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# List of Acronyms and Abbreviations

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<td>AER</td>
<td>Annual Evaluation Report</td>
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<td>AfDB</td>
<td>African Development Bank</td>
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<td>APIF</td>
<td>Awqaf Properties Investment Fund</td>
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<td>AsDB</td>
<td>Asian Development Bank</td>
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<td>AWP</td>
<td>Annual Work Program</td>
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<tr>
<td>BED</td>
<td>Board of Executive Directors</td>
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<tr>
<td>BRAVE</td>
<td>Building Resilience for Value Adding Enterprises</td>
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<tr>
<td>CAREC</td>
<td>Central Asia Regional Economic Cooperation</td>
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<td>CFA</td>
<td>West African CFA Franc</td>
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<td>DAC</td>
<td>Development Assistance Committee</td>
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<td>DIME</td>
<td>Development Impact Evaluation Unit of the World Bank</td>
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<td>EA</td>
<td>Executing Agency</td>
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<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<td>ECG</td>
<td>Evaluation Cooperation Group</td>
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<td>EDN</td>
<td>Executive Dissemination Notes</td>
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<td>ELO</td>
<td>Enabling, Learning and Outreach</td>
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<tr>
<td>ERIL</td>
<td>Economic Research and Institutional Learning</td>
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<td>G</td>
<td>Gregorian Year</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GPS</td>
<td>Good Practice Standards</td>
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<td>GWh</td>
<td>Gigawatt hour</td>
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<td>H</td>
<td>Hijra Year</td>
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<tr>
<td>IaDB</td>
<td>Inter-American Development Bank</td>
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<td>ICD</td>
<td>Islamic Corporation for the Development of the Private Sector</td>
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<td>ICIEC</td>
<td>Islamic Corporation for the Insurance of Investment and Export Credit</td>
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<td>IED</td>
<td>Independent Evaluation Department</td>
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<td>IsDB</td>
<td>Islamic Development Bank</td>
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<td>IsDBG</td>
<td>Islamic Development Bank Group</td>
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<td>IRTI</td>
<td>Islamic Research and Training Institute</td>
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<td>ISFD</td>
<td>Islamic Solidarity Fund for Development</td>
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<td>ITFC</td>
<td>International Islamic Trade Finance Corporation</td>
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<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<td>Km</td>
<td>kilometer</td>
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<td>kV</td>
<td>kilovolt</td>
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<td>LOF</td>
<td>Line of Financing</td>
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<td>MC</td>
<td>Member Country</td>
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<td>MCPS</td>
<td>Member Country Partnership Strategy</td>
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<td>MCPSIR</td>
<td>Member Country Partnership Strategy Implementation Review</td>
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<td>MDB</td>
<td>Multilateral Development Bank</td>
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<td>MPWT</td>
<td>Ministry of Public Works and Transport</td>
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<td>MW</td>
<td>Megawatt</td>
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<td>NEPCO</td>
<td>National Electric Power Company</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>NMC</td>
<td>Non-Member Country</td>
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<td>OCR</td>
<td>Ordinary Capital Resources of IsDB</td>
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<td>OED</td>
<td>Operations Evaluation Department</td>
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<td>OECD-DAC</td>
<td>Organization of Economic Cooperation &amp; Development – Development Assistance Committee ONEE Moroccan Electricity and Water Utility Company</td>
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<td>P5P</td>
<td>President’s Five-Year Program</td>
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<td>PCR</td>
<td>Project Completion Report</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<td>PPER</td>
<td>Project Performance Evaluation Report</td>
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<td>PPP</td>
<td>Public-Private Partnership</td>
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<td>PSD</td>
<td>Private Sector Development</td>
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<td>RBLFs</td>
<td>Results-based logical frameworks</td>
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<td>SDG</td>
<td>Sustainable Development Goals</td>
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<td>SLAs</td>
<td>Shared Services and Service Level Agreements</td>
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<td>SME</td>
<td>Small and Medium Enterprise</td>
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<tr>
<td>SOMELEC</td>
<td>Societe Mauritanienne D’electricite (Mauritanian Electric Company)</td>
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<tr>
<td>SPE</td>
<td>Special Assistance Operation</td>
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<tr>
<td>STEER</td>
<td>Systematic Tracking of Execution of Evaluation Recommendations</td>
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<td>USD</td>
<td>US Dollars</td>
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<td>VOLIP</td>
<td>Vocational Literacy Program for Poverty Reduction Project</td>
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<td>WB</td>
<td>The World Bank</td>
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<td>WBG</td>
<td>The World Bank Group</td>
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<td>XAF</td>
<td>Central African CFA Franc</td>
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ACKNOWLEDGMENTS

This Annual Evaluation Report 2019 of the Operations Evaluation Department (OED) was prepared by a team led by Amin Yusuf Abdullahi and comprised of Ababacar Gaye, Abdourahamane Dit Baffa Keita, Adamou Sanda Mayaki, Javeed Ahsan, Mohammed Jalaludeen Issahaq, Mustapha Jammeh, Raikhan Sabirova, and Zaher Rebai.

The report was internally peer-reviewed by Ababacar Gaye, Mohammed Jalaludeen Issahaq, Raikhan Sabirova, and Zaher Rebai. Reem Ahmed, Hassan Mahmoud Alrabayiah, and Sidi Aziz Hilali provided the necessary administrative support.

The report benefited from the overall guidance of Anasse Aissami, Director, OED. The team would like to express deep appreciation to all the staff members of OED who conducted the evaluations and provided inputs to this report.

Furthermore, the team would also like to acknowledge, with much appreciation, the crucial role of the staff of all departments and entities of the IsDB Group, who cooperated and provided useful information and necessary insights for the completion of the evaluations featured in this report.
The call for evidence-based policy making, programming and implementation of projects is gaining traction in the development field and among IsDB member countries. This casts the evaluation of project effectiveness as a critical factor towards meeting this demand. This recognition is one step towards addressing the problem of development ineffectiveness. In view of this, evaluation has become an important instrument for learning and improvement on governance across all development organizations including multilateral development banks. The focus of the Operations Development Effectiveness Committee (ODEC) of the Board of Executive Directors in the past year has been on the measurement of long-term results as opposed to short-term results (outputs), in line with the Good Practice Standards (GPS) of the Evaluation Cooperation Group (ECG). To this end, the OE Department has refocused its evaluation function by drawing on lessons and recommendations to improve development effectiveness of the Bank’s interventions.

This Annual Evaluation Report 2019 reflects IsDB’s continued commitment to strengthening accountability and learning, guided by the orientation and inspiration provided by the Board of Executive Directors. The report presents a synthesis of the performance of selected IsDB interventions as well as the enabling activities that promote an evaluation culture within the Bank and its Member Countries.

The OE Department is committed to aligning its evaluation functions with the Bank’s 10-year strategic priorities and the President’s 5-Year Program, while harmonizing its evaluation policies, procedures, and methodologies with the ECG of Multilateral Development Financing Institutions.

I hope this report will contribute to creating a stronger performance measurement system and play a pivotal role in institutionalizing result-based management, as indicated in the IsDBG 10-Year corporate scorecard.
It is with great pleasure to present the 2019 Annual Evaluation Report to the Board of Executive Directors (BED) through the Operations Development Effectiveness Committee (ODEC). This year’s report highlights the major undertakings by the Operations Evaluation Department (OED) in discharging its mandate through the 2019 Annual Work Program (AWP) derived from its 3-year rolling work plan. The evaluation activities of OED in 2019 were guided by the orientation and inspiration provided by the BED and remained responsive to the Bank’s 10-year strategy as well as the President’s 5-year program (P5P). Consistent with its strategy, the OED undertook a rigorous assessment of the development effectiveness of IsDB interventions and emphasized quality, relevance, and usefulness in its products, knowledge dissemination, and productive partnerships with peer institutions.

I am thankful to H.E. The President, IsDB, for his relentless support in the smooth implementation of the Annual Work Program. I would also like to thank H.E. the Vice-President, Country Programs for the positive feedback on follow-up actions that have been taken through the Director-Generals and Directors of his Complex resulting in the promotion of strong accountability, transparency and learning culture.

Besides the post-evaluations of projects covering 12 different countries, the OED undertook validation of 21 Project Completion Reports. In addition, the department completed macro evaluations including the Membership Country Partnership Strategy Implementation Review for Suriname, and a corporate evaluation of the IsDB Group Synergy. Other macro evaluations initiated include a program evaluation of IsDB’s equity investments in Islamic Banks and consolidation of synthesis reports of evaluation of Islamic Finance Technical Assistance Grants and Education Sector, and two special evaluations and a joint evaluation with the Asian Development Bank. The OED continues to influence the work of CP complex with the lessons applied in designing new projects, contributing to enhancing the quality of project concept notes and project appraisal reports, and developing the results frameworks with performance indicators.

To facilitate the delivery and increase the usefulness and utilization of the evaluation outputs, several enabling, learning and outreach activities were conducted. These have provided opportunities for bridging the knowledge gaps and enhancing the expertise of the staff in areas that are critical for achieving the goals of the department. OED conducted evaluation capacity-building workshops in Bahrain, Morocco and Kazakhstan in collaboration with Country Programs Complex.

In the coming years, significant efforts would be sustained and geared towards regular engagement, knowledge sharing and dissemination from project and macro evaluations. In doing this, the department would continue to show its commitment and invest resources in upgrading its online database on lessons learned and the use of IT to support its dissemination agenda.
EXECUTIVE SUMMARY

The 2019 Annual Evaluation Report (AER) of the Operations Evaluation Department (OED) of the Islamic Development Bank (IsDB) presents a synthesis of the post-evaluations of IsDB interventions and activities undertaken by OED during 2019. OED is committed to aligning its evaluation functions with the Bank’s 10-year strategic priorities and the President’s 5-year Program (P5P) and promote evaluation culture in the Bank and its member countries (MCs). The AER contributes to creating a stronger performance measurement system and plays a pivotal role in institutionalizing result-based management and the IsDB Group corporate scorecard.

The Department undertook a rigorous assessment of the development effectiveness of IsDB interventions and emphasized quality, relevance, timeliness and usefulness of its products, knowledge dissemination, and productive partnerships with peer institutions.

THE EVALUATION AT A GLANCE

Review of evaluation activities undertaken in 2019

The OED completed 12 project-level evaluations in the education, energy, finance, health, transport, and water and sanitation sectors in Bangladesh, Chad, Djibouti, Gabon, Jordan, Kazakhstan, Lebanon, Mauritania, Morocco, Senegal, Togo, and Turkey. Also, it conducted a Special Evaluation of the Al-Aqsa Fund in the State of Palestine. The department evaluated the effectiveness of the IsDB community outreach interventions in the UK focusing on a cluster of 11 operations. Moreover, 23 project completion reports were validated. At the macro-level, a corporate assessment of IsDB’s Off-balance-sheet Resource Mobilization efforts was initiated. The Member Country Partnership Strategy (MCPS) Implementation Review for Suriname and the Corporate Evaluation of the IsDB Group Synergy were finalized. The OED, in addition, launched a program evaluation of IsDB’s Equity Investments in Islamic Banks, two thematic evaluations on the Public-Private-Partnerships, and on Projects and Programs Contributing to the Regional Integration in MCs, which will be finalized in 2020.

Knowledge Generation and Dissemination – Eleven (11) Knowledge (K)-Series, eight (8) Executive Dissemination Notes, and four (4) quarterly e-newsletters have been developed and disseminated. In collaboration with the Economic Research and Institutional Learning Department, the OED is finalizing the enhancement of the OED Website – the Evaluation Knowledge Center. A new IT Platform - Systematic Tracking of Execution of Evaluation Recommendations (STEER) – to follow-up on the evaluation recommendations to be implemented by the management has been introduced.

OED facilitated 13 internal and external events on the dissemination of findings and lessons, and delivered capacity-building workshops on monitoring and evaluation of development projects for government officials in Bahrain, Kazakhstan, and Morocco. Aside from the workshop on Impact Evaluation on Transforming Development through Evidence-Based Policy organized in Senegal together with the World Bank Group with over 60 participants including 30 officials from 10 MCs and 10 IsDB staff, OED staff also received training on Mailchimp organized by the
Performance Analysis:
Projects were evaluated in line with the Good Practice Standards using the Organization of Economic Cooperation and Development-Development Assistance Committee (OECD-DAC) standard evaluation criteria of Relevance, Efficiency, Effectiveness, and Sustainability.

Relevance:
All the projects evaluated were relevant to the member countries’ strategic priorities and aligned with the IsDB Group’s 10-year strategy. Almost 67% of evaluated projects were rated Highly Relevant and 33% rated Relevant. Many projects’ objectives were not stated appropriately and outputs were not well linked with the intended outcomes. More than 50% of evaluated projects did not have an appropriate results-based logical framework (RBLFs) to monitor and to track the development results. Those with the RBLFs were not updated during project implementation to adjust the project’s relevance.

Effectiveness:
Overall, 92% of evaluated projects were rated Highly Effective or Effective and only 8% of evaluated projects were rated Less Effective. Most of the evaluated projects achieved planned outputs and contributed to achieving the intended developmental outcomes and had positive impacts on MCs. Yet, the effectiveness of the evaluated projects was constrained by lack of and delayed release of government counterpart funds; low utilization of funds and high-cost overruns that hampered the achievement of the intended outcomes. Moreover, the projects lacked baseline data collected at project design and during implementation, and data on the country’s key indicators at post-evaluation.

Efficiency:
The overall efficiency assessment demonstrated 67% of evaluated projects were Less Efficient. About 25% of the projects were rated Efficient and
only 8% of projects were rated Highly Efficient. The efficiency of the evaluated projects was affected by cost and time overruns, with more than 80% of the projects recording delays with significant cost variations. Six projects (50%) had a cost-underrun, four projects (33%) had a cost overrun, and two projects (17%) were implemented within the budget. The average delay of projects from the date of project effectiveness to the date of project completion was about 27 months, with more than 75% of projects with a delay exceeding 6 months. The projects’ efficiency was plagued with disbursement delays and cost variations due to late release of government counterpart funding, change in project design and scope, insufficient feasibility studies, unfamiliarity of the executing agency with the IsDB rules and procedures, weak capacity of contractors, and the Bank’s slow responsiveness.

Sustainability:
Evaluated projects with the Most Likely Sustainable rating were 17%, with the majority being energy sector projects. However, 33% of projects were rated Likely Sustainable, and 50% of projects rated Less Likely Sustainable, mainly in the health, education and microfinance sectors. Projects’ sustainability was crippled by lack of sustainability plans at design, insufficient national budget allocations for operations and maintenance of project facilities, inadequate beneficiaries’ ownership, and insufficient mainstreaming of the projects into national institutions.

Performance assessment:
Three projects (25%) out of 12 evaluated projects were rated Highly Successful. Half of the projects (50%) were rated Successful and 25% of projects were rated Partly Successful. None of the evaluated projects was rated Unsuccessful. Projects in the transport and energy sectors were the Most Successful, the health and microfinance sector projects were either Successful or Partly Successful. The performance of the evaluated projects was affected primarily by project efficiency and sustainability.

