensitivity documents	Interviews with BMZ, project staff, partners and external stakeholders	iPCA; progress reports, intervention proposal and modifications	moderate
	Standard	To what extent are the interactions (synergies/trade-offs) of the intervention with other sectors reflected in the project concept – also regarding the sustainability dimensions (ecological, economic and social)?	1. Number of identified interactions of the intervention with other sectors 2. Qualitative assessment of the interactions with regards to the 3 sustainability dimensions	Interviews with BMZ, project staff, partners and external stakeholders	Intervention's proposal, offers of project of the SEC Cluster; progress reports	good
	Standard	To what extent is the project concept in line with the Development Cooperation (DC) programme (If applicable), the BMZ country strategy and BMZ sectoral concepts?	1. Number of relevant BMZ strategic reference frameworks named in the intervention's proposal and / or in annual progress reports, which are also cited by interview partners:	Interviews with staff, partners and external stakeholders	Intervention's proposal, progress reports BMZ country strategy see Table: Basic Documents in the IR	good

	Standard	To what extend is the project concept in line with the (national) objectives of the 2030 agenda? To which Sustainable Development Goals (SDG) is the project supposed to contribute?	1. Comparison between the SDGs named in the intervention's proposal and / or in annual progress reports and those cited by cited by interview partners. 2. Comparison between the project's objectives and the objectives of Egypt's national 2030 agenda.	Interviews with partners and project staff; analysis of partners' programmes and strategies	Intervention's proposal, progress reports	good
	Standard	To what extend is the project concept subsidiary to partner efforts or efforts of other relevant organisatons (subsidiarity and complementarity)?	1. Number of partners who confirm that the project is complementary and subsidiary to their efforts. 2. Qualitative assessment of the coherence between the partners' programmes and strategies and the project concept	Interviews with project staff, partners and external stakeholders	Intervention's proposal, progress reports; Interviews	
	and SV/GV	To what extent is the measure geared towards solving a global challenge that cannot only be effectively addressed bilaterally/ regionally?	1. In the planning stage of the intervention, an appropriate analysis of economic and social impacts of the intervention on particularly disadvantaged proups was conducted. 2. Qualitative assessment of application of the LNOB principle during implementation	Interviews with project staff, partners, and external stakeholders	Intervention's proposal, annual progress reports	
	and IZR	To what extent does the project complement bilateral or regional projects? To what extent does it complement other global projects?	1. Qualitative assessment of the feasibility of reaching the intended impacts based on the perspectives of different stakeholders: a) Project staff b) Partners c) External stakeholders	Interviews with project staff, partners, and external stakeholders	Intervention's proposal, progress reports	
	and IZR	To what extent is the measure geared towards solving a global challenge that cannot only be effectively addressed bilaterally/ regionally?	1. Qualitative assessment of the plausibility of causal hypotheses in the results models 2. Qualitative assessment of the plausibility of risks, assumptions and external factors named in the results model 3. Qualitative assessment of the implementation strategies 5. Qualitative assessment of the system boundaries according to different stakeholders a) Project staff b) Partners c) External stakeholders 6. Qualitative assessment of coordination processes with other donors/organisations	Interviews with project staff, partners, and external stakeholders	Intervention's proposal, results model	
	and IZR	To what extent does the measure close gaps in the solution of global development problems where classical multilateralism reaches its limits?	1. The extent to which changes in the framework conditions for the intervention are reflected in the intervention's progress reports (if applicable)	Interviews with project staff, partners and external stakeholders	Intervention's proposal, progress reports	
The project concept (1) matches the needs of the target group(s). Max. 30 points	Standard	To what extent is the chosen project concept geared to the core problems and needs of the target group(s)?	1. Number of partners who confirm that the intervention's objective is relevant to their and the ultimate beneficiaries' needs 2. Degree to which the interventions' goals are reflected by external stakeholders as relevant for the target group	Interviews with project staff, partners and external stakeholders; focus group dicusssions; general needs analysis of Egyptian SMEs	Intervention's proposal, progress reports	moderate

Standard	How are the different perspectives, needs and concerns of women and men represented in the project concept?	1. Qualitative assement of the reflection of different perspectives, needs and concerns of women and men in the ToC. 2. Qualitative assessment of the application of gender issues in the project implementation	Interview with project staff and partners; focus group dicusssions	Intervention's proposal, progress reports, results models	moderate
and Fragility	How were deescalating factors/ connectors (4) as well as escalating factors/ dividers (5) identified (e.g. see column I and II of the Peace and Conflict Assessment) and considered for the project concept (please list the factors)? (6)				moderate
Standard	To what extent was the project concept designed to reach particularly disadvantaged groups (LNOB principle, as foreseen in the Agenda 2030)? How were identified risks and potentials for human rights and gender aspects included into the project concept?	1. In the planning stage of the intervention, an appropriate analysis of economic and social impacts of the intervention on particularly disadvantaged proups was conducted. 2. Qualitative assessment of application of the LNOB principle during implementation	Interviews with project staff, partners, and external stakeholders	Intervention's proposal, progress reports	moderate
and Fragility	To what extent were potential (security) risks for (GIZ) staff, partners, target groups/final beneficiaries identified and considered?	1. Number of partners who confirm that the project is complementary and subsidiary to their efforts 2. Qualitative assessment of the coherence between the partners' programmes and strategies and the project concept	Interviews with project staff, partners, and external stakeholders	Intervention's proposal, progress reports, interview results	moderate
and IKT	To what extent has the utilization of digital solutions contributed to expanding the cooperation with partners or beeficiaries, i.e. through additional participation possibilities?	1. Number of partners who confirm that the intervention's objective is relevant to their and the ultimate beneficiaries' needs 2. Degree to which the interventions' goals are reflected by external stakeholders as relevant for the target group	Interviews with project staff, partners, and external stakeholders	Intervention's proposal, Satisfaction survey, results models	
Standard	To what extent are the intended impacts regarding the target group(s) realistic from todays perspective and the given resources (time, financial, partner capacities)?	1. Qualitative assessment of the feasibility of reaching the intended impacts based on the perspectives of different stakeholders: a) Project staff b) Partners c) External stakeholders	Interviews with project staff, partners and external stakeholders	Intervention's proposal, annual progress reports	moderate

	The project concept (1) is adequately designed to achieve the chosen project objective. Max. 20 points	Standard	Assessment of current results model and results hypotheses (theory of change, ToC) of actual project logic: - To what extent is the project objective realistic from todays perspective and the given resources (time, financial, partner capacities)? - To what extent are the activities, instruments and outputs adequately designed to achieve the project objective? - To what extent are the underlying results hypotheses of the project plausible? - To what extent is the chosen system boundary (sphere of responsibility) of the project (including partner) clearly defined and plausible? - Are potential influences of other donors/organisations outside of the project's sphere of responsibility adequately considered? - To what extent are the assumptions and risks for the project complete and plausibe?	1. Qualitative assessment of the plausibility of causal hypotheses in the results models 2. Qualitative assessment of the plausibility of risks, assumptions and external factors named in the results model 3. Qualitative assessment of the implementation strategies 5. Qualitative assessment of the system boundaries according to different stakeholders a) Project staff b) Partners c) External stakeholders 6. Qualitative assessment of coordination processes with other donors/organisations	Interviews with project staff, partners and external stakeholders	Intervention's proposal, progress reports	moderate
		Standard	To what extent does the strategic orientation of the project address potential changes in its framework conditions?	1. The extent to which changes in the framework conditions for the intervention are reflected in the intervention's progress reports (if applicable)	Interview with project staff and partners	Intervention's proposal, results model	
		and IKT	Which digital solutions are used in the project and what significance do these digital solutions have in the framework of the results model?	1. Qualitative assessment of the plausibility of causal hypotheses in the results models 2. Qualitative assessment of the plausibility of risks, assumptions and external factors named in the results model 3. Qualitative assessment of the implementation strategies 5. Qualitative assessment of the system boundaries according to different stakeholders a) Project staff b) Partners c) External stakeholders 6. Qualitative assessment of coordination processes with other donors/organisations	Interview with project staff and partners	Intervention's proposal, progress reports	
		Standard	How is/was the complexity of the framework conditions and guidelines handled? How is/was any possible overloading dealt with and strategically focused?	1. Degree to which the intervention can describe challenges regarding the framework conditions and guidelines as well as situations of overloading 2. Degree to which the intervention can describe coping strategies to deal with the named challenges	Interview with project staff and partners; external stakeholders; analysis of evolution of intervention's conception	Intervention's proposal, progress reports	moderate
	The project concept (1) was adapted to changes in line with requirements and rea-	Standard	What changes have occurred during project implementation? (e.g. local, national, international, sectoral, including state of the art of sectoral know-how)?	1. Degree to which the intervention is capable of providing an overview of changes in the implementation that resulted from changing framework conditions	Interview with project staff and partners; external stakeholders; analysis of evolution of intervention's conception	Intervention's proposal, progress reports, results models; interview and FDG results	moderate

dapted where applicable. Max. 20 points	Standard	How were the changes dealt with regarding the project concept?	1. Degree to which the intervention is capable of providing an overview of changes in the implementation that resulted from changing framework conditions	Interview with project staff and partners; external stakeholders	Intervention's proposal, progress reports, results models	moderate

(1) The 'project concept' encompasses project objective and theory of change (ToC, see 3) with activities, outputs, instruments and results hypotheses as well as the implementation strategy (e.g. methodological approach, CD-strategy, results hypotheses)
(2) In the GIZ Safeguards and Gender system risks are assessed before project start regarding following aspects: gender, conflict, human rights, environment and climate. For the topics gender and human rights not only risks but also potentials are assessed. Before introducing the new safeguard system in 2016 GIZ used to examine these aspects in seperate checks.