FLAGSHIP EVALUATION OF THE YEAR

OED undertook the Corporate Evaluation of the IsDB Group Synergy to better deliver the IsDB Group Mandate. The objective of the Corporate Evaluation of the IsDB Group Synergy was to take stock and analyze past efforts to strengthen the Group Synergy, compare these with best practices, generate learnings, formulate recommendations to enhance

A SYNTHESIS OF LESSONS LEARNED FROM PROJECT AND MACRO-EVALUATIONS

The lessons learned from the evaluations in 2019 highlight the critical role of a technically competent executing agency in delivering a successful project. An enabling legal and financial framework is a prerequisite for the growth of Islamic Finance. Flexible and coherent project designs mitigate implementation delays. Sound feasibility studies with a thorough review of assumptions and risks improve the efficiency of implementation and effectiveness of project outcomes.
RECOMMENDATIONS

AER offers recommendations for actions by the IsDB Management and operation departments. These recommendations are based on the issues drawn from the evaluations and intend to enable evidence-based decision-making.

(i) Enhance programming approaches: Adopt programmatic approaches reflecting the unique circumstances of IsDB MCs, supporting through policy advice addressing the needs of communities for inclusive growth, fostering synergy of the IsDB operations, and building on complementarity with partners:

a. Conduct needs assessment to understand the unique challenges faced by the Muslim community in the UK and formulate interventions strategy. Consult the government of Palestine, the Arab donors and development partners to formulate a country partnership strategy to guide the Al-Aqsa Fund and trust funds interventions in Palestine.

b. Improve synergy and complementarity of the Bank’s interventions to generate more impact and sustainability of results at a country level. IsDB Group entities should include synergy themes as a performance indicator in the MCPS dashboard to increase ownership and accountability.

c. Leverage on the Bank’s proximity to its MCs to reinforce dialogues with MCs and provide strategic guidance and evidence-based policy advice on development issues.

d. Address IsDB Group products’ limitations and consider its financing structures and packages to be competitive to the MCs’ needs; and use flexible modes of financing.

(ii) Promote Islamic finance: Increase advocacy for Islamic finance as a key driver for sustainable development of IsDB MCs and a tool to enhance economic resilience and empowerment:

a. Support MCs in creating legal and regulatory frameworks and enabling environments to grow Islamic finance and differentiate Islamic microfinance from conventional microfinance.

b. Inject capital equity, shareholding, and line of finance into participating banks in MCs with the emerging Islamic banking sector. Leverage ICIEC’s risk mitigation tools to increase Islamic banking sector financing. Extend ICIEC guarantees to lines of finance for Islamic banks and PPP projects to lower the cost of financing.

c. Provide guidance to stakeholders on access to Islamic microfinance programs, and introduce financing instruments responsive to the needs of the small enterprises and agro-based industry players, including farmers.
(iii) Develop the capacity of executing agencies:
Enhance the capacity of executing agencies in planning, implementing and monitoring projects, to ensure the sustainability of outcomes:

a. Conduct inception workshops for stakeholders on the Bank’s procedures; offer familiarization visits for the executing agencies staff to regional hubs.

b. Ensure that project teams at executing agencies have adequate skill mix to perform functions effectively. Include an organizational capacity assessment of the executing agency at appraisal.

(iv) Enhance rigor in preparation: Comply with Bank’s policies and procedures and international norms and standards during project preparation to ensure quality at entry:

a. Ensure that all projects submitted for IsDB financing have pre-investment feasibility studies and preliminary engineering designs with updated costs. Undertake thorough risk analyses of projects, sector risks and country macroeconomic issues, and sustainability.

b. Establish results-based frameworks with baseline data and robust monitoring and evaluation systems for all IsDB interventions to ensure effective tracking of development results.

c. Conduct environmental assessments for Bank-funded road infrastructure projects; consider awarding large and complex projects on a turnkey basis for effective project management.

d. Develop IsDB internal capacity to conduct a cost-benefit analysis, particularly for PPP projects.

(v) Consider beneficiary needs in project design:
Adapt designs to better address the needs of different beneficiaries and leverage greater development outcomes:

a. Include the construction of schools and health centers into transport projects in remote rural areas, to ensure benefits for the poorest groups.

b. Extend the Al-Aqsa Fund Economic Empowerment Program to the vulnerable Palestinian families already benefiting from the restoration projects to boost their economic resilience.

c. Capitalize on APIF’s intrinsic role to invest in education Waqf in partnership and for the benefit of Muslim education trusts in the UK.
d. Use IsDB convening power and brokering capacity to play a pro-active role in raising funds for operations benefiting the Muslim communities.

e. Replicate the successful design of water facilities piloted in Bangladesh with raised platforms for the deep tube wells to safeguard the facilities from flooding and contamination.

f. Consider providing project financing in local currency to be at par with other MDBs to alleviate MCs foreign exchange risks and minimize reliance on hard currency.

**(vi) Streamline operational tools and procedures:**

Review and expand the project planning and implementation toolbox, develop additional guidelines and approaches based on the principles of development effectiveness:

a. Develop context-specific operational procedures for fragile states that offer some degree of flexibility and delegation of authority, yet, promote accountability and transparency. For instance, IsDB should establish clear procedures for the Al-Aqsa Fund in Palestine and elaborate clear guidelines for beneficiary targeting and selection in Palestine.

b. Define clear selection criteria for prioritizing schools applying for the special assistance grants.

**(vii) Strengthen project supervision and monitoring:**

Intensify project supervision and monitoring efforts focusing on improving accountability, transparency and knowledge generation:

a. Develop an online tracking system on requests by executing agencies and adopt standard response time to address disbursements delays; regularize country portfolio performance reviews; organize regular procurement and project implementation clinics through video conferencing; and allocate adequate resources to undertake more frequent project supervision.

b. Use effective strategic partnership agreements signed with the international development partners to monitor the implementation of joint projects.
(viii) Foster the evaluation culture: Scale-up IsDB activities to promote the evaluation culture and knowledge:

a. Develop a strategic framework in collaboration with IRTI to guide the sporadic efforts of IsDB in the evaluation capacity building and review materials and toolkit for evaluation trainings.

b. Cooperate with ECG members and CLEAR centers to conduct workshops for stakeholders; work with the national evaluation associations to cultivate and institutionalize evaluation culture in MCs.

THE WAY FORWARD

Since its set up in 1991, OED has contributed to the IsDB organizational learning and accountability objectives. A new focus for OED requires a greater outreach to respond to the social and economic needs of MCs, Bank’s commitment to support the MCs in achieving the Sustainable Development Goals, and to provide the BED with practical tools for enhancing the Bank’s development effectiveness. OED will put more emphasis on the following priorities:

(i) Reinforce the usefulness and impact of evaluation to make it more influential. OED will continue to work on strengthening its engagement with the BED (through ODEC), IsDB Management, staff, MCs beneficiaries and the development community. The OED is enhancing and facilitating access to its evaluation publications and works and intends to use more social media. The new Knowledge Center Website with access to the evaluation knowledge database is being finalized.

(ii) Contribute to the strengthening of the MCs’ evaluation and monitoring capacity. To contribute to making the IsDB a “Bank of Developers” the capacity development initiatives in MCs on development monitoring and evaluation will continue. In pursuance of this, a 3-year strategy for the MCs Evaluation Capacity Development will be prepared and implemented.

(iii) Strengthen the follow-up on the implementation of evaluation recommendations. The development and implementation of the “Systematic Tracking of Execution of Evaluation Recommendations (STEER)” Platform are on course to be finalized. It will be an efficient tracking mechanism on the implementation of evaluation recommendations; it will increase the use of evaluation findings and lessons by the operations departments and will promote the organizational culture of performance and accountability.
CHAPTER - 1

THE EVALUATION YEAR AT A GLANCE

- Project Evaluations
- Macro Evaluations
- Enabling, Learning and Outreach (ELO)
The Operations Evaluation Department (OED) of the Islamic Development Bank (IsDB) continues to implement its Annual Work Program (AWP) to achieve a dual purpose of strengthening evaluation culture and promoting organizational learning in IsDB. The 2019 AWP was presented to and approved by the Operations Development Effectiveness Committee (ODEC) of IsDB’s Board of Executive Directors. The evaluation activities covered three key areas: Project Evaluations, Macro Level Evaluations, and Enabling, Learning and Outreach (ELO). Below is a synopsis of the evaluation year 2019.

**PROJECT EVALUATIONS**

Post-Evaluation of Completed Projects financed under Ordinary Capital Resources. In 2019, the OED launched project-level evaluations in 12 Member Countries (MCs): Bangladesh, Chad, Djibouti, Gabon, Jordan, Kazakhstan, Lebanon, Mauritania, Morocco, Senegal, Togo, and Turkey. These evaluations covered six sectors: education, energy, finance, health, transport, and water and sanitation. In addition, the Supporting of the Electricity Transmission System Project in Jordan was post-evaluated as a carry-over from the 2018 AWP.

At the request of senior management OED conducted the Special Evaluation of the Al-Aqsa Fund in the State of Palestine.

**i. Evaluation of Special Assistance Operations in the United Kingdom.** A cluster of 11 operations and projects were selected to evaluate the effectiveness of the IsDB community outreach interventions in the United Kingdom.

**ii. Joint Evaluation.** OED conducted a joint evaluation with the Independent Evaluation Department (IED) of the Asian Development Bank (AsDB) of the Reconstruction of Oblast-Taraz Road Project in Kazakhstan. This project was part of the Asia Regional Economic Cooperation (CAREC) corridor 1 linking Western Europe with Western China from its border with China to its border with Russia. It was co-financed by several partners including AsDB and IsDB. This joint evaluation helped the respective institutions to exchange methodologies and share experiences in the evaluation of transport projects.

**iii. Review and Validation of Project Completion Reports:** OED validated 23 project completion reports (PCRs) in 2019.

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MACRO EVALUATIONS

**Country Evaluation:**
One country evaluation, the Implementation Review of the MCPS for Suriname, were finalized in 2019. Upon submission of the final Implementation Review Report to the BED through the President of IsDB, the OED organized working sessions and assisted respective regional hubs to prepare action plans on the implementation of recommendations outlined in the reports. OED will follow up on the implementation of the action plans and report to the Board.

**Corporate Evaluation:**
In 2019, OED initiated the corporate assessment of the IsDB Off-Balance-Sheet Resource Mobilization efforts to provide useful lessons and recommendations to feed into the rethinking of IsDB’s Resource Mobilization as emphasized in the President’s 5-year Program (PSP). In addition, OED finalized the Corporate Evaluation of the IsDB Group Synergy, which was carried over from AWP 2018G. The findings of the evaluation have been shared with the senior management and staff of the IsDB Group.

**Program Evaluation:**
Program evaluation of IsDB’s Equity Investments in Islamic Banks was launched in 2019 and will be completed in 2020.

**Thematic Evaluation:**
Two Thematic Evaluations were launched on Public-Private-Partnerships (PPPs), and Projects and Programs Contributing to Regional Integration in MCs. These evaluations are expected to be finalized in 2020G.

**Other Macro Products:**
As part of its Macro-Level products, OED finalized its AER for the year 2018G, which was cleared by ODEC and approved by the Board of Executive Directors (BED) in July 2019G. The report has been published and distributed internally. Furthermore, a consolidation of reports (synthesis) on the Evaluation of Islamic Finance Technical Assistance Grants and Education Sector have been finalized. Lastly, three Insights Papers on the IsDB Group Synergy, the Public-Private Partnerships, and Islamic Finance are being finalized for dissemination.

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5. Implementation Reviews of the MCPS for Suriname, was prepared by OED in 2019.
ENABLING, LEARNING AND OUTREACH (ELO) ACTIVITIES

The OED implemented ELO activities to facilitate the delivery and use of the evaluation knowledge products and to enhance the capacity of the OED staff members, relevant officials of implementing agencies in MCs. The activities bridged the knowledge gaps and enhanced the expertise of the staff in areas that are critical to achieving the department goals. Highlights of the ELO functions of the OED in 2019 are as follows:

Knowledge Generation and Dissemination:
OED developed and disseminated several knowledge products, including 11 K-Series, 8 Executive Dissemination Notes (EDNs), and 4 quarterly e-newsletters. Additionally, OED facilitated 13 internal and external engagement events to disseminate key findings and lessons learned from OED evaluations during the year.

The OED, in collaboration with the Economic Research and Institutional Learning (ERIL) Department, finalized the design of the OED Website (Evaluation Knowledge Center) to make it more user-friendly with advanced search capabilities. OED also introduced a new IT Platform called Systematic Tracking of Execution of Evaluation Recommendations (STEER) to follow-up on the implementation of operations evaluation recommendations and to monitor the degree to which they have been adopted.

Development Evaluation Capacity Building in Member Countries:
OED conducted three capacity-building programs for government officials on the Monitoring and Evaluation of development projects in Bahrain, Kazakhstan, and Morocco.

In addition, OED together with the Development Impact Evaluation Unit of the World Bank (DIME) facilitated a three-day workshop in Senegal on Impact Evaluation with the theme – Transforming Development Through Evidence-Based Policy. Over 60 participants representing IsDB, project counterparts from MCs, bilateral and multilateral development partners such as GIZ, WEP and the World Bank Impact Evaluation researchers participated in the workshop.

Other ELO Activities:
OED hosted the Evaluation Cooperation Group (ECG) Fall Meeting 2019 in Jeddah. This is the first time the meeting has been hosted by IsDB and in Jeddah. The Meeting was inaugurated by the President of IsDB, H.E. Dr. Bandar Hajjar. The three-day meeting featured an institutional event on the theme “Global Value Chains – An Effective Approach to Achieving Development Results.” The meeting included an Evaluation Heads’ Breakfast meeting, Tour De Table (to exchange updates on evaluation affairs by the ECG members), cultural events and other regular ECG meeting activities.

Prior to this, OED participated in the Spring 2019 meeting of the ECG in Greece. Besides, OED also participated in the Second Meeting of the Chairs and Co-Chairs of the Committees on Development Effectiveness of IFIs, which was held in Washington, DC.

In addition, three OED staff members have been trained in Mailchimp with the help of IEG of the World Bank Group. Once launched, the software is expected to support the mass mailing of evaluation findings and other OED communication materials to the target audience more effectively and accurately.
Institutional Event of the ECG Fall Meeting in Jeddah.
CHAPTER - 2

PERFORMANCE ANALYSIS

Criteria-Based Analysis

Projects were evaluated in line with the Good Practice Standards using the internationally recognized evaluation criteria of the Organization of Economic Cooperation and Development-Development Assistance Committee (OECD-DAC), namely Relevance, Efficiency, Effectiveness, and Sustainability.

1. Relevance

All the projects evaluated were found to be relevant to the MCs’ strategic priorities and aligned with IsDB 10-year strategy towards development effectiveness including its five strategic pillars and one cross-cutting area. Almost 67% of projects were rated Highly Relevant and 33% rated Relevant. No project evaluated in 2019 had Partly relevant or Irrelevant ratings. In general, projects in the transport and energy sectors were found to be Highly Relevant. This demonstrated the relevance of the IsDB financing to the MCs development priorities of the two sectors and their consistency with a country development strategy and the IsDB 10-year strategy. While the majority of the evaluated projects had been rated Relevant, the evaluations found some inconsistency between the relevance of projects’ objectives and design. Furthermore, many projects’ objectives were not appropriately stated, and outputs not well aligned with the intended outcomes. For instance, the Gabon Road project’s objective of poverty alleviation could have been achieved better had the project scope considered co-locating health and education facilities near the road infrastructure to facilitate access to the social services by the poor. Similarly, some health projects such as the Ali Sabieh Regional Hospital Project in Djibouti could have had more impact had the project design adopted a community-level approach with components on health promotion and prevention. Finally, more than 50% of projects evaluated did not have or developed an appropriate results-based logical framework (RBLFs) to monitor and to track the delivery of the development results. Those projects which had the RBLF were not updated on the contextual evolution during project implementation to adapt their design relevance.

2. Effectiveness

The overall effectiveness assessment for all evaluated projects found 92% of projects to be either Highly Effective or Effective, and only 8% of projects evaluated were Less Effective. Thus, most of the evaluated projects achieved their intended outputs and contributed to achieving the intended developmental outcomes and had impactful changes on people’s living conditions in MCs. The results section of this chapter provides a detailed analysis of the extent of each project’s contribution to achieving the intended outcomes and contributing to the IsDB 10-year strategy goals.

Key factors that affected the effectiveness of the evaluated projects include:

• Change in design and scope of projects at the inception and/or during implementation.
• Delays at startup and implementation of projects resulting in the inadequate achievement of planned outputs.
• Unavailability or late release of government counterpart funds.
• Low utilization of funds, due to attempts to reduce project implementation costs and high-

Figure 1: Dissemination of Relevance Assessment

Figure 2: Distribution of Effectiveness Assessment

8. Relevance Scoring: Highly Relevant: Score >85% || Relevant: 60% < Score ≤ 85% || Partly Relevant: 30% < Score ≤ 60% || Irrelevant: Score ≤ 30%
Finally, the assessment of the project net effects at post-evaluation was hampered by the absence of baseline data at project design and implementation stages and data on the key national indicators at the time of evaluation at a country level, thus limiting the comparison of “with the project versus without the project.”

3. Efficiency

The overall efficiency assessment demonstrated 67% of evaluated projects were Less Efficient. About 25% of the projects were rated Efficient and only 8% of projects were rated Highly Efficient.12

![Figure 3: Distribution of Efficiency Assessment](image)

The efficiency of the evaluated projects was mainly affected by the utilization of cost and time resources. Only two evaluated projects were completed within the timeframe defined at appraisal and with no cost variation. More than 80% of the evaluated projects recorded delays with significant cost variations. The average cost variation due to cost overrun and underrun for all 12 post-evaluated projects was 26% between the actual project cost and appraisal estimates. Six evaluated projects (50%) had a cost-underrun, while four evaluated projects (33%) had a cost overrun. The remaining two projects (17%) were implemented within the allocated budget. The upgrading of the Shebaa Roads Project in Lebanon experienced a cost overrun of 69%.

In terms of time efficiency, the average delay of projects from the date of project effectiveness to the date of project completion was about 27 months, with more than 75% of the post-evaluated projects incurring an implementation delay exceeding 6 months. The upgrading of the Shebaa Roads Project in Lebanon was completed with 84 months of implementation delay.

The main reasons for cost variation and implementation delays are caused by the governments’ late release of its counterpart funding, change in project design and scope, insufficient feasibility studies, unfamiliarity of the executing agencies with the IsDB rules and procedures, weak capacity of contractors to manage contextual challenges, and the Bank’s slow responsiveness, and delays with disbursement.

4. Sustainability

The sustainability rating of evaluated projects demonstrates mixed results. Whereas the sustainability of 17% of evaluated projects was rated as Most Likely and a further 33% rated as Likely Sustainable, the majority of projects (50%) were rated Less Likely Sustainable. None of the evaluated projects rated Unlikely Sustainable. The assessment found projects in the energy sectors to be Most Likely Sustainable, while projects in the health, education and microfinance sectors were either Likely or Less Likely Sustainable. The factors affecting projects’ sustainability are the absence of exit strategy and plan at the project design stage that can support the project sustainability after its completion, insufficient national budget allocation to undertake operations and maintenance of project facilities, inadequate ownership and commitment from the end beneficiary especially for microfinance and health sectors, and insufficient mainstreaming of the projects into national institutions to support the long-term sustainability.

The challenges related to sustainability vary by sector. For example, the main challenge of the transport sector projects is the lack of sufficient national budget allocation to cover the cost of major works of road maintenance. The Upgrading Sheeba Road Project in Lebanon experienced the chronic shortages in the maintenance funds of the Ministry of Public Works and Transport (MPWT) coupled with the government of Lebanon’s austerity measures, which caused inadequate allocation of government funds for the routine road maintenance. The MPWT receives only 30% of the annual basic maintenance and road safety budget it needs to fulfill its mandate. Similar issues affected the road projects in Gabon and Togo.
With regards to the health sector projects, the long-term financial sustainability of the Ali Sabieh Regional Hospital Project in Djibouti is at risk due to delayed reimbursements from the social security fund and the low fees collected from patients for services provided. As a result, the hospital relies heavily on government subsidies to balance its budgets. Its institutional capacity sustainability is constrained by the lack of local qualified national physicians as 92% of doctors employed by the hospital are Cubans. In the microfinance sector, the Microfinance project in Chad is not fully mainstreamed or effectively integrated into any institutional structure in the country. Therefore, its long-term institutional sustainability is unlikely without a full-fledged microfinance agency in place.

Overall Performance Assessment
Performance assessment of evaluated projects was based on a four-point rating scale: Highly Successful, Successful, Partly Successful and Unsuccessful. From 12 projects post-evaluated by OED, three projects (25%) were rated Highly Successful. Half of the projects (50%) were rated Successful and 25% of projects were rated Partly Successful. None of the evaluated projects was rated Unsuccessful. Projects in the transport and energy sectors were rated Most Successful, while projects in the health and microfinance sectors were either Successful or Partly Successful.

The most prevalent factors that affected the performance of evaluated projects were related to project efficiency and sustainability. All the projects assessed as Partly Successful were Less Efficient and Less Likely Sustainable. In the subsequent sections, this will be discussed in greater detail.

IsDB 10-Year Strategy
IsDB’s 10-year strategy revolves around three strategic objectives with five priority areas for external activity. It also incorporates seven guiding principles for effective and efficient implementation. The three strategic objectives of inclusiveness/solidarity; promoting the development of the Islamic Financial Sector; and connectivity for growth translate the vision aspirations of the MCs into IsDB goals for the next 10 years and reflect the mandate of the IsDB as espoused in the Article of Agreement.

The five strategic pillars reflect three main considerations:
(i) the uniqueness of the IsDB mandate;
(ii) the strengths and capabilities accumulated over decades of experience; and
(iii) the relative position and potential of IsDB in the context of the evolving development landscape.

Infrastructure development and private sector support are considered priority areas because of their role in fostering growth and their potential to build and expand existing capacities. Social development as a priority area would provide solutions to problems of the neediest and underserved populations, based on widespread experience and fulfill the inclusive mandate. In addition, Islamic Finance and Cooperation is deemed to be a unique area of activities and is a core mandate for IsDB. Lastly, capacity development is expected to play an
important role in each of the pillars. In order to translate the strategic pillars into actions, the strategy includes a set of guiding principles to improve operational effectiveness and organizational efficiency. These are:

(i) selectivity,
(ii) link strategy to budget and resources,
(iii) financial sustainability,
(iv) resource mobilization,
(v) group synergy,
(vi) build capabilities in strategic pillars, and
(vii) manage for result.

These guiding principles will help IsDB to (i) continue growing – with a higher emphasis on mobilization of external resources and implementation through gradual decentralization;
(ii) be more selective to maximize the impact in development given the available resources;
(iii) build capabilities in strategic areas cost-efficiently; and
(iv) have better integration and coordination of activities across the group to maximize synergies.

**Development Results Mapping against IsDB Group 10-Year Strategy**

This section provides a summary of the development results of evaluated operations (strategies, programs, and projects), and maps them against the five strategic pillars of IsDB 10-year strategy.

**PILLAR 1: ECONOMIC AND SOCIAL INFRASTRUCTURE**

In 2019, nine of 12 randomly post-evaluated projects contributed to the Economic and Social Infrastructure Pillar covering transport, energy, agricultural, healthcare and education infrastructures. Also, projects assessed during the Implementation Review of Suriname MCPS produced some developmental results even before their completion. The concentration of evaluated operations, projects and MCPS reviews in the infrastructure is in line with the 10-year strategy focus on infrastructure development.

**Transport Infrastructure**

The four evaluated transport sector projects contributed to a total network of 180 km of roads in Gabon, Kazakhstan, Lebanon, and Togo. The Akieni-Okondja Road Project in Gabon reduced the travel time from Akieni to Okondja from three hours to about an hour and transportation cost reduction from XAF4,000 to XAF2,500 per passengers on the public transporter SOGATRA; and the road improved access to schools and medical centers, and created a demand for local agricultural products, and improving farmers’ income.

In Kazakhstan the reconstruction of the road section “Border of South Kazakhstan Oblast – Taraz” under the construction of the Western Europe – Western China Road contributed to increasing the traffic volume (annual average daily traffic) from 4,000 vehicles per day to about 7,500 vehicles per day; reduced average travel time between Shakpak-Ata and Taraz city from 90 minutes to 45 minutes; increased the economic activities along the road, improved road safety, and enhanced the performance of the national construction industries. On average per year, from 2015 to 2018 the economic impact of the road as a part of the CAREC Transit Corridor 1 financed by IsDB, JICA, and AsDB) is estimated at 3% on the Kazakh national GDP and 4% on Kazakhstan international trade. The impact of the road on the Zhambyl region’s GDP is higher than at the national level. The impact of the road on the region’s GDP was estimated at 4% and its impact on the region’s trade 6%.
The upgrading of the Shebaa Roads Project in Lebanon contributed to bringing the two border towns of Shebaa and Hebbariyé out of extreme geographic isolation. Traffic accidents in the project area and travel time to neighboring administrative and socio-economic hubs decreased by more than 50%. This facilitated mobility between villages and towns, where administrative and social services are provided (e.g., hospitals, schools and universities). The local economy rejuvenated with an increase in land value, ease in transporting agriculture produce to neighboring markets, lower transport costs of commodities and more tourist and leisure activities. Humanitarian assistance was also greatly facilitated at a lower cost and shorter time. NGOs such as the Red Crescent have increased their transport consignments of humanitarian assistance from 200 units to 800 units in one large truck and in one go.

This resulted in reduced delivery time and the costs of providing humanitarian services.

In Togo the Bassar-Katchamba Road Project reduced the travel time from Guerin-Kouka to Katchamba from 2 hours to about 30 minutes.¹⁶ The project enhanced road safety in the western region contributed to an increased number of minibusses from 2 to 15 and to 24 taxis which offer daily transport services between Guerin Kouka and other towns. The number of businesses increased from 6 to 12 and the prices of some of the agricultural products have climbed to respond to higher demand, for instance, the price of 100 yams doubled from around USD 42 to USD 84). The project contributed to the improved education and health services for the beneficiaries through the constructed five schools, four public potable water points and a health center.

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**Energy Infrastructure**

The three energy projects evaluated added a total installed generation capacity of 1,432 MW to the national grids of Jordan, Morocco, and Turkey. In addition, a 45 km long of 132 kV transmission line was constructed. In Morocco, the Kenitra Power Plant contributed to increasing the power generation capacity of the country by 333 MW, which at project inception in 2012 represented 4.7% of the total installed power of 6,675 MW and 6.0% of peak demand of 5,280 MW.¹⁷ The project contributed to the country’s economic growth through increased access to electricity to households and industries. The rate of access to electricity by the rural population increased from 95.4% in 2008 to 99.6% in 2018. The number of low voltage customers increased from 3.8 million in 2008 to 6.1 million in 2018. The number of medium voltage customers increased from 15,178 in 2008 to 24,816 in 2018. In Jordan, the Supporting Electricity Transmission System Project contributed to improving the transmission system in the country and electricity reliability by supplying an additional 554 MWh of electricity to Amman City and 401 MWh of electricity from South Madaba in 2018.¹⁸ The 45 km 132 kV transmission line between Salt and Suwaimeh supplies electricity to strategic and tourist areas with many hotels and resorts in the Dead Sea region. Also, the transmission line facilitated the 25 MW interconnection with the West Bank (Jericho area).

The Renewable Energy Program in Turkey added 858.6 MW of new renewable generation capacity and 3,276 GWh per year to the national grid using renewable energy resources and contributed to the government’s plan to reach 30% of energy generation through renewables by 2030.¹⁹ The program

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The project contributed to improved access to, and the quality of basic health services, and resulted in the 38,321 out-patient admissions in the second year of operation in 2017.

PILLAR 2: PRIVATE SECTOR DEVELOPMENT (JOB CREATION)

Three of the evaluated projects – the Microfinance Project in Chad, the Renewable Energy Program in Turkey, and the Vocational Literacy Program for Poverty Reduction Project (VOLIP) in Senegal directly contributed to the Private Sector Development Pillar of the 10-year strategy. These projects created 9,225 permanent and 1,029 temporary jobs. The Microfinance Project in Chad reached 8,400 end-beneficiaries of which 60% are women. The Renewable Energy Program in Turkey benefitted 20 private companies, where 10 of them were engaged in the generation of renewable energy, and the other 10 private companies produced cement, steel and paint. On the other hand, the VOLIP in Senegal established and trained 578 micro-enterprises of which 85 micro-enterprise projects were financed 3-year Murabaha loans.

Public sector operations created a total of 275 permanent and 187 temporary jobs. The VOLIP project in Senegal created jobs for 240 teachers and supervisors while the Quick Win Malaria Project in Mauritania created 25 jobs for regional and district focal points. The Supporting Electricity Transmission System Project in Jordan created 187 temporary jobs.
**PILLAR 3: ISLAMIC FINANCE SECTOR DEVELOPMENT**

Of the 12 OCR post-evaluated projects and projects assessed during MCPS reviews in 2019, two projects and two private sector operations contributed to IsDB's aspiration to be a proactive partner for Islamic finance institutions and the leading source of advice, regulatory standards and benchmarks on Islamic Finance for MC governments and global Islamic securities markets. The microfinance project in Chad and VOLIP in Senegal supported investments in Islamic finance institutions, regulations and capacity development. The Bank through the microfinance project in Chad assisted in setting up the National Microfinance Agency mandated for the implementation of Islamic microfinance activities. IsDB supported MC-based Islamic financial institutions at the transactional level and serves as a trusted advisor to MCs governments.

For the private sector operations, the ICD approved a line of finance and technical advisory services for the Trust Bank Amanah (TBA) in Suriname under the MCPS resulting in the transformation of the TBA from a conventional secondary bank into a full-fledged first Islamic bank in the South Caribbean and South America in 2017. Also, IRTI carried out training courses on Islamic finance and banking for the official Central Bank of Suriname, which were effective to build the capacity of the Central Bank in Islamic finance and banking.

**Health**

The Water Supply and Sanitation Project in the cyclone-prone coastal areas in Bangladesh, the Ali Sabieh Regional Hospital Project in Djibouti, and the Quick Win Malaria Project in Mauritania contributed to IsDB efforts in fighting against preventable diseases, and improved the global health status of populations in the least developed MCs. These projects contributed to increasing the health coverage by improving the coverage of safe drinking water in Bangladesh, improving access to health services in Djibouti, and increased use of Rapid Diagnostic Tests to control malaria in Mauritania.

In particular, the Water Supply and Sanitation Project in Cyclone Prone Coastal Areas in Bangladesh provided access to potable water to 1.5 million people through 7,000 deep tube wells, 649 shallow tube wells and very shallow tube wells, 521 rainwater harvesting rooftop catchments, 290 pond sand filters, 50 dug wells with sand filters, and 50 re-excavated ponds and ponds. The availability of safe water in the project area has led to a reduction of almost 50% of water-borne disease incidences. The project has directly contributed to the national average rural water supply coverage of 96 persons per water point. The project improved water quality in the project area with the number of arsenic-free water samples increased by 80%. In addition, the provision of latrines has contributed to the increased usage of sanitation facilities in the project area from 60% to 75% of households.