(3) Theory of Change = GIZ results model = graphic illustration and narrative results hypotheses

(4) Deescalating factors/ connectors: e.g. peace-promoting actors and institutions, structural changes, peace-promoting norms and behavior. For more details on 'connectors' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 55/135.

(5) Escalating factors/ dividers: e.g. destructive institutions, structures, norms and behavior. For more details on 'dividers' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 135.

(6) All projects in fragile contexts, projects with FS1 or FS2 markers and all transitional aid projects have to weaken escalating factors/dividers and have to mitigate risks in the context of conflict, fragility and violence. Projects with FS1 or FS2 markers should also consider how to strengthen deescalating factors/ connectors and how to address peace needs in its project objective/sub-objective?

OECD-DAC Criterion EFFECTIVENESS (max. 100 points)

Assessment dimensions	**Filter - Project Type**	**Evaluation questions**	**Evaluation indicators**	**Data collection methods** (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	**Data sources** (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	**Evidence strength** (moderate, good, strong)
The project achieved the objective (outcome) on time in accordance with the project objective indicators.(1) Max. 40 points	Standard	To what extent has the agreed project obective (outcome) been achieved, measured against the objective indicators? Are additional indicators needed to reflect the project objective adequately?	MOI1: 600 persons have been employed by 3,000 local manufacturing companies and their suppliers that benefited from support programmes, 100 of whom are women and 150 of whom are youth. MOI2. 4 employment-relevant recommendations (e. g. of MTI's Innovation Action Plan or of the 'YEP Dialogue) have been incorporated into strategic decision-making pro-cesses of MTI or affiliated organizations. MOI3: 300 enterprises (start-ups or existing companies of whom 30 apply an inclusive business model) that benefited from support measures of the project	Interviews with project staff, political and implementation partners; results of FGD	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate

		confirm improvement in one out of the following criteria: (i) product/business model innova-tion (ii) access to new markets (iii) reduction of production costs.M4: 60% out of 2,500 SMEs lo-cated in industrial zones as-sess the consultancy ser-vices of selected ser-vice providers as improved. MOI4: 60% out of 2,500 SMEs located in industrial zones assess the consul-tancy services of selected ser-vice providers as im-proved.			
and Fragi-lity	For projects with FS1 or FS2 mark-ers: To what extent was the project able to strengthen deescalating fac-tors/ connectors (2,4)?	Qualitative assessement by the interviewed stakehold-ers and partners	Interview results	Context analysis; progress reports	moderate
Stan-dard	To what extent is it foreseeable that unachieved aspects of the project objec-tive will be achieved during the current project term?	1. Qualitative assessment by the interviewed stake-holders of the objective achievement by the end of intervention 2. Qualitative assessment by the interviewed stake-holders of achievement of outcome indicators by the end of intervention a.) project partners: MTI, IMC, MSMEDA, IDA, etc. b.) intervention staff	Interviews with project staff, political and implementation partners	Progress reports, result-based monitor-ing, conducted surveys, training feed-back analyis, document analyis , inter-view results/contribution analysis	moderate

The activities and outputs of the project contributed substantially to the project objective achievement (outcome).(1) Max. 30 points	Standard	To what extent have the agreed project outputs been achieved (or will be achieved until the end of the project), measured against the output indicators? Are additional indicators needed to reflect the outputs adequately?	See separate table for output indicators A1-A3, B1-B6 and C1-C3. Additional indicator: C.4. 75 out of 100 trained consultants are certified by IMC.	Interviews with project staff, political and implementation partners; focus group discussions	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	good
	Standard	How does the project contribute via activities, instruments and outputs to the achievement of the project objective (outcome)? (contribution-analysis approach)	Question will be answered through the synthesis of the CPE results	Interviews with project staff, political and implementation partners; FGD	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	good
	Standard	Implementation strategy: Which factors in the implementation contribute successfully to or hinder the achievement of the project objective? (e.g. external factors, managerial setup of project and company, cooperation management)	1. Success factors of the intervention cited by interviewed stakeholders 2. Success factors cited in the intervention's documentation 3. Hindering factors of the intervention cited by interviewed stakeholders 4. Hindering factors cited in the intervention's documentation	Interviews with project staff, political and implementation partners; focus group discussions	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate
	Standard	What other/alternative factors contributed to the fact that the project objective was achieved or not achieved?	1. Description of alternative hypotheses cited in interviews 2. Description of alternative hypotheses cited in progress reports	Interviews with project staff, political and implementation partners	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate
	and IKT	To what extent has the utilization of digital solutions contributed to the achievement of objectives?	Usage of IKT tools and best practices	Interviews with project staff, political and implementation partners	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate
	Standard	What would have happened without the project?	1. Qualitative assessment of alternative developments in the sector according to different stakeholders in the case of a) non-existence of the project	Interviews with project staff, political and implementation partners	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate

			b) alternative implementation strategies of the project			
No project-related (unintended) negative results have occurred – and if any negative results occured the project responded adequately. The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized. Max. 30 points	Standard	Which (unintended) negative or (formally not agreed) positive results does the project produce at output and outcome level and why?	1. The degree to which unintented negative results are included in the intervention's monitoring system 2. The degree to which potential negative results were already reflected in the intervention proposal	Interviews with project staff, political and implementation partners	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate
	and Fragility	To what extent was the project able to ensure that escalating factors/ dividers (3) have not been strengthened (indirectly) by the project (4)? Has the project unintentionally (indirectly) supported violent or 'dividing' actors?	1. The degree to which unintented negative results are included in the intervention's monitoring system 2. The degree to which potential negative results were already reflected in the intervention proposal	Interviews with project staff, political and implementation partners	Context analysis; progress reports	moderate
	Standard	How were risks and assumptions (see also GIZ Safeguards and Gender system) as well as (unintended) negative results at the output and outcome level assessed in the monitoring system (e.g. 'Kompass')? Were risks already known during the concept phase?	1. Description of mitigations strategies adopted by intervention towards risks	Interviews with project staff, political and implementation partners; external stakeholders	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate
	and Fragility	To what extent have risks in the context of conflict, fragility and violence (5) been monitored (context/conflict-sensitive monitoring) in a systematic way?	2. Description risk analysis by a.) Intervention staff b.) Partners/stakeholders c.) External stakeholders	Interviews with project staff, political and implementation partners; external stakeholders	Context analysis; progress reports	moderate

	Standard	What measures have been taken by the project to counteract the risks and (if applicable) occurred negative results? To what extent were these measures adequate?	1. Description of mitigations strategies adopted by intervention towards risks	Interviews with project staff, political and implementation partners; external stakeholders	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate
	Standard	To what extend were potential (not formally agreed) positive results at outcome level monitored and exploited?	2. Description of exploitation of unintended positive results at outcome level according to different stakeholders a.) Intervention staff b.) Partners c.) External stakeholders	Interviews with project staff, political and implementation partners; external stakeholders	Progress reports, result-based monitoring, conducted surveys, training feedback analyis, document analyis , interview results/contribution analysis	moderate

(1) The first and the second evaluation dimensions are interrelated: if the contribution of the project to the objective achievement is low (2nd evaluation dimension) this must be considered for the assessment of the first evaluation dimension also.
(2) Deescalating factors/ connectors: e.g. peace-promoting actors and institutions, structural changes, peace-promoting norms and behavior. For more details on 'connectors' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 55/135.
(3) Escalating factors/ dividers: e.g. destructive institutions, structures, norms and behavior. For more details on 'dividers' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 135.
(5) Escalating factors/ dividers: e.g. destructive institutions, structures, norms and behavior. For more details on 'dividers' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 135.
(5) Escalating factors/ dividers: e.g. destructive institutions, structures, norms and behavior. For more details on 'dividers' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 135.
(4) All projects in fragile contexts, projects with FS1 or FS2 markers and all transitional aid projects have to weaken escalating factors/dividers and have to mitigate risks in the context of conflict, fragility and violence. Projects with FS1 or FS2 markers should also consider how to strengthen deescalating factors/ connectors and how to address peace needs in its project objective/sub-objective?
(5) Risks in the context of conflict, fragility and violence: e.g. contextual (e.g. political instability, violence, economic crises, migration/refugee flows, drought, etc.), institutional (e.g. weak partner capacity, fiduciary risks, corruption, staff turnover, investment risks) and personnel (murder, robbery, kidnapping, medical care, etc.). For more details see: GIZ (2014): 'Context- and conflict-sensitive results-based monitoring system (RBM). Supplement to: The 'Guidelines on designing and using a results-based monitoring system (RBM) system.', p.27 and 28.