In Djibouti, the new tertiary hospital enhanced the quality of health services for about 15,000 people, including the Ethiopians living at the border with Djibouti and the refugees. This led to cost savings from reduced transport costs and a decline in referral cases to Djibouti city hospitals.

In Mauritania, the Quick Win Malaria Project contributed to reducing the malaria mortality rate from 44% to 15% by procuring and distributing 255,422 long-lasting insecticide-treated nets and rapid diagnostic test kits.

**Education, Training and Women Empowerment**

The VOLIP Program in Senegal contributed to the Social Development Pillar of the IsDB 10-year strategy by supporting women and youth through literacy programs, vocational training, capacity building, and professional and educational programs. The VOLIP Program provided access to alternative basic education to 4,681 out-of-school children of which 61.33% were girls. These children were enrolled in the 190 basic community schools and eight resource centers for youth and adult learners constructed by the program. The program also provided vocational and literacy training to 2,880 youth and apprenticeship...
training to 212 artisans in woodwork, metalwork and masonry. Similarly, 9,996 women were trained on functional literacy, numeracy and in various vocational skills such as sewing, fabric tie and dye, soap making, hairdressing and small-scale food processing. To complement the skills training activities, 123 food processing machines including groundnut and cereal mills, sewing and decorticators were provided to newly formed women-owned micro-enterprises. Moreover, 578 micro-enterprises were formed and trained. These beneficiaries are engaged in diverse economic activities that allow them to generate income and improve their living conditions.

Microfinance

The USD 6.4 million Microfinance Project in Chad was implemented to alleviate extreme poverty and to empower disadvantaged populations, youth and women in the country. A total of 2,982 women and youth entrepreneur groups including 1,760 women groups and individuals accessed Islamic finance in the form of Mudarabah and Musharakah to expand or create their own businesses. Through the different income-generating activities, the monthly average income of individual beneficiaries increased from an average of CFA150,000 to CFA392,000. In Chad, the percentage of the active population with access to finance increased from 3% to about 5%. In Senegal, the VOLIP Program extended loans to 85 micro-enterprise projects financed through 3-year Murabaha loans totaling USD 258,941.

Guiding Principle: Group Synergy

In pursuance of the Bank’s guiding principles to improve operational effectiveness and organizational efficiency, the OED undertook the corporate evaluation of the Bank Group Synergy. The evaluation took stock of synergy practices and identified ways and means to enhance both external and internal synergy. It also assessed past efforts aimed at strengthening Group Synergy, compared these to and drew lessons from leading comparator organizations, and recommended concrete and practical measures for enhancing IsDB Group Synergy. The recommendations covered four broad areas, including: (i) the enabling environment; (ii) strategy and strategic processes; (iii) institutional measures; and (iv) culture and incentives. The details of the evaluation are given in Chapter 8.
CHAPTER 3

FEATURED EVALUATION OF THE YEAR – CORPORATE EVALUATION OF IsDB GROUP SYNERGY

The Evaluation Approach

The Main Findings

Recommendations to Enhance Group Synergy
CHAPTER - 3

BACKGROUND

Following the IsDB Group 40 years assessment in 2014, a 10-year Strategic Framework (Figure 6) was developed and endorsed by the Board of Governors (BoG) at its 39th Annual Meeting, and by the General Assemblies of Members of the IsDB Group. Group Synergy was recognized as an area requiring greater focus and being a pivotal guiding principle in implementing the 10YS, thus delivering the IsDB Group mandate. In 2018, after 3 years of implementation of the 10YS and given the new strategic direction steered by the P5P, the IsDB BED approved, among other proposals, the corporate evaluation of the IsDB Group Synergy as part of the OED 2018 Annual Work Plan.

The objective of the Corporate Evaluation of the IsDB Group Synergy was to take stock and analyze past efforts to strengthen Group Synergy, compare these with best practices, generate learnings, formulate recommendations in the form of concrete and practical measures to enhance both client-facing and internal synergies. The ultimate goal was to help MCs achieve the Sustainable Development Goals (SDGs) and improve the well-being of the Muslim communities in non-MCs.

Box 1: Synergy Definition

Synergy refers to the ability of two or more associated entities within an organization to generate greater value by working together than they could by working separately. In the context of the IsDB Group (IsDB, IRTI, ICIEC, ICD and ITFC), Synergy has two dimensions: (i) client-facing, where clients benefit from a more comprehensive support package than they would otherwise receive from individual members, and (ii) internal, where it manifests itself in terms of improved coherence, better knowledge sharing and cost savings.

THE EVALUATION APPROACH

To realize the objectives of the corporate evaluation of the IsDB Group Synergy, the following overarching questions needed to be answered through multiple lines of evidence:

- To what extent and how have the implementation of the Group Synergy and processes been relevant, effective and efficient in Group harmonization/coordination and in delivering the Group mandate?
- What are the enabling and hindering factors that have affected/impacted the IsDB Group Synergy and its institutional and organizational effectiveness?
- What is the financial value (benefits and/or cost savings) of IsDB Group Synergy and how to maximize it?
- What are the main lessons learned and recommendations to enhance Group Synergy?

To answer these questions, the evaluation used data collection methods such as desk reviews (all documentation related to previous synergy related studies or decisions), interviews of management, key staff and clients (more than 200), focus group discussions, surveys (more than 250 staff and 100 clients), and site visits. The evaluation approach was anchored on three in-depth reviews and produced six main deliverables (Figure 7).
The three main reviews are the evaluation design and methods of data collection such as

**Institutional Comparative Analysis and Business Cycle Process Review.**

The benchmarking review aimed at identifying best practices in corporate synergy and the delivery of joint service offerings to clients. The focus was put on how these best practices were supported by models of corporate governance, organization and joint departments, group operational coordination, strategic and business planning and shared services. The benchmarking institutions were WB Group, IaDB, AsDB, AfDB.

**Case Studies.**

The aim of the different case studies was to review how well the IsDB Group members were organized and were delivering joint or coordinated services to their clients at country and hub levels, and also when considering major themes as well as when financing projects. The case studies analysis focused on Dakar, Ankara and Jakarta for the regional hubs study, Pakistan and Egypt for the countries, Private Sector & PPP and Islamic finance for the operational themes. For the projects, and an Energy PPP project in Mali, the SME program in Yemen, BRAVE (Building Resilience for Value Adding Enterprises) and the Queen Alia International Airport Project in Jordan were selected.

**Perception Surveys.**

The objective of the surveys was to collect clients’ and staff perceptions on the importance and benefits of the Group Synergy and the current performance of the IsDB related to enhancing Group Synergy.

### THE MAIN FINDINGS

**1. Past efforts to enhance the Group Synergy**

The IsDB Group strived in the past to enhance synergy between its members in order to take advantage of the opportunity of blending different services and deliver better services to clients, to mitigate financial, operational and reputational risks, and to benefit from the potential shared services. Significant steps have been taken (Box 2). Most of these initiatives were not sustained, and consequently, substantial results were not obtained, even though expectations from both staff and clients were high, as both felt synergy is important and should be pursued.

**Box 2: Significant steps taken towards Synergy in the past.**

1. **Group Scorecards** have been developed based on the 10YS but was not fully used to drive performance.
2. **Group Functions** enhanced policy coherence and reduced operational costs but were disbanded.
3. **Shared Services Policy and Service Level Agreement (SLA):** A shared services policy and few SLAs between Group Members exist but were not really leveraged to its optimum.
4. **The Shariah Board and Internal Shariah Function** are good examples of Group-wide synergy.
5. **Group Committees** such as Group Management and Group Risk Management Committees were good attempts to enhance synergy; they were finally discontinued.
6. Recently (in 2019), Group Private Sector members (ICD, ITFC, ICIEC) established the Technical Coordination Committee for business development purposes amongst themselves.
7. **Reverse Linkages and PSD Synergy:** The approved Guinea Reverse Linkage, which will be implemented by ITFC and receive financial support from ITFC, IsDB and other external institutions, have highlighted the potential for collaboration between IsDB and the other Group Members.

**2. Enabling factors for the enhancement of the Group Synergy**

Few initiatives hold qualities of the Group Synergy drivers, therefore, if leveraged, it would contribute significantly to the enhancement of the Group Synergy. The recent decentralization is a positive
Box 3: Significant steps taken towards Synergy in the past

IsDB Group is the only IFI where long-standing overlaps between Group members happen; for example, between IsDB and ICD, principally with respect to financing of PPPs, investments in Islamic finance, provision of lines of credit, advisory work on private sector activities, and the issuance of a Sukuk.

Absence of IRTI in hubs has an impact on the IsDB Group leadership on the Islamic Financial Services Industry.

The Silo Approach (no cross-selling, client-based sharing, etc.) by which the Group members work in general, does not favor synergy nor can it be beneficial to the clients.

Markets Missed Opportunities: Group members have access to different market intelligence and information.

Staff Performance Incentives: Staff objectives and KPIs are currently only linked to each Group member’s KPIs. There are no ‘positive’ incentives such as rewards and recognition programs for cross-selling, looking out for business opportunities while working with other Group members and for contributing to greater Group Synergy in general.

Branding and the limited Presentation to Clients of IsDB as “One Group”: None of the Group members would present to clients the Group or the Group products, but rather only its own products.

3. Hindering factors for the enhancement of Group Synergy

If Group Synergy could not take off as promoted by the 10YS, it is due to many hindering factors ranging from managerial, strategic, organizational and operational dimensions. At managerial level, there was no Senior Management guidance or clear message indicating that synergy is a priority. The past initiatives failed to deliver expected results mainly because of lack of synergy champions, prioritized actions, monitoring of actions, or focus on the intended impact. At strategic level, there is a lack of key strategies such as on Islamic finance or the private sector. In addition to that, the MCPS as the only country-level business strategy document shared with MCs is considered and approved by the IsDB Board only. Its preparation is driven by IsDB with limited engagement of the other Group members. Box 3 presents a few hindering organizational and operational factors.

4. Monetizing the Synergy

The benchmarking showed that, at client-facing synergy level, synergy can yield a minimum of an additional 5% of portfolio value for all members involved. At internal synergy level, the Group members have a number of functions that are common across the Group. These functions often entail significant volumes of routine and repetitive transactions with a fixed cost that is reduced when provided across the group as a whole. The potential cost gains from greater internal Group Synergy for IsDB Group range from USD 2.1 million to USD 3.6 million or 0.8% to 1.4% of the Group’s total administrative budget of USD 322 million.
RECOMMENDATIONS TO ENHANCE GROUP SYNERGY

The recommendations formulated to enhance the Group Synergy are grouped into four (4) broad areas: (i) Enabling Environment, (ii) Strategy and Strategic Processes, (iii) Institutional Measures, and (iv) Culture and Incentives. Each recommendation, are associated with a few actions required for its implementation and each of those actions are assigned with a timeline (must-do, short, medium or long term) and an organizational unit or an individual that is responsible for its implementation. This constitutes a concrete action plan of thirty-one (31) actions to be implemented in order to enhance the Group Synergy. Annex 1 presents the detailed action plan, while the main recommendations are outlined below.

ENABLING ENVIRONMENT

Leadership:
The strongest signal of the institutional importance of Group Synergy must come from the Chairman, IsDB Group. In addition, to build credibility across the Group, Members of Boards, the Senior Management Team (CEOs, VPs, and Directors) need to speak with a common purpose and common voice on this issue and be seen as “champions” of Group Synergy.

Group Synergy Team:
It is important for the Chairman of IsDB Group to consider establishing a Group Synergy Team that he chairs and which is composed of Senior Management Members (CEO and VPs) with the mandate to develop the Group Synergy agenda as well as associated KPIs and to closely monitor the Group Synergy objectives.

Role of the Boards of the Different IsDB Group Members:
As part of their oversight function of the Group Synergy agenda, the various IsDB Group Boards should demand and encourage joint work.

Group Branding:
This is an obvious “quick win” for changing perceptions. A wide range of activities including a Group website, Group brochures, a Group letterhead and business cards, and introducing the concept of “Group Day, could be included in signaling an IsDB Group brand and making all staff feel that they belong to the Group and not only to a specific member; and more importantly to have clients perceive and feel the “One Group” concept.

STRATEGY AND STRATEGIC PROCESSES

Use of MCPS as a Group Synergy Quick Win: A quick win would be to pilot two new MCPS (e.g. Gabon and Suriname) and apply the concept of “One Group” with a higher leadership and active involvement of all Group Members.

Group Corporate Strategy: A key step would be to refine the results framework and corporate scorecards for the 10YS and ensure that work programs and results of members contribute to the overarching Group programs and results.

Islamic Finance Strategy: The Group needs to prepare an Islamic Finance Strategy that identifies modes of collaboration across the Group to help accelerate the development of the Islamic Finance sector in Member Countries. In addition, the Global Value Chain approach should pay particular attention to the Islamic Finance aspects in the analysis of the financing needs of a given value chain.
Private Sector Development (PSD) Strategy:
The collaboration and synergy among Group Members on the private sector theme shall be anchored to a Private Sector Development Strategy compounded with cross-selling approaches, and common client databases.

INSTITUTIONAL MEASURES
Decentralization:
It is important to take advantage of the decentralization process to enhance Group Synergy by (i) ensuring a single interface for clients and uniform coverage of countries under regional hubs (RH); (ii) co-locating IRTI staff in RHs; (iii) strengthening the Delegation of Authority framework, and; (iv) ensuring hub-staff (regardless of Group Members) share common goals, objectives and KPIs.

Group-level Functions:
Functions that include a substantial policy aspect such as Risk, Audit, Evaluation, Integrity, External Affairs and Communications, Legal, and General Counsel, and IT should be established as group functions as coherence in these is critical in managing reputational risks.

Shared Services and Service Level Agreements (SLAs):
The Group needs to improve and reinforce the shared services policy for IT services, Administrative services and others that can be shared for increased efficiency and cost savings; Service Level Agreements (SLAs) should focus on cost savings but also on ensuring that quality of service (e.g. timeliness/responsiveness of delivery) comparable with that available from third-party providers.

CULTURE AND INCENTIVES
Staff Mobility:
Staff mobility should be encouraged across Group members as it constitutes one of the foundational ways to develop the culture of a single Group. This should be supported by the harmonization of basic HR policies such as pay-lines, benefits packages, grade structure and mix, and where possible common job descriptions. A robust, credible and mandatory on-boarding and induction system which develops staff understanding of Group products and services will also support staff mobility.

Staff Incentives:
Managers and staff should be recognized and rewarded through incentives based on the Group Synergy objectives and KPIs; this will foster a behavioral change towards the “One Group” concept.
LEARNING AND EMERGING PRACTICES

Strong and Technically Competent Executing Agencies and Implementing Partners Contribute to Project Success

An Enabling Legal and Financial Framework Is a Prerequisite for the Growth of Islamic Finance

Flexible and Coherent Project Designs Mitigate Implementation Delays

Availability of sound feasibility studies that draw on back-tested assumptions and anticipate potential risks improve the efficiency of project implementation and project outcomes

The adoption of a programmatic framework linked to clearly defined priority areas improves development outcomes

Successful operation of health projects and sustaining their benefits hinges on the availability of qualified human resources
LESSONS LEARNED AND EMERGING PRACTICES

Lessons learned and emerging practices are critical elements of development evaluations. This chapter provides a synthesis of lessons learned from project and macro evaluations carried out by OED in 2019. These lessons are categorized under the following themes: (a) strong and technically competent executing agencies contribute to project success, (b) an enabling legal and financial framework is a prerequisite for the growth of Islamic finance, (c) flexible and coherent project designs mitigate implementation delays, (d) availability of sound feasibility studies that draw on back-tested assumptions and anticipate potential risks improve the efficiency of the implementation and project outcomes, (e) the adoption of a programmatic framework linked to clearly defined priority areas improves development outcomes, and (f) successful operation of health projects and sustaining their benefits hinges on the availability of qualified human resources.

A. STRONG AND TECHNICALLY COMPETENT EXECUTING AGENCIES AND IMPLEMENTING PARTNERS CONTRIBUTE TO PROJECT SUCCESS.

The primary lesson learned from the evaluations conducted in 2019 highlighted the critical role that a technically competent executing agency (EA) can play in delivering a successful project. EAs with limited technical capacities or lack of familiarization with IsDB procedures faced considerable challenges that led to project implementation delays. Below are examples illustrating this lesson:

Relying on highly experienced EA to undertake the consultancy services could drive the project into a success. NEPCO in Jordan was the project consultant. It ensured the successful completion of this project. Due diligence on the capacity of the EA and entrusting the strong ones with the consultancy role helps to reduce the cost and improve the effectiveness as the NEPCO demonstrated under this project.

The experience of the Reconstruction of Road Section Border of South Kazakhstan Oblast-Taraz Project demonstrated that a high-level readiness of the EA and adequate technical capacity of the consultants are keys to the success of a project. Under the project, the government of Kazakhstan exhibited a high level of readiness to implement a complex project with a highly effective level of coordination among financiers, contractors, and various stakeholders. Project management and contract supervision activities, undertaken respectively by the Dar-Alhandasah firm as the construction supervision consultant and the MinConsult as the project management consultant, facilitated and guaranteed smooth and timely project implementation within the planned budget. They also contributed to strengthening the management and implementation capacity of the EA.

Furthermore, the careful selection of partners is critical to obtaining transformational impact and good project performance. The success achieved by the restoration projects under the Al Aqsa Fund was mainly due to the technical capacities of the implementing agencies, their long-term experience in implementing restoration projects and their resilience in overcoming the restrictions imposed by the government of Israel.

Developing the project management unit capacity and improving their staff familiarity with IsDB regulations and procedures are crucial for the successful implementation of projects. For instance, familiarization visits undertaken by SOMELEC and the project management unit of the Nouakchott Water Distribution Project to IsDB improved their understanding of IsDB regulations and procedures on the procurement procedures leading to the successful implementation of the projects.
Yet, the Akieni-Okondja Road Project in Gabon and the Nema-Bangou Road Project in Mauritania did not benefit from familiarization visits or start-up workshops. Under these projects, the cancellation of the start-up workshops was detrimental to the smooth implementation of the projects.

The combination of Islamic finance and conventional microfinance windows could potentially be risky. Some of the implementing partners (MFIs and NGOs) were implementing conventional microfinance schemes as was the case in Chad and Senegal. This poses reputational and serious credibility risks for Islamic microfinance projects.

Another key lesson learned from the evaluations carried out in 2019, points to the benefits of adopting coherent and flexible project designs to respond efficiently to evolving circumstances and adjust modes and procedures, to minimize delays during project implementation. To this end, a few specific examples are provided below to underline the emerging good practices.

Adaptability to varying modes of financing plays an important role in the successful implementation of projects. Under the Renewable Energy Program in Turkey, the change from the line of finance to Restricted Mudarabah was a catalytic factor in speeding up the implementation and increasing the efficiency of the program.

B. AN ENABLING LEGAL AND FINANCIAL FRAMEWORK IS A PREREQUISITE FOR THE GROWTH OF ISLAMIC FINANCE.

Some evaluated projects and programs with a primary goal to promote the growth of Islamic finance indicated that the presence of a legal and financial framework is a prerequisite to the growth of the sector in MCs. Therefore, the establishment of these frameworks should be prioritized to maximize the effect, promotion, and growth of Islamic finance. Below are examples highlighting this lesson.

The growth of Islamic microfinance schemes depends on an enabling legal and financial framework, availability of qualified human capital, and an adequate understanding of Islamic finance. Microfinance schemes such as the one in Chad require adequate technical capacities and a conducive environment to fully benefit program objectives. The notion that Islamic microfinance schemes are charitable ventures and thus not subject to rigorous financial safeguards and guarantees need to be dispelled to maintain their viability. From a financial inclusion standpoint, Islamic microfinance programs need to adapt to the context and setting of communities and segments of society outside the formal financial system to benefit the poor and vulnerable. There were misunderstandings and confusion among beneficiaries on contractual obligations, profit sharing, mark-up margins, and the difference between Islamic and conventional finance.
Selecting the type of procurement contract that best fits the nature of the project expedites project delivery and improves the reliability of maintenance. For example, engineering, procurement, and construction contracts were found to be more suitable for big and complex projects, particularly if they are awarded to large and internationally renowned firms. This was the case of the Kenitra Power Plant in Morocco in which turnkey contracts helped ensure timely completion of the project. A similar type of contract was selected for the National Cardiology Center project in Suriname which helped to circumvent the mismatch between the installation of equipment and buildings. By the same token, adopting multiple contract packages for the different components of the Electricity Transmission System Project in Jordan helped to avoid huge delays. Furthermore, it was appropriate to assign maintenance of the most sensitive components of the project such as the Turbo-Alternator groups to the same firm. This helped to minimize operational risks for vital power plants that are reliable, efficient and cost-effective.

Careful alignment and coherence between design and objectives are key to the effective implementation of rural development initiatives. In Palestine, the projects aimed at promoting self-sufficiency in agricultural products and creating employment opportunities for the Palestinian farmers were plagued by a lack of coherence between design and objectives and thus fell short of achieving their intended outcomes.

D. AVAILABILITY OF SOUND FEASIBILITY STUDIES THAT DRAW ON BACK-TESTED ASSUMPTIONS AND ANTICIPATE POTENTIAL RISKS IMPROVE THE EFFICIENCY OF PROJECT IMPLEMENTATION AND PROJECT OUTCOMES.

Weak feasibility studies generally lead to project delays, cost overruns, and inefficiencies in project implementation. This lesson is further illustrated by the examples below.

Well-grounded feasibility studies can help avoid re-scoping of projects during implementation. As expected of any good project, that sound feasibility studies would be conducted to arrive at precise cost estimations. For instance, there was a change in scope under the Technical Vocational Education and Training Project in Suriname due to a lack of sound feasibility studies. This resulted in a serious cost underestimation, led to a cost overrun, and consequently incomplete delivery of the project planned outputs. This change in scope could have been avoided if proper feasibility and cost estimation were done at appraisal. Under the Nema-Bango Road Project, the hydrological study required to increase drainage facilities from 56 to 97, which led to additional drainage works and consequently additional costs and a longer implementation schedule. Similarly, the Shebaa Road Project experienced several changes in scope because the initial feasibility study was not updated to reflect the evolving physical conditions and thus resulting in 7 years of delays and a 69% increase in the actual cost.

Ensuring the existence of environmental and resettlement safeguards measures in a project involving land acquisition and resettlements is fundamental to achieving social development impacts. It is important to have in place the social safeguards mechanisms related to the resettlement and compensation to the affected people by a project before the project starts as these mechanisms contribute to smooth project implementation. For instance, the affected people under the Reconstruction of Road Section Border of South Kazakhstan Oblast-Taraz Project were compensated fairly and timely. The government of Kazakhstan realigned its national social safeguards procedures with the international standards on the safeguard policies and practices. On the contrary, delayed resettlement of the local population impacted by the Construction of Bassar-Katchamba Road Project in
Togo and impeded the progress of the contractor’s work. Similarly, expropriation issues were not addressed on time under the Construction of Akieni-Okondja Road Project. As a result, unplanned civil works were carried out to shift the layout of the road in order to avoid a coffee farm.

**Lack of clarity about the application of taxes and leaving out of consideration potential changes in future prices during the project preparation stage may ultimately lead to the escalation of cost.**

The financial contribution by the government of Kazakhstan of USD 25,402,900 was supposed to be only in the form of tax exemption to the project. Taxes exempted ended-up being less at USD 20,339,415 because the project designers did not have a good understanding of the tax legislation. The project experienced price adjustments to the civil works due to a change in prices for labor, fuel and construction materials. The whole contingency amount was used to cover up an unplanned cost increase. This project missed a cost-saving opportunity.

**E. THE ADOPTION OF A PROGRAMMATIC FRAMEWORK LINKED TO CLEARLY DEFINED PRIORITY AREAS IMPROVES DEVELOPMENT OUTCOMES.**

The lessons from the evaluations conducted during 2019 show that development outcomes are best achieved within the context of a comprehensive agenda that is guided by a sound and evidence-based needs assessment. To underline the importance of clear linkages between programmatic frameworks and priority areas, three lessons in Djibouti, the United Kingdom, and Suriname were learned.

**Building a programmatic approach at country level as well as a learning platform will enhance the achievement of development results.** Exchanges with other interventions within the country would create more synergy and complementarity between different interventions that have similar goals and would generate greater impact. An opportunity to share lessons across different development interventions enhances results at a country level.

**Lack of a strategic framework to guide IsDB assistance to each community constrains the development impact in a country.** A strategic framework developed through proper needs assessment would ensure that IsDB assistance remains responsive to the evolving challenges faced by beneficiaries. For instance, the Muslim community in the UK has experienced major social, economic and cultural changes in the recent decade. This requires the formulation of a framework that provides a clear understanding of the current issues faced by the Muslim community in the UK and establishes areas of priorities for IsDB interventions to ensure utmost relevance and value addition.

**Over prioritization of one sector diminishes the Bank’s contribution to addressing the multi-sectoral development challenges of the country.** The purpose of defining pillars for the MCPS is to guide both the governments and the IsDB in channeling resources to the right sectors to achieve a greater developmental result. In Suriname, the projects financed under the MCPS did not cover the selected sectors to ensure complementarity and coherent development efforts.

**F. SUCCESSFUL OPERATION OF HEALTH PROJECTS AND SUSTAINING THEIR BENEFITS HINGES ON THE AVAILABILITY OF QUALIFIED HUMAN RESOURCES.**

The long-term viability and sustainability of human capital development projects depend on mechanisms mitigating low staff retention and lack of staff incentives. The clear and precise identification of the training needs of the health workers and their subsequent posting to the hospital at the end of the training contributes substantially to sustaining the project benefits. To this end, the following key lesson was learned in 2019.

**Low retention of medical staff, especially in remote areas hinders the sustainability and effectiveness of health-related human development efforts.** The quick turnover of medical staff continues to pose challenges to the effectiveness and sustainability of health services including the fight against malaria in Mauritania due to low incentives for health workers. The National Malaria Control Program was to provide incentives to medical staff, especially working in remote areas. This, however, did not materialize. This lesson is further illustrated by the case of the Ali Sabieh Regional Hospital Development Project, where, out of the 15 medical and paramedical staff trained by the project, only one is currently working at the hospital.
Synthesis of Recommendations
Enhancing Programming Approaches
Promoting Islamic Finance
Developing Capacities of Executing Agencies
Enhance Rigor in Project Preparation
Improving Project Design
Streamlining Existing Operational Tools & Procedures
Strengthening Project Supervision & Monitoring Procedures
Fostering of an Evaluation Culture
Follow Up on Previous Year Recommendations
SYNTHESIS OF RECOMMENDATIONS

A series of recommendations drawn from evaluation findings were set forth for action by the IsDB management and business departments concerned. They are offered as a means to address the key issues identified through the evaluations and to enable evidence-based decision-making. Their consideration serves as signposts of good practice and as a valuable roadmap to induce sustainable improvements in future interventions.

While some recommendations call for immediate steps that do not require major shifts in approaches, others may involve significant undertakings as they are strategic in nature and are intended to produce long-term comprehensive changes in the way IsDB conducts its operations. These recommendations require concerted and coordinated efforts and should be tracked against an implementation plan that embodies their intent and spirit.

For ease of referencing and ownership, the OED recommendations are categorized across eight focus areas: i) Enhancing programming approaches; ii) Promoting Islamic finance; iii) Developing the capacity of executing agencies; iv) Underpinning project preparation by good practice; v) Improving project design; vi) Strengthening project supervision and monitoring; vii) Streamlining operational tools and procedures, and viii) Fostering evaluation culture.

The following sub-sections provide a greater level of details to the reader.

ENHANCING PROGRAMMING APPROACHES

Adopt programmatic approaches that reflect the unique circumstances of IsDB MCs, support them with policy advice, address the evolving needs of communities, help them grow more inclusively, foster synergy among IsDBG operations, and build on the complementarity with its partners.

- Conduct needs assessment to understand the unique challenges faced by the Muslim community in the UK and accordingly formulate its strategy for its interventions in the UK. For instance, in the education sector, IsDB should increasingly lend attention to the equally important issues of development of the Islamic education curriculum and capacity development of Muslim teachers rather than merely focusing on physical infrastructure. Similarly, the Bank should consider providing more assistance to non-education sectors. Although education is an important sector to the Muslim communities in the UK, it was found that there are other pressing needs among the Muslim communities in the UK such as combating youth unemployment, crime, social perceptions, which require IsDB interventions.

- Leverage on the Bank’s proximity to its MCs achieved through decentralization to reinforce dialogues with MCs and provide strategic guidance and evidence-based policy advice on developmental issues.

- Engage in consultations involving the government of Palestine, the Arab donors and other development partners working in Palestine, particularly the trustors of funds to IsDB to formulate a Member Country Partnership Strategy to guide the Al-Aqsa Fund and Trust Funds interventions in Palestine.

- Promote VOLIP as an inclusive poverty reduction strategy that addresses the real developmental needs of vulnerable groups living in rural areas particularly children, youth and women.

- Improve synergy and complementarity between Bank’s interventions to generate more impact and sustainability of results at country level. Synergy themes should be included as a performance indicator in the MCPS dashboard to increase ownership and accountability by all IsDB Group entities.

- Address IsDB Group Products’ limitations and rethink its financing structures and packages to be competitive and proactively respond to market needs. In Mauritania, it is suggested to: (i) conduct diagnostic studies to identify the private sector needs, (ii) develop adequate financing structures with minimum risks, and (iii) create investment and guarantee funds with the government and other stakeholders to address specific sector needs.

- Use flexible modes of financing for sectors that need an integrated development approach such as interventions aimed at exports promotion, urban development, industry growth, women and youth empowerment, and employment generation.
PROMOTING ISLAMIC FINANCE

Advocate Islamic finance as a key driver for sustainable development of IsDB MCs and as a tool to enhance economic resilience and empowerment.

- Extend support to MC governments in creating required legal and regulatory frameworks as well as ecosystems that can encourage the growth of Islamic finance and drive the differentiation of Islamic microfinance from conventional microfinance.
- Inject much-needed capital (equity, shareholding or line of finance) into participating banks in countries with an emerging Islamic banking sector such as Suriname.
- Provide sensitization and guidance on Islamic finance to actors involved in the implementation of access to Islamic microfinance schemes or programs (Social Development Fund, MFIs, Microenterprises).
- Facilitate technical assistance to foster the development of human resources in the field of Islamic finance. Bank’s initiatives such as the Reverse Linkage program could be deployed in this case.
- Introduce financing instruments that are more responsive to the specific needs of small enterprises and agro-based industry players such as farmers.
- Leverage ICIEC risk mitigation tools to increase financing for the Islamic banking sector and more broadly harness the development of the Islamic finance industry. Extending ICIEC guarantees for IsDB lines of finance to Islamic banks and for PPP projects can lower the cost of financing.