OECD-DAC Criterion IMPACT (max. 100 points)

Assessment dimensions	**Filter - Project Type**	**Evaluation questions**	**Evaluation indicators**	**Data collection methods** (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	**Data sources** (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	**Evidence strength** (moderate, good, strong)

The intended overarching development results have occurred or are foreseen (plausible reasons). (1) Max. 40 points	Standard	To which overarching development results is the project supposed to contribute (cf. module and programme proposal with indicators/ identifiers if applicable, national strategy for implementing 2030 Agenda, SDGs)? Which of these intended results at the impact level can be observed or are plausible to be achieved in the future?	Programme objective indicators (POI): POI.1: Selected experts or committees (e.g. from ILO, IOM, IFC, DPG or the EU Commission to Egypt) rate the capaci-ty of relevant institutions (e.g. partner ministries, financial intermediaries, FEI, NCHRD) to promote employment-oriented growth higher by 2 points on a scale of 1-6. POI.2: Egypt has improved its rating in at least 2 of the following 4 pillars of the Global Competitiveness Index: 5. Higher education and training, 7. Labour market efficiency, 11. Business sophistication, 12. Innovation. POI.4. Managing directors or owners of MSMEs assess the advisory and financial services for harnessing their growth potential in a changing global environment by 1 point better on average on a scale from 1-6. Impact.1: participatory development and good governance (BMZ marker PD/GG-1; I2: gender equality (BMZ marker GG-1/SDG 5: Gender Equality).	Interviews with intervention staff, partners and external stakeholders; FGD; RbM system	Progress reports (project + SEED programme), surveys	good
	and IZR	To what extent have the IZR criteria contributed to strengthening overarching development results?	Programme objective indicator 4: Managing directors or owners of MSMEs assess the advisory and financial services for harnessing their growth potential in a changing global environment by 1 point better on average on a scale from 1-6.			
	Standard	Indirect target group and 'Leave No One Behind' (LNOB): Is there evidence of results achieved at indirect target group level/specific groups of population? To what extent have targeted marginalised groups (such as women, children, young people, elderly, people with disabilities, indigenous peoples, refugees, IDPs and migrants, people living with HIV/AIDS and the poorest of the poor) been reached?	Intended outreach to specific target group: a) women b) Bottom of the prypramid (BOP) c) People with diasabilities (according to project offer)	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys; gender analysis	moderate
The project objective (outcome) of the project contributed to the occurred or foreseen overarching development results (impact).(1) Max. 30 points	Standard	To what extent is it plausible that the results of the project on outcome level (project objective) contributed or will contribute to the overarching results? (contribution-analysis approach)	MOI.1 Employment (600 jobs, of whom 100 for women and 150 for youth). Impact I3 relating to the SDG 8 + SDG 9; I4: SDG 1 + Principle of LNOB (BOP and youth)	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys	good
	Standard	What are the alternative explanations/factors for the overarching development results observed? (e.g. the activities of other stakeholders, other policies)	1. Qualitative assessment of alternative explanations	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys	moderate
	Standard	To what extent is the impact of the project positively or negatively influenced by framework conditions, other policy areas, strategies or interests (German ministries, bilateral and multilateral development partners)? How did the project react to this?	Qualitative assessment of positive or negative influence that the project experiences from a.) macro-economic developments b.) changes in the political landscape c.) institutional environment of the partners d.) activities by other other bilateral or multilateral donors e.) strategies and activities of German ministries	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys	moderate
	Standard	What would have happened without the project?	1. Qualitative assessment of alternative developments in the sector according to different stakeholders in the case of a) non-existence of the project b) alternative implementation strategies of the project	Interviews with intervention staff, partners and external stakeholders;	Interview results with partners and stakeholdern; reflection with project staff	moderate