DEVELOPING CAPACITIES OF EXECUTING AGENCIES

Enhance the capacity of executing agencies to plan, implement, and monitor projects efficiently and to operate them and sustain their outcomes.

- Make mandatory the conduct of inception workshops for all IsDB funded projects to all stakeholders involved in project implementation and familiarize the PMU staff with the Bank’s arrangements and procedures, especially on the procurement and disbursement procedures.
- Include an organizational capacity assessment of the proposed executing agency during the appraisal phase and provide tailored capacity development programs on project management to the executing agency.
- Create opportunities (reverse linkage fora and study visits) for MCs implementing similar programs/interventions (such as VOLIP) to learn from each other and share experiences in project implementation and sector work.
- Offer familiarization visits of EA staff to the regional hubs to improve liaison and enhance interaction with IsDB staff.
- Ensure that project teams established within EAs have adequate skills in fiduciary, procurement, legal, administrative, and technical issues to implement a project efficiently and effectively.
ENHANCING RIGOR IN PROJECT PREPARATION

Comply strictly with applicable Bank's policies and procedures and the international norms and standards during project preparation to boost project readiness, ensure better quality at entry, expedite project implementation and achieve development results.

- Ensure that all projects submitted for IsDB financing have pre-investment feasibility studies and preliminary engineering designs with updated costs prepared by experienced consultants.
- Undertake a thorough risk analysis of IsDB-supported projects and assess project-specific vulnerabilities and risks of sector and country macroeconomic issues on project implementation and sustainability.
- Ensure that a results-based framework is an integral part of each IsDB intervention, including baseline surveys data, and set-up of adequate monitoring and evaluation arrangements for project data collection and reporting.
- Conduct regular environmental assessments of all Bank-funded road infrastructure projects.
- Develop IsDB’s internal capacity to prepare a cost-benefit analysis that considers the larger development context, particularly for PPP projects.
- Incorporate – during the preparation stage – provisions for project sustainability in terms of technical, financial, social, environmental, and institutional areas. For instance, capacity development should be started at an early stage to ensure the availability of the required expertise to operationalize and manage the project facility.
- Consider awarding large and complex projects on a turnkey basis for overall effective project management.

IMPROVING PROJECT DESIGN

Improve project designs to meet the needs of different beneficiaries and leverage greater development outcomes.

- Include the construction of ancillary social infrastructures such as schools and health centers as an integral component of transport projects particularly in remote rural areas where poverty is prevalent, to ensure that the poorest are not left out and do benefit from the development outcomes of the Bank interventions.
- Extend the Al-Aqsa Fund Economic Empowerment Program to vulnerable Palestinian families.
benefiting from the restoration projects to boost their economic resilience and sustain their stay in the city. Though critical, the rehabilitation of the houses of the vulnerable population in the old city of Al-Quds cannot alone consolidate their steadfastness if they remain trapped in poverty.

- Capitalize on APIF’s intrinsic role as a catalyst for the development of philanthropy organizations to invest in Education Waqf in partnership and for the benefit of Muslim education trusts in the UK. This would improve the financial sustainability of Islamic schools and enhance Islamic education opportunities for Muslim children from low-income families.

- Use IsDB convening power and brokering capacity to play a pro-active and leading role in raising funds for operations benefiting the Muslim communities. In the past, IsDB special assistance contributions enabled some communities to leverage additional resources for their projects thanks to the credibility and image of IsDB as a trusted intermediary.

- Replicate the successful design of water facilities piloted in Bangladesh which featured raised platforms for the tube wells to safeguard the facilities against adverse environmental conditions due to flooding and contamination.

- Consider providing project financing in local currency in order to be at par with other multilateral development banks to alleviate MCs’ foreign exchange risks and help the MCs’ governments minimize reliance on hard currency.

**STREAMLINING EXISTING OPERATIONAL TOOLS AND PROCEDURES**

Review and expand the existing toolbox for project planning and implementation and devise additional guidelines and approaches based on the principles of development effectiveness to improve project management.

- Develop context-specific operational procedures for fragile states that would promote more accountability and transparency yet offer a degree of flexibility and delegation of authority. For instance, IsDB should establish clear procedures for the Al-Aqsa Fund in Palestine to evaluate and select contractors and suppliers and to qualify the implementing partners taking into consideration the capacity of the institution, the technical know-how, and financial strength. Additionally, IsDB should elaborate on clear guidelines for targeting and selecting beneficiaries in Palestine.

- Define clear selection criteria for prioritizing schools and other organizations that apply for the IsDB special assistance grants.
STRENGTHENING PROJECT SUPERVISION AND MONITORING

Intensify project supervision and monitoring efforts focusing on improving accountability, transparency and knowledge generation.

• Develop an online tracking system for executing agencies to follow up on pending requests and adopt standard response times to enhance IsDB’s internal accountability to its clients and resolve the alarming delays in issuing no-objections and clearing disbursements.
• Organize regular procurement and project implementation clinics through video conferencing to clarify issues in project implementation.
• Allocate adequate resources to undertake more frequent project supervision missions during implementation, especially in the context of increased filed presence.
• Regularize country portfolio performance reviews to assess the portfolio performance, address bottlenecks and boost efficiency.
• Make effective use of the strategic partnership agreements signed with the international development partners to monitor the execution of joint projects.

FOSTERING OF AN EVALUATION CULTURE

• Scale-up IsDB activities aiming at advancing the evaluation culture and knowledge among stakeholders in MCs by leveraging the Bank’s internal resources and cooperating with development partners.
• Develop a strategic framework to guide the sporadic efforts of IsDB in the area of evaluation capacity building.
• Cooperate with the national evaluation associations to support the creation of ecosystems for institutionalizing and sustaining the culture of evaluation.
• Work in partnerships with ECG members and CLEAR centers to deliver workshops to the stakeholders involved in the implementation of the Bank’s projects.
• Provide sponsorship to monitoring and evaluation staff from executing agencies of IsDB funded projects to participate in evaluation workshops and conferences.
• Collaborate with IRTI to review, research and develop materials and a toolkit to conduct IsDB evaluation trainings.
• Continue publication of evaluation reference documents particularly in the Arabic language where the need is most pressing.
FOLLOW UP ON PREVIOUS YEAR RECOMMENDATIONS

In its effort to ensure efficient tracking of the implementation of evaluation recommendations and regularly informing the Board about their progress in a systematic manner, the OED initiated an IT system called STEER (Systematic Tracking of the Execution of Evaluation Recommendations). In this regard, the President of IsDB issued a Business Directive No. 16 to strengthen operations evaluation learning and follow-up on recommendations.

The system will allow more accurate and systematic tracking and follow-up of the implementation of recommendations, and thus contributing to more rigorous use of evaluation findings and recommendations. It will also promote an organizational culture of learning and continuous improvement while reinforcing accountability and learning in evaluations.

In 2019, the OED made 65 recommendations from the evaluations completed in 2019. OED has followed-up with all concerned Complexes regarding the status of implementation of follow-up actions and recommendations from the evaluation activities and progress made. The management prepared and submitted a Management Action Plan (MAP) consisting of 87 actions it intends to take to ensure the implementation of the evaluation recommendations. Overall, management responses and MAPs show its commitment to implement the follow-up actions and recommendations emerging from the evaluations.

The management through the focal person will provide a quarterly update on the progress made on implementing the actions committed by management. This will ensure continuous tracking and will increase the usefulness of the system as an information and accountability tool. In addition to the progress updates, management will be required to self-assess the level of adoption of recommendations.

The OED validates management’s reporting, independently assess the level of adoption of recommendations and report to the Board. For tracking purposes, the following classification of the status of implementation of actions is used: (i) Not Started, (ii) Under Implementation, or (iii) Completed. To draw the attention of the Board, these three levels of implementation will be represented by Red, Yellow and Green flashlights respectively. The report will also highlight if there is a delay in implementation for the actions that are Under Implementation. The report will also include an annex listing all outstanding recommendations as well as those that reached completion during the reporting period. The first such report will be presented to the Board tentatively during December 2020.
CHAPTER 6

THE WAY FORWARD
CHAPTER - 6

THE WAY FORWARD

In 1991, the IsDB established, for the 1st time, its Operations Evaluation function. During 29 years of experience, a lot of changes and improvements have taken place in the way the evaluation function operates and how it fulfills the organization’s learning and accountability enhancement objectives. These transformations also paved the way for the OED to join the ECG, a consortium of the independent evaluation departments of the major international financial institutions. The ECG membership provided an opportunity for the maturity and cross-fertilization of the evaluation function in the Bank and the adoption of global best practices and standards of development evaluation. As a result, the OED helped IsDB to enhance the quality of its operations, governance and management by incorporating evaluation findings into the design of new interventions, development and enhancement of its policies and processes. The focus during these years was to establish the inward-oriented mandate of the function, i.e. enhancing organizational learning and accountability.

It is now opportune to consolidate the achievements, innovate and have a new focus and direction with greater outreach, primarily because of the following driving factors: the socio-economic situation of the MCs, commitment of the Bank to help the MCs achieve the SDGs, role of monitoring and evaluation in the achievement of SDGs, and the need to endow the BED with practical tools to enhance its oversight of the development effectiveness of the Bank’s operations. These challenges require the OED to focus on a new direction in the very near future. Considering these drivers, the OED will put more emphasis on the following priorities:

(i) Reinforce the usefulness and impact of evaluation to make it more influential:
In fact, this is the ultimate goal of the OED’s work and it involves two mutually supportive main levers.

(ii) Strengthening engagement with key stakeholders:
OED’s clients range from BED (through ODEC), IsDB Management, Bank staff, MCs governments, executing agencies and beneficiaries and the development community at large. It is important to ensure that OED ties fitting connections with each of these clients and understands everyone’s real needs. OED will engage all stakeholders through discussions, surveys, and workshops, to analyze and find out their expectations from OED in terms of knowledge content, format and dissemination media. This will culminate with a Knowledge Management and Communication Strategy that will pave the way for the dissemination of evaluation knowledge in order to be valued and used by different stakeholders.

(iii) Enhancing and facilitating access to OED work:
Since 1991, OED produced a significant amount of lessons learned and recommendations. Producing knowledge evaluation is not the end of OED’s work. The knowledge has to be accessed, valued and used. Thus, access to the evaluation knowledge is crucial to
support the reinforcement of usefulness and impact of evaluation. OED will soon, finalize its Knowledge Center or Website which will allow all users to access, through robust search criteria and facilities to its evaluation knowledge database. OED will deepen the use of social media (Facebook, Twitter, etc.), strategic e-mail messaging tools to push specific knowledge to the desktops of targeted audiences. The OED will increase the number of learning events (seminars, workshops, symposiums, etc.) at headquarters and in the MCs.

(iv) Contribute to the strengthening of the MCs’ evaluation and monitoring capacity.
One of the major objectives and commitment of the IsDB MCs is to achieve the SDGs by 2030. However, achieving the SDGs requires country-led evaluation systems made of strong follow-up and review mechanisms to track the progress of the implementation, provide quality evidence for learning, inform policymakers and ensure accountability of all stakeholders. Therefore, it becomes crucial to strengthen MCs’ evaluation capacity and foster an evaluation culture among policy and decision-makers, development agencies, evaluators, academia, civil society, and other stakeholders. OED has undertaken capacity development initiatives for few institutions in MCs. This working axis will be reinforced to contribute to the achievement of SDGs as well as to enhance the capacity of key actors in the development arena in MCs, thus contributing to making the Bank a “Bank of Developers.” To effectively and efficiently achieve such an objective, a 3-year strategy for the MCs Evaluation Capacity Development will be prepared and implemented. This will include the development of strategic partnerships in MCs with key allies such as national evaluation agencies, executing agencies, academia and professional evaluation associations.

(v) Strengthen the follow-up and implementation of evaluation recommendations.
It is important that the evaluation recommendations are implemented. It is also important that a tool is provided to the BED to ensure that these recommendations are implemented to close the evaluation cycle. In this regard, OED will finalize the development and implement the Systematic Tracking of Execution of Evaluation Recommendations (STEER) Platform. The Platform will provide an efficient mechanism for tracking and reporting on the implementation of evaluation recommendations to: (i) increase management buy-in to operations evaluation findings, (ii) enhance the use of findings and learning from evaluation, (iii) ensure accountability for results, and (iv) promote an organizational culture that inspires performance, accountability, and good governance.
ANNEX-1
SNAPSHOT OF PROJECT EVALUATIONS CONDUCTED IN 2019

ANNEX-2
OED 3-YEAR ROLLING PROGRAM
1. THE CHALLENGE

- Natural disasters like cyclones have repeatedly hit the coastal belt of Bangladesh. These caused huge damage to water supply and sanitation infrastructure, leaving behind millions without access to safe drinking water. Damage to sanitary latrines and absence of safe water aggravated poor hygiene practices and increased water-borne diseases.

2. THE SOLUTION

- The project aimed at: (i) ensuring access to safe water to the people of cyclone-prone coastal areas; (ii) promoting environmental safeguards, thereby reducing water-related diseases and post-cyclone environmental hazards; and (iii) promoting hygiene practice and behavioral changes through social mobilization and community participation.
- Project scope included: (a) construction of water supply and sanitation facilities; (b) supply of tools, mobile treatment and desalination units, utility vehicles and equipment, and (c) establishment of water testing laboratory.
- The estimated project cost was USD 17.09 million, of which, IsDB was to provide USD 14.84 million, while USD 2.25 million was committed by the government of Bangladesh. The planned project duration was 4 years.

3. THE FINDINGS

- Most of the project outputs were achieved except for some minor changes in the scope. There were significant improvements in health conditions of about 1.5 million direct beneficiaries of water supply & basic sanitation facilities.
- The project contributed to increasing coverage of clean water supply with an average of 82 persons per water point compared to 98 persons prior to the project despite increase in population.
- There has been an improvement in water quality in the project area with 80% increase in arsenic-free water points.
- Coverage of sanitation facilities (low-cost latrines) in the project area increased from 60% to 75% of households.
- The project was completed timely at the total cost of USD 12.04 million, resulting in a cost underrun of USD 5.05 million. IsDB disbursed 66% of the amount it had committed.

4. THE KEY LESSONS

- The construction of raised platforms for tube wells helped in safeguarding water facilities (tube wells) against destruction by adverse environmental conditions: This addition made it possible to eliminate the perennial flooding of the vicinity of deep tube wells, thereby reducing the incidents of pollution of water sources. It also created clean environments around the tube wells helping in maintaining good sanitation at watering points.
- Improved health conditions can be assured if provision of clean water is matched with adequate and sanitation facilities: The object of combining the provision of clean water and sanitation facilities was to achieve health outcomes. However, there seemed to be over concentration in the provision of clean water with little commitment to the sanitation aspects of the project. Whiles many positive results are recorded on the water supply side, very little was achieved relative to hygiene and sanitation.
PROJECT PERFORMANCE EVALUATION OF THE MICROFINANCE PROJECT IN CHAD

1. THE CHALLENGE

- Access to finance is a major challenge for the people in Chad, especially for women and youth. As of 2008, only 3% of the population had access to finance, the lowest rate in sub-Saharan Africa. Additionally, conventional microfinance also had some cultural barriers in terms of acceptance by the population due to requirement for collateral and involvement of interests.

2. THE SOLUTION

- The government of Chad, with a support from the Islamic Development Bank (IsDB), introduced the Islamic microfinance services that are more inclusive, compatible with the socio-cultural context and suitable for unbankable women and young micro-entrepreneurs.
- The cost of the project was USD 7.4 million, out of which USD 6.0 million were channeled through a line of credit to selected microfinance institutions (MFIs). The Government of Chad contributed USD 0.77 million.
- The project was implemented in five regions of the country - Salamat/Ouddai, Batha, Hadjer, Lamis, Chari - Baguermi and Lake Tchad. It included five components: (i) Development of project scheme, (ii) Extending microfinance line of credit, (iii) Facilitating capacity building for the participating MFIs, Microfinance Unit and the Program Management Unit (PMU), (iv) Providing training to beneficiaries, and (v) Conducting seminars, audits, supervision and preparing a project completion report.

3. THE FINDINGS

- IsDB disbursed USD 5.96 million for the project (88.9% of the planned amount). This provided 2,982 women and young entrepreneurs access to Islamic finance, thus helping them create and grow their businesses. Each group consisted of about 15 members and the loan varied from FCFA 600,000 to FCFA 1.5 million (USD 1,000 to USD 2,500) depending on the type of activity. Besides group loans, individual loans of up to FCFA 1 million (USD 1,700) were also given to entrepreneurs. The project reached 8,400 beneficiaries, 60% of whom are women.
- The project implementation was delayed by four and a half years as the responsibility for the project had changed hands between at least three ministries during implementation. Two of the planned components were not implemented. These are facilitating capacity building for the participating MFIs, Microfinance Unit and the PMU; and providing training to beneficiaries. Also, the project lacked adequate internal monitoring and supervision.

4. THE KEY LESSONS

- Islamic microfinance is a viable alternative especially for those not covered by the conventional financial inclusion initiatives. It allows beneficiaries to access interest free loans with a guarantor and without having to put any collateral. This particular initiative successfully targeted marginalized populations in regions of the country with limited or no presence of financial institutions.
- Implementing partners should sow commitment to Islamic Finance and receive specialized training to ensure Shari'a-compliance in Islamic Microfinance projects. Since some of the participating MFIs didn’t have a clear understanding of contractual obligations in Islamic Finance and were not fully committed to strictly applying them, they often mixed their Islamic financing offerings with conventional microfinance products, posing serious credibility issues and other risks for the project.
1. The Challenge

- Access to quality and affordable health was a major challenge for the population in all regions of Djibouti, especially for women and youth. The health sector in Djibouti is characterized by the weakness of the health structures, the lack of medical equipment and expertise, high incidence of infectious diseases, and alarming maternal and infant mortality rates.

2. The Solution

- The project aimed at improving access to quality healthcare services while reducing regional disparities between the regions and Djibouti city by:
  a. Building a modern hospital outfitted with 100 beds and necessary equipment in the Ali Sabieh region.
  b. Training medical and para medical staff to be posted to the hospital at the end of the training.
- The scope consisted of four components: i) Civil works; ii) supply of necessary goods; iii) training of medical and para-medical staff; and iv) services and implementation support.
- The total project cost at appraisal was USD 14.18 million, out of which IsDB was to contribute ID9.1 million (equivalent to USD 13.54 million) as loan.
- The financing was approved in August 2010, and the project was to be implemented in 3 years.

3. The Findings

- The Hospital commenced operations in March 2016, thus incurring a delay of 24 months and a slight cost overrun of 6.3%.
- The Ali Sabieh Regional Hospital was built and duly equipped, with a bed capacity of 117, which is 17% more than planned.
- The total number of days patients stay in a hospital after admission jumped more than threefold, going from 2,944 in 2017 to 9,891 in 2018, recording a sharp 236% increase.
- The number of outpatient admissions reached 38,321 in 2017 and 28,602 in 2018, and the number of surgical operations conducted were about 300 in 2018. The number of cesarean sections increased by 75% between 2017 and 2018 to hover around 200, and the number of normal deliveries decreased by 4.5% to settle at 634 births in 2018. Currently the average occupancy rate of the inpatient facilities of the hospital is 84%.
- The regional disparities have been greatly reduced, as evidenced by the number of transfers of patients to hospitals in Djibouti city which dropped from 180 in 2016 to 63 in 2018, i.e. a 65% decrease.
- Despite the government commitment, the sustainability of the project is at stake due to (a) delayed reimbursements from the social security fund and the low fees collected from patients, (b) the lack of local qualified physicians as 92% of medical doctors employed by the hospital are Cubans and only one doctor from among the 15 trained persons is currently working at the hospital, and (c) risk of inadequate sterilization and absence of a proper waste management system.

4. The Key Lessons

- The proper identification of training needs for health workers and their subsequent mandatory posting to the hospital after completing the training is vital to sustaining the project benefits. Out of the 15 medical staff trained by the project, only one is currently working at the hospital.
- The stability of the project team and consultant is key to the efficient execution and effective monitoring of the project activities thus to the success of the project. The consultant left the project site before the end of the works and did not take part in the provisional acceptance. This impacted the last deliverables and the final finish of the project.
1. THE CHALLENGE
- The Haut-Ogoué province in Gabon has great forestry resources, and produces many crops including banana and vegetables. The Akieni-Okondja traffic flow was frequently cut off due to the slippery and muddy condition of the road and the absence of drainage culverts during rainy seasons.
- The construction of the Akieni-Okondja paved road, which is part of National Road 7, intended to facilitate the transport of goods and passengers in the province and serve as an alternative to National Road 3 (RN3) which is almost degraded.

2. THE SOLUTION
- The project aimed at improving the transfer of goods between rural areas and economic centers thereby ensuring national integration, through the construction of 74 km road linking Akieni to Okondja both in East-Central Gabon.
- In addition to the road, the scope of the project included review of existing studies and supervision of works, support to the PMU, and audit.
- The estimated project cost was €71.57 million, out of which IsDB pledged to provide €71.22 million. The project was to be completed in 48 months.

3. THE FINDINGS
- The main project outputs including land acquisition and construction of a 74 km Akieni to Okondja road with the associated drainage system were achieved as planned. However, the 3 weighing stations were not constructed and the PMU was not established.
- The project reduced travel time between Akieni and Okondja from 3 hours to about 1 hour, and the transportation cost by 25% to 30% for passengers between Okondja and Franceville.
- Moreover, the road facilitated the transportation of students and patients from the surrounding villages to the nearby towns where schools and medical facilities are located.
- In addition, the project created a demand for local agricultural products, thus increasing their prices and improving the farmers’ livelihoods.
- At completion, the project costed €60.77 million, i.e. a 15% cost underrun compared to appraisal, primarily due to poor estimation of earthworks at the design phase, non-delivery of the weighing stations and non-execution of the audit component. The project recorded an implementation delay of 37 months, due to non-familiarity of the executing agency with IsDB procedures; the deficiencies of the updated engineering studies; and the lack of competence on the part of the worksite superintendents appointed by the contractor.

4. THE KEY LESSONS
- Tackling expropriation and land acquisition issues before the execution of civil works would limit unexpected changes in the scope of the project. The road was shifted during execution to avoid a long-established coffee farm which provided livelihood for many ultra-poor residents. This was not foreseen and tackled in the design stage.
- The non-familiarization of the Executing Agency with the procedures of the IsDB would contribute to the delay in project implementation. The cancellation of the start-up workshop - though planned - led to dropping the PMU support component because of procedural flaws. In turn, the absence of the PMU was detrimental to the smooth implementation of the project.
PROJECT PERFORMANCE EVALUATION OF SUPPORTING THE ELECTRICITY TRANSMISSION SYSTEM PROJECT, JORDAN

1. THE CHALLENGE

• The Annual electricity demand growth in Jordan was expected to reach about 7.4% up to the year 2020, and this would affect the loads in the national grid. Hence the expansion of many existing substations as well as establishment of new substations and transmission lines deemed necessary.

2. THE SOLUTION

• The Supporting Electricity Transmission System Project aimed at increasing the reliability of the unified power system in Jordan through strengthening the power transmission grid. This was to be achieved by installing two new substations at Amman City Centre and South Madaba City and connecting them to the national grid, as well by installing a new transmission line between Al Salt and Al Sweima Substations.

• The scope consisted of the procurement, erection and commissioning of the following main components: (i) 132/33 kV City Centre Substation; (ii) 132/33 kV South Madaba Substation; (iii) 132 kV Al Swaima - Al Salt transmission line.

• The total project cost at appraisal was £53.54 million, to be implemented in 30 months, out of which £45.94 financed by IsDB.

3. THE FINDINGS

• The project outputs were delivered as planned. As a result, electricity supply has increased by 554 MWh to Amman City and by 401 MWh to South Madaba in 2018.

• The project was completed within budget, with some delays. Amman City Centre Substation and South Madaba Substations Substation were completed with delays of 14 and 16 months respectively. The 132 kV Al Suwaimeh - Al Salt transmission line also faced a delay of 40 months because of complexities in the procurement process.

• The actual cost of the project at completion stood at £46.57 million, recording a cost under-run of £6.97 million (15%) due to receiving lower than expected bids.

• The project is operationally sustainable thanks to the technical capacity of the Executing Agency, NEPCO; the financial sustainability of the project remains questionable given Government’s high subsidy for the electricity sector.

• Currently the country has an excess capacity of around 34% remaining idle, which if exported, the Executing Agency could have better financial sustainability and reduce the load on government subsidy.

4. THE KEY LESSONS

• Relying on highly experienced Executing Agencies for the consultancy role could drive the project into success. The role of the Executing Agency (NEPCO) as Consultant has been central to the completion of this project and its success. After sufficient due diligence on the capacity of the Executing Agency, entrusting the strong ones with the consultancy role helps reduce the cost and improve effectiveness as was in the case for this project.

• Acceptable flexibility in the procurement processes for projects with multiple contract packages for different components can help avoid huge delays. The main delay of the project was in the procurement stage of the transmission line (Towers package) due to receiving only one offer. Having the scope of negotiation with the client for accepting single bidder could expedite the project completion.
PROJECT PERFORMANCE EVALUATION OF RECONSTRUCTION OF THE BORDER OF SOUTH KAZAKHSTAN OBLAST - TARAZ ROAD SECTION

1. THE CHALLENGE

- The Government of Kazakhstan prioritized a large undertaking of USD 6.7 billion for the construction and improvement of the 2,553 km of its roads along the Central Asia Regional Economic Cooperation (CAREC) Corridor 1, linking Western Europe with Western China from its border with China to its border with Russia.

2. THE SOLUTION

- Donors like ADB, WB, JICA, EBRD and IsDB participated in the financing of the investment program. At the request of the government of Kazakhstan, the IsDB participated in the reconstruction of a 58.1 km section (Reconstruction of the Road Section Border of South Kazakhstan Province and Taraz City Project).
- The Project was approved by the IsDB in February 2009, and its overall objective was to improve the efficiency and safety of the transport system in the Zhambyl Province.
- The project scope included construction of 58.1 km road section (between Km 536 and Km 593 of the road) from the border of the Southern Kazakhstan Oblast to Taraz city. The total cost was USD 190 million, in which, the IsDB financing amount was USD 170 million and the government financing was USD 20 million. The project aimed at (i) increasing traffic volume; (ii) reducing travel time; (iii) reducing vehicle operating costs VOC, and (iv) reducing number of road accidents.

3. THE FINDINGS

- The project outputs were delivered exactly as stated in the Project logical framework. These outputs led to traffic volume increase from 4,000 vehicles per day to about 7,500 vehicles per day, reduced travel time to at least by half along one of the largest transport corridors for transit cargo carriers, increased economic activities along the road, improved road safety (reduced accidents), and enhanced performance of the national construction industries.
- The project was completed timely and within its approved budget. The construction was completed within the project budget and 6 months earlier than scheduled. The IsDB financing disbursed USD 170 million as planned.
- The project is operationally sustainable without major defects. Six years after the road completion, there were no major road defects. The road quality of the IsDB segment was the best one among all other segments undertaken by other financiers. The quality of the concrete cement-based road is much better than an asphalt road, which makes the road more sustainable and less susceptible to defects. The Project road has sufficient budget allocation for 2019-2020 for minor, routine, emergency repairs and medium scale maintenance.

4. THE KEY LESSONS

- Ensuring the existence of adequate national environmental and social safeguard measures in a project involving land acquisition and resettlements is fundamental to achieving social development impacts. In this Project, social safeguards were properly dealt with. The government realigned its national social safeguards with the ADB’s safeguards policy and international standards and good practices. Thus, the affected people and their businesses were compensated fairly and adequately.
- Timely recruitment of Construction Supervision Consultant (CSC) and Project Management Consultant (PMC) of an infrastructure project leads to smooth project implementation. Minconsult (PMC) and Alhandasah (CSC) helped supervise the contractor’s work on a daily basis to strengthen the management and implementation capacity of the executing agency, and to monitor results and outcomes.
3. THE FINDINGS

- The project delivered above target: A 20.7 km rehabilitated all-weather road has been constructed. The project also accommodated several modifications to suit local needs including upgrading the underground aging potable water supply pipelines, relocating fiber optics communications networks, and installing a wastewater network.
- Connectivity to and from the project area is restored bringing the Shebaa and Hebbariyé villages out of isolation.
- Social cohesion and interaction are boosted. Those who left their villages during the Israeli occupation visit their villages, family and friends more frequently now.
- Vehicle Operating Costs reduced. Car accidents and travel time have reduced to less than half and calls for road rescue have decreased by 90 percent.
- Up to 70,000 men days of employment opportunities were created, 90% of which were for Lebanese laborers.
- The overall economic potential is enhanced- land value has increased, transport costs of commodities and consumer prices are reduced, touristic and leisure activity is also budding.
- However, accommodating the variations has increased the costs of the project by 69% to USD 11.21 million, of which IsDB financed USD 4.56 million (41%) and GoL USD 6.65 million (59%, almost 4-fold the original commitment).
- In parallel, a slow startup, the variations, and weather inclemency stretched the execution of civil works to 6 years and overall project implementation to 10 years. The project was completed in December 2018, seven years from the planned date.
3. THE FINDINGS
- The total cost of the project at completion stood at USD 2.3 million, 48% of the cost estimated at appraisal. The cost overrun resulted from slow implementation, and non-execution of some of the project components. The Bank disbursed 52% of its initial commitment of USD 3.1 million.
- Despite low disbursement, the project achieved some of its planned outputs such as:
  i) Procurement and distribution of 255,422 Long Lasting Insecticide Treated Nets and Rapid Diagnostic Tests (RDTs) kits in the five regions;
  ii) Procurement of six utility vehicles (4x4 Mitsubishi L200), office furniture and equipment for the National Program’s office in Nouakchott and as well as for regional offices in the five-targeted areas;
  iii) Capacity building and training of health workers (lab technicians, public health officers, etc.) on Malaria treatment in the targeted areas in collaboration with UNICEF; and
  iv) Production of Information-Education-Communication materials to raise awareness of the targeted population.
- Provision of Kits for Community Health Workers, Operational Research on the overall treatment and management of malaria, and monitoring, supervision and audit components of the project were not implemented.
- Several stakeholders reported that there is a disconnect between malaria control strategy and actual implementation on the ground.
- The project faced a 17-month delay mainly due to the lack of capacity at the Project Management Unit and non-adherence to the IsDB procurement rules, which led to slow implementation of the project.