	Standard	To what extent has the project made an active and systematic contribution to widespread impact and were scaling-up mechanisms applied (2)? If not, could there have been potential? Why was the potential not exploited? To what extent has the project made an innovative contribution (or a contribution to innovation)? Which innovations have been tested in different regional contexts? How are the innovations evaluated by which partners?	Qualitative assessment of positive or negative influence that the project experiences from a.) macro-economic developments b.) changes in the political landscape c.) institutional environment of the partners d.) activities by other other bilateral or multilateral donors e.) strategies and activities of German ministries	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys	moderate
	and IZR	To what extent has the project made an innovative contribution (or a contribution to innovation)? Which innovations have been tested in different regional contexts? How are the innovations evaluated by which partners?				
No project-related (unintended) negative results at impact level have occurred – and if any negative results occured the project responded adequately. The occurrence of additional (not formally agreed) positive results at impact level has been monitored and additional opportunities for further positive results have been seized. Max. 30 points	Standard	Which (unintended) negative or (formally not agreed) positive results at impact level can be observed? Are there negative trade-offs between the ecological, economic and social dimensions (according to the three dimensions of sustainability in the Agenda 2030)? Were positive synergies between the three dimensions exploited?	1. Qualitative assessment of contribution of intervention to program objective 2. Qualitative assessment of the plausability of the results model (ToC)	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys, results of the MSC appraoch	moderate
	and Fragility	To what extent did the project have (unintended) negative or escalating effects on the conflict or the context of fragility (e.g. conflict dynamics, violence, legitimacy of state and non-state actors/institutions)? To what extent did the project have positive or deescalating effects on the conflict or the context of fragility (e.g. conflict dynamics, violence, legitimacy of state and non-state actors/institutions)?	Qualitative assessment of conflict dynamics, state and non-state actors relationship etc.	Desk study (context analyis); interviews	Context analsyis; secondary data	moderate
	Standard	To what extent were risks of (unintended) results at the impact level assessed in the monitoring system (e.g. 'Kompass')? Were risks already known during the planning phase?	1. Qualitative assessment of alternative explanations	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys, RBM	moderate
	Standard	What measures have been taken by the project to avoid and counteract the risks/negative results/trade-offs (3)?	1. Qualitative assessment of alternative developments in the sector according to different stakeholders in the case of a) non-existence of the project b) alternative implementation strategies of the project	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys, RBM	moderate
	Standard	To what extent have the framework conditions played a role in regard to the negative results ? How did the project react to this?	Qualitative assessment of positive or negative influence that the project experiences from a.) macro-economic developments b.) changes in the political landscape c.) institutional environment of the partners d.) activities by other other bilateral or multilateral donors e.) strategies and activities of German ministries	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys, RBM, context analysis	good
	Standard	To what extent were potential (not formally agreed) positive results and potential synergies between the ecological, economic and social dimensions monitored and exploited?	1. Qualitative assessment of the projects contribution to widespread impact with regards to: a) relevance b) quality c) quantity d) sustainability e) scaling-up approaches	RBM, Interviews with intervention staff, partners and external stakeholders; focus group discussions	Progress reports (project + SEED programme), surveys, RBM	moderate

(1) The first and the second evaluation dimensions are interrelated: if the contribution of the project outcome to the impact is low or not plausible (2nd evaluation dimension) this must be considered for the assessment of the first evaluation dimension also.
(2) Broad impact (in German 'Breitenwirksamkeit') is defined by 4 dimensions: relevance, quality, quantity, sustainability. Scaling-up approaches can be categorized as vertical, horizontal, functional or combined. See GIZ (2014) 'Corporate strategy evaluation on scaling up and broad impact: The path: scaling up, the goal: broad impact' (https://www.giz.de/de/downloads/giz2015-en-scaling-up.pdf)
(3) Risks, negative results and trade-offs are separate aspects and are all to be considered.

OECD-DAC Criterion EFFICIENCY (max. 100 points)

Assessment dimensions	**Filter - Project Type**	**Evaluation questions**	**Evaluation indicators (pilot phase for indicators - only available in German so far)**	**Data collection methods** (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	**Data sources** (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	**Evidence strength** (moderate, good, strong)
The project's use of resources is appropriate with regard to the outputs achieved. [Production efficiency: Resources/Outputs] Max. 70 points	Standard	To what extent are there deviations between the identified costs and the projected costs? What are the reasons for the identified deviation(s)?	Das Vorhaben steuert seine Ressourcen gemäß des geplanten Kostenplans (Kostenzeilen). Nur bei nachvollziehbarer Begründung erfolgen Abweichungen vom Kostenplan.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
	Standard	Focus: To what extent could the outputs have been maximised with the same amount of resources and under the same framework conditions and with the same or better quality (maximum principle)? (methodological minimum standard: Follow-the-money approach)	Das Vorhaben reflektiert, ob die vereinbarten Wirkungen mit den vorhandenen Mitteln erreicht werden können.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
	Standard		Das Vorhaben steuert seine Ressourcen gemäß der geplanten Kosten für die vereinbarten Leistungen (Outputs). Nur bei nachvollziehbarer Begründung erfolgen Abweichungen von den Kosten.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
	Standard		Die übergreifenden Kosten des Vorhabens stehen in einem angemessen Verhältnis zu den Kosten für die Outputs.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
	Standard		Die durch ZAS Aufschriebe erbrachten Leistungen haben einen nachvollziehbaren Mehrwert für die Erreichung der Outputs des Vorhabens.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
	Standard	Focus: To what extent could outputs have been maximised by reallocating resources between the outputs? (methodological minimum standard: Follow-the-money approach)	Das Vorhaben steuert seine Ressourcen, um andere Outputs schneller/ besser zu erreichen, wenn Outputs erreicht wurden bzw. diese nicht erreicht werden können (Schlussevaluierung).	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate

		Standard	Were the output/resource ratio and alternatives carefully considered during the design and implementation process – and if so, how? (methodological minimum standard: Follow-the-money approach)	Das im Modulvorschlag vorgeschlagene Instrumentenkonzept konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut realisiert werden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
		Standard		Die im Modulvorschlag vorgeschlagene Partnerkonstellation und die damit verbundenen Interventionsebenen konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhaben gut realisiert werden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
		Standard		Der im Modulvorschlag vorgeschlagene thematische Zuschnitte für das Vorhaben konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut realisiert werden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
		Standard		Die im Modulvorschlag beschriebenen Risiken sind hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut nachvollziehbar.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
		Standard		Die im Modulvorschlag beschriebene Reichweite des Vorhabens (z.B. Regionen) konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens voll realisiert werden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
		Standard		Der im Modulvorschlag beschriebene Ansatz des Vorhabens hinsichtlich der zu erbringenden Outputs entspricht unter den gegebenen Rahmenbedingungen dem state-of-the-art.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
		Standard	For interim evaluations based on the analysis to date: To what extent are further planned expenditures meaningfully distributed among the targeted outputs?	siehe oben	not relevant	Cost-Output Assignment, Efficiency tool	
	The project's use of resources is appropriate with regard to achieving the projects objective (outcome). [Allocation efficiency: Resources/Outcome] Max. 30 points	Standard	To what extent could the outcome (project objective) have been maximised with the same amount of resources and the same or better quality (maximum principle)?	Das Vorhaben orientiert sich an internen oder externen Vergleichsgrößen, um seine Wirkungen kosteneffizient zu erreichen.	Analysis based on the follow-the-money approach; interview	Cost-Output Assignment, Efficiency tool	moderate
		Standard	Were the outcome-resources ratio and alternatives carefully considered during the conception and implementation process – and if so, how? Were any scaling-up options considered?	Das Vorhaben steuert seine Ressourcen zwischen den Outputs, so dass die maximalen Wirkungen im Sinne des Modulziels erreicht werden. (Schlussevaluierung)	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
		Standard		Das im Modulvorschlag vorgeschlagene Instrumentenkonzept konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut realisiert werden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
		Standard		Die im Modulvorschlag vorgeschlagene Partnerkonstellation und die damit verbundenen Interventionsebenen konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhaben gut realisiert werden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
		Standard		Der im Modulvorschlag vorgeschlagene thematische Zuschnitte für das Vorhaben konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut realisiert werden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
		Standard		Die im Modulvorschlag beschriebenen Risiken sind hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut nachvollziehbar.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good

Standard		Die im Modulvorschlag beschriebene Reichweite des Vorhabens (z.B. Regionen) konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens voll realisiert werden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	good
Standard		Der im Modulvorschlag beschriebene Ansatz des Vorhabens hinsichtlich des zu erbringenden Modulziels entspricht unter den gegebenen Rahmenbedingungen dem state-of-the-art.	Analysis based on the follow-the-money approach; comparison	Cost-Output Assignment, Efficiency tool	moderate
Standard	To what extent were more results achieved through cooperation / synergies and/or leverage of more resources, with the help of other ministries, bilateral and multilateral donors and organisations (e.g. co-financing) and/or other GIZ projects? If so, was the relationship between costs and results appropriate or did it even improve efficiency?	Das Vorhaben unternimmt die notwendigen Schritte, um Synergien mit Interventionen anderer Geber auf der Wirkungsebene vollständig zu realisieren.	Analysis based on the follow-the-money approach; interviews	Cost-Output Assignment, Efficiency tool	good
Standard		Wirtschaftlichkeitsverluste durch unzureichende Koordinierung und Komplementarität zu Interventionen anderer Geber werden ausreichend vermieden.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
Standard		Das Vorhaben unternimmt die notwendigen Schritte, um Synergien innerhalb der deutschen EZ vollständig zu realisieren.	Analysis based on the follow-the-money approach; realisation of synergies	Cost-Output Assignment, Efficiency tool	good
Standard		Wirtschaftlichkeitsverluste durch unzureichende Koordinierung und Komplementarität innerhalb der deutschen EZ werden ausreichend vermieden.	Analysis based on the follow-the-money approach; realisation of synergies	Cost-Output Assignment, Efficiency tool	good
Standard		Durch die Kombifinanzierung sind die übergreifenden Kosten im Verhältnis zu den Gesamtkosten nicht überproportional gestiegen.	not relevant	Cost-Output Assignment, Efficiency tool	
Standard		Die Partnerbeiträge stehen in einem angemessenen Verhältnis zu den Kosten für die Outputs des Vorhabens.	Analysis based on the follow-the-money approach	Cost-Output Assignment, Efficiency tool	moderate
and IKT	To what extent has the utilization of digital solutions contributed to gains in efficiency? To what extent have digital solutions offered opportunities for upscaling?		Analysis based on the follow-the-money approach; realisation of synergies	Cost-Output Assignment, Efficiency tool	moderate

OECD-DAC Criterion SUSTAINABILITY (max. 100 points)

Assessment dimensions	Filter - Project Type	Evaluation questions	Evaluation indicators	Data collection methods (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	Data sources (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	Evidence strength (moderate, good, strong)

Prerequisite for ensuring the long-term success of the project: Results are anchored in (partner) structures. Max. 50 points	Standard	What has the project done to ensure that the results can be sustained in the medium to long term by the partners themselves?	1. The degree to which the project works with the partners in a participatory approach 2. The degree to which partner structures share the vision & objectives of the project	Interview with project staff, partners and stakeholders and implementation partners	Interview results, triangulation of results, analysis of whether the preconditions for sustainability are met	good
	Standard	In what way are advisory contents, approaches, methods or concepts of the project anchored/institutionalised in the (partner) system?	1. Description of contents, approaches, methods, concepts developed within the intervention a. used by the partners b. not used by the partners	Interview with project staff, partners and stakeholders and implementation partners; focus group discussions	Interview results, triangulation of results, analysis of whether the preconditions for sustainability are met	moderate
	Standard	To what extent are the results continuously used and/or further developed by the target group and/or implementing partners?	1. Description of contents, approaches, methods, concepts developed within the intervention a. further developed by the partners b. not further developed by the partners	Interview with project staff, partners and stakeholders and implementation partners	Interview results, triangulation of results, analysis of whether the preconditions for sustainability are met	moderate

	Standard	To what extent are resources and capacities at the individual, organisational or societal/political level in the partner country available (long-term) to ensure the continuation of the results achieved?	1. Qualitative assessment of organizational resources in partner institutions 2. Qualitative assessment of human resources of partner institutions 3. Qualitative assessment of financial resources of partner institutions	Interview with project staff, partners and stakeholders and implementation partners	Interview results, triangulation of results, analysis of whether the preconditions for sustainability are met	moderate
	and Fragility	To what extent was the project able to ensure that escalating factors/dividers (1) in the context of conflict, fragility and violence have not been strengthened (indirectly) by the project in the long-term? To what extent was the project able to strengthen deescalating factors/connectors (2) in a sustainable way (3)?		Interview with project staff, partners and stakeholders and implementation partners	Interview results, triangulation of results, analysis of whether the preconditions for sustainability are met	moderate
Forecast of durability: Results of the project are permanent, stable and long-term resilient. Max. 50 points	Standard	To what extent are the results of the project durable, stable and resilient in the long-term under the given conditions?	1. Qualitatitve assesssment of aspects that foster or hinder sustainability a.) Ownership of the partners for services or tools developed within the intervention b.) Human resources available for building upon results achieved c) other political, economic or social framework conditions	Interview with project staff, partners and stakeholders and implementation partners	Interview results, triangulation of results, analysis of whether the preconditions for sustainability are met	moderate
	Standard	What risks and potentials are emerging for the durability of the results and how likely are these factors to occur? What has the project done to reduce these risks?	1. Description of risks potentially affecting sustainability 2. Assessment of extent to which intervention can influence risks 3. Description of mitigation strategies adopted by the intervention	Interview with project staff, partners and stakeholders and implementation partners	Interview results, triangulation of results, analysis of whether the preconditions for sustainability are met	moderate

(1) Escalating factors/ dividers: e.g. destructive institutions, structures, norms and behavior. For more details on 'dividers' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 135.
(2) Deescalating factors/ connectors: e.g. peace-promoting actors and institutions, structural changes, peace-promoting norms and behavior. For more details on 'connectors' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 55/135.
(3) All projects in fragile contexts, projects with FS1 or FS2 markers and all transitional aid projects have to weaken escalating factors/dividers and have to mitigate risks in the context of conflict, fragility and violence. Projects with FS1 or FS2 markers should also consider how to strengthen deescalating factors/ connectors and how to address peace needs in its project objective/sub-objective?

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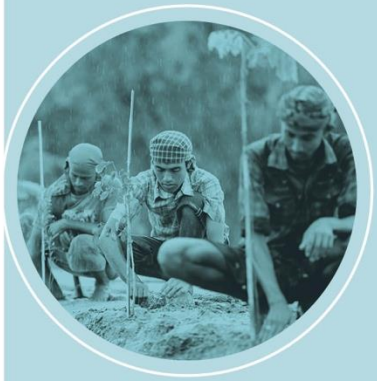

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