4. THE KEY LESSONS
- Inadequate capacity of PMU and non-adherence to IsDB procurement rules can adversely affect overall project implementation. Better orientation to IsDB procurement rules and follow-up between IsDB and the National Malaria Control Program, the Executing Agency, could have mitigated the delays encountered and premature closure of the project.
- Better coordination among stakeholders is vital to effective eradication of Malaria: At the National Program for Malaria Control, continuous engagement with all partners such as the Regional Health Directorates, CAMEC, UNICEF, WHO and The Global Fund is crucial in ensuring that there is synergy in the fight against malaria. Weak linkages were also reported between the National Malaria Control Program and the community health system at the forefront in the fight against malaria.
1. THE CHALLENGE
- Morocco experienced about 7% increase in electricity demand during the years 2004-2012 due to strong economic growth and an ambitious rural electrification program, which includes extending access to electricity for the entire Moroccan population. Morocco required addition supply of energy to meet the growing demand.

2. THE SOLUTION
- ONEE-BE, the national electricity company, decided to install the 300 MW Kenitra power plant to meet the high demand for electricity, particularly the additional demand during peak hours.
- A consortium between GE and Cegesol was to be awarded an Engineering, Procurement and Construction (EPC) TurnKey contract to supply fuel-flexible gas turbines for the 300MW Kenitra power plant. They will supply three GE Frame 9E gas turbines that burn heavy fuel oil (HFO) with distillate as a back-up.
- Cost of the Kenitra power plant project estimated (at reappraisal) at €211.3 million, of which €168 million was to be financed by IsDB.
- Project was planned to be implemented, and transformed into a combined cycle at completion, in 25 months.

3. THE FINDINGS
- The project achieved construction and commissioning of the Kenitra power plant having three GE Frame 9E gas turbines with 315 MW Operating power on time and within budget.
- The plant has generated 500 Gwh, 437 Gwh and 402 Gwh respectively from 2012 to 2014. Generation decreased as the plant usage has decreased basically because the operational cost is higher than other available plants.
- The high demand for electricity was met regularly without any interruption despite demand increasing from 24 TWh/year in 2008 to 37 TWh/year in 2018.
- The percentage of the rural population having access to electricity increased from 95.4% in 2008 to 99.6% in 2018.
- However, the gas turbine power plant was not converted into combined cycle (dual fuel) in 2 years after commissioning as planned at appraisal due to the lack of access to natural gas.

4. THE KEY LESSONS
- The Engineering, Procurement and Construction (EPC) contract, along with strong supervision from the executing agency, leads to an effective and efficient project implementation. ONEE, the executing agency of the Kenitra Power Plant Project, Morocco, set up a robust supervisory team to monitor the EPC contractors. Consequently, the project was implemented effectively, on time, within the budget.
- When planning a Combined Cycle power plant, availability and smooth supply of natural gas should be ensured for the power plant to be effective. The Kenitra Power Plant Project, Morocco could not be converted into combined cycle at completion as planned due to the lack of access to natural gas, reducing the use of such a costly investment for back-up purpose only.
1. THE CHALLENGE

- There are about 5 million Palestinians living in the West Bank, Jerusalem, and the Gaza Strip who have been subject to Israeli occupation policies which restricted their movement, and negatively impacted the Palestinian economy by keeping the investment and production levels extremely low. Also, living conditions have been deteriorating. The poverty rate is extremely high (29.3% in 2017) with 53% of the population in the Gaza Strip and 13% of the population in the West Bank living below the poverty line. Supporting Palestinians to remain steadfast and improve their resilience is thus necessary.

2. THE SOLUTION

- The Al Aqsa Fund was established in 2002 to provide support programs to meet the key Palestinian development needs and objectives in a variety of economic and social sectors. The management of the Fund was delegated to IsDB.
- The Fund focused on financing major sectors such as social services (education and health), infrastructure and housing (rehabilitation of historic sites), agriculture and integrated rural development, trade and the economic empowerment of poor families.
- The total committed contributions to the Al-Aqsa Fund reached USD 1.4 billion, of which USD 705.29 million was disbursed as of December 2018.
- A total of USD 48.5 million was disbursed to projects involving the rehabilitation and renovation of old buildings in the city of Al-Quds as means for improving the living conditions of the Palestinian residents, strengthening their resilience and preserving the Islamic and Palestinian identity of the city.
- In the rural and agriculture sector, Al-Aqsa Fund has invested USD 148.36 million in 51 projects that aimed to enhance the resilience of Palestinian farmers by improving their access to quality agricultural services.

3. THE FINDINGS

- The restoration projects have achieved their overall objectives by renovating a total of 1,259 private buildings that are home to 1,355 households, 4 courtyards, and 26 public buildings. It is estimated that Al-Aqsa Fund has been behind the restoration of 23% of the homes in the Old City of Jerusalem.
- The outputs from agricultural development projects included the opening of 107 kilometers of agricultural roads, the reclamation of 269.3 hectares of previously unutilized agricultural land, the construction of 423 water collection cisterns, 21 ponds (with a total holding capacity of 229,154 cubic meters of water), 48,659 square meters of retaining walls to prevent soil erosion and degradation, and planting of at least 38,300 fruit trees in reclaimed lands.
- Three water dams were constructed benefiting at least 500 households, a National Agricultural Gene Bank was established and equipped, and nine veterinary mobile clinics were instituted.
- Some unforeseen implementation delays were encountered across all projects evaluated, but these did not involve cost over-runs or have a bearing on final outcomes.
- The lack of careful planning and experience in operating large-scale water projects weakened the overall likelihood of sustainability of these projects.

4. THE KEY LESSONS

- The careful selection of development partners is critical to obtaining transformational impact and good project performance. Partners with strong political mandate UNDP, PECDAR, and JAWD brought credibility, technical capacities, and expertise to ensure the effectiveness of IsDB support.
- Delivering effective rural development initiatives requires careful alignment and coherence between design and implementation processes. Most of the agriculture development projects fell short of achieving their intended objectives due to the lack of well-coordinated and multi-sectoral approaches.
- The local context created by the Israeli occupation constraints project implementation in Palestine. Efficient project implementation requires realistic development objectives, targets, and implementation timelines.
1. The Challenge

- Senegal is determined to confront the challenges it is facing in meeting the development goals of the country. These include a high rate of poverty, low literacy, unskilled labor and inadequate access to financing among the youth and the women, particularly in the rural areas.

2. The Solution

- Senegal was selected as one of the pilot countries to implement VOLIP because of its modest achievements in the MDGs, particularly on education, gender equality, adult and youth literacy rates. The VOLIP program for Senegal aimed at providing:
  - access to alternative basic education to 9-15-year-old out of school children,
  - vocational and literacy training for employment to young adults aged 16-24 years, and women workers, and
  - access to microfinance for the youth and women who received vocational training.
- The program for Senegal was approved for USD 14.55 million with ISFD contributing USD 11.75 million, targeting the Diourbel and Kaffrine regions. The program was planned to be implemented in 5 years.

3. The Findings

- The Program provided access to alternative basic education to 4,681 out-of-school children (compared to a target of 7,600) through 190 Basic Community Schools and 8 resource centers contracted by the program. The program recruited and trained 200 volunteer teachers and 40 supervisors. 2,880 Youths received vocational and literacy training (compared to a target of 3,000). 212 artisans also received apprenticeship training in vocational skills such as woodwork, metalwork and masonry.
- 9,996 Women were trained in functional literacy, numeracy and various vocational skills such as sewing, fabric tie & dye, soap making, hairdressing and small-scale food processing mills, sewing and decorticators (compared to a target of 10,000). In addition, 123 food processing machines were provided to the newly formed women-owned micro enterprises.
- 578 Micro enterprises were formed and trained (compared to a target of 600). 85 micro enterprises received financing through Murabaha.
- At completion, the actual project cost stood at USD 18.7 million, 28.6% more than what was planned. ISFD disbursed almost the full amount as planned and the Government contributed USD 6.56 million make up for the gap. The project faced a 24-month delay, mainly due to delays in mobilizing multitudes of partners and recruitment of training operators.

4. The Key Lessons

- Poverty alleviation program design should have an integrated approach in order to address the root causes of poverty and provide solutions to many challenges faced by rural communities. In case of the VOLIP Senegal, access to education, skill training and functional literacy, combined with access to finance, were instrumental in meeting the needs of the women and youth groups.
1. THE CHALLENGE

- The National Road 1 (RN1) is the only paved road linking the Southern and Northern parts of Togo. This limitation makes the transport of goods and passengers challenging. The construction of Bassar-Katchamaba road was an important segment of the National Road 17 (RN17), which could serve as an alternative to RN1, and could ease the transportation between South and North of the country.

2. THE SOLUTION

- The project was to construct a 26 km all-weather, paved road including land cleaning and preparation, earthworks, pavement drainage, 13 culverts, 2 bridges, traffic signs, rehabilitation of 5 schools, installation of 4 water points in villages located along the road, and procurement of axle load control equipment.

- The project also included consultancy services to review and update the existing detailed engineering design, preparation of tender documents and supervision of the civil works.

- The environmental and social measures component of the project included land acquisition, resettlement compensation, and implementation of the environmental management plan.

- The project envisaged support for the PMU and Direction Générale des Travaux Publics, audit and a start-up workshop.

- The estimated project cost was USD 43.4 million, to be completed in 36 months.

3. THE FINDINGS

- All the project outputs have been achieved, including a paved 27 km road, 15 culverts (13 culverts were included in the original design and 2 were constructed in lieu of the 2 bridges to optimize the cost), 5 schools and 4 public potable water points as planned, and a health center, which was not part of the original scope.

- The project reduced the travel time from Guerin-Kouka to Katchamba from 2 hours to about 30 minutes after the completion of the project.

- In addition, the project increased the security of drivers and passengers as the number of robbery incidents decreased drastically after the completion of the project. The project also eased transport of people and goods among the villages in the western region.

- The number of small businesses has increased along the road and the prices of some agricultural products have increased to respond to the higher demand.

- At completion, the project incurred an actual cost of USD 46.2 million, i.e. 6% overrun compared to the appraisal estimate of USD 43.4 million. The project recorded a delay of 32 months due to late effectiveness of the project, the slow execution of the civil works, the update of the feasibility studies, and the delayed mobilization of the consultant staff to the project site.

4. THE KEY LESSONS

- The construction of ancillary social infrastructure and associated facilities: such as schools and health centers ensure that the ultra-poor are not left out and do benefit from the development outcomes of the Bank’s interventions.

- The selection of the lowest bidder is not always in the project’s best interest. One of the major problems faced during the project implementation was the weak financial and organizational capacity of the contractor. This delayed the execution of the civil works, contributing to the 32-month delay in project completion.
3. THE FINDINGS

- The program resulted in installation of 658.6 MW of new Renewable Energy (RE) generation capacity, which is 245% of the target (350 MW). The program added 3,276 GWh/year of electricity to the national grid using Renewable Energy resources, which is 262% of the initially planned 1,250 GWh/year at appraisal. On the other hand, the program contributed to reducing CO2 emissions by 1.8 million tons (compared to an initial estimation of 740,000 tons). The 10 implemented Energy Efficient projects resulted in aggregate annual energy savings of 1,612 TCal/year.

- The IsDB co-financed 10 RE projects for a total of USD 224 million (70% of the total IsDB financing for the program) and 10 Energy Efficiency projects in Cement, Steel and Paint factories for USD 96 million, representing 30% of the total IsDB financing.

- The total cost of the program stood at USD 1.73 billion, 215% of the total planned amount of USD 800 million, of which, USD 320 million was financed by IsDB as planned. On the other hand, the contribution of other financial institutions and project sponsors increased significantly to USD 1.12 billion and USD 290 million, respectively.

- The feed-in tariffs set by the government of Turkey are sufficient to ensure the financial sustainability of the RE projects for at least the first 10 years of operation for each of the projects.

4. THE KEY LESSONS

- Strong government support and experienced financial intermediary ensure successful program implementation: The technical capacity of the executing agency TSKB coupled with guarantees feed in tariffs provided by the government led to the success of this program.

- IsDB flexibility in adapting to an alternative mode of financing plays an important role in successful implementation of the program: IsDB’s nod on the change from planned Line of Finance to Restricted Mudarabah during implementation was a catalytic factor in speeding up the implementation and increasing the efficiency of the program.
1. BACKGROUND

- The IsDB launched the Special Assistance (SA) Program in 1400H (1979G), with the aim of promoting the development of the Muslim Communities in Non-Member Countries (NMCs) in the areas of education, health, and social welfare. The program also aims at alleviating the sufferings of communities afflicted by natural and man-made disasters in both IsDB Member Countries (MCs) as well as in IsDB NMCs.

- The IsDB approved 23 Special Assistance (SA) Operations worth USD 7.5 million of Grant financing for the Muslim Community in the United Kingdom (UK) focusing on three major areas: Education (16), Youth Employment (3) and Community Centers (4). Out of these, 21 operations (USD 7.1 million) have been completed, one (USD 200,000) has been cancelled and another (USD 200,000) is under implementation.

2. RECOMMENDATIONS

- IsDB, with close collaboration with the Muslim umbrella organizations, should conduct a need assessment exercise to understand the unique challenges the Muslim community is facing and accordingly design its Strategy for its operations in the UK.

- IsDB should have a clear and well-designed selection criterion for qualifying Islamic schools for IsDB grants, and an effective continuous monitoring system to ascertain whether the financed schools are performing well.

- IsDB should give importance to non-education sector, such as combating youth unemployment, crime, improving image in society and media outreach.

- To improve the financial sustainability of Islamic schools in the UK and enhance Islamic education opportunities for Muslim children from low income families, APIF may consider investing in Education Waqf in partnership and for the benefit of Muslim Education Trusts that run Islamic schools. In addition, the Bank may consider providing scholarships for bright students from lower income families to cover tuition fees in the UK.

- IsDB should use its convening power to play a proactive role in resource mobilization for operations benefiting the Muslim community from various sources in the UK as well as from other IsDB member countries.

3. KEY ISSUES

- Changing needs: The needs of the Muslim community in the UK have evolved over the past 25 years since IsDB’s first operation. There are several international and national issues that are directly affecting the Muslim communities in the UK such as rise in youth unemployment, violence and hate crime.

- Communication and media: Muslim communities are the victim of a negative portrayal by the media in the West, and the UK Muslim communities are not immune from it. Whilst the communities are doing many commendable works – these activities rarely find their way to the mainstream media.

- Lack of clear selection criteria: There is no clear selection criterion for potential operations, particularly for the education sector operations. There is a need for better understanding of the beneficiary activities, their relative importance in the community and using this information to better prepare the operations and allocate resources optimally.

- Lack of visibility of community outreach program: SA program in the UK achieved significant progress and results albeit limited resources. However, the lack of visibility of this program has affected the program performance in terms of attracting high impact operations and limited the opportunities for resource mobilization and partnerships.

- Lack of Partnership-centred approach: Addressing the challenges of the UK Muslim community require significant amount of financing that the Bank cannot meet alone without developing partnerships with donors, philanthropists and other stakeholders. Similarly, the Bank did not interact with local Muslim umbrella organizations such as Association of Muslim Schools (AMS) and the Muslim Council of Britain (MCB) to well define the needs of Muslim communities in UK and prioritize them.

- Resource Mobilization: IsDB’s average grant size for the UK is USD 327,000 per project, which is relatively small. However, IsDB can amplify its efforts by mobilizing additional resources from other philanthropic sources using IsDB’s convening power.
1. BACKGROUND

- ISDB undertook an Interim MCPS exercise in 2013 to re-engage with the country. The Interim MCPS covered a period from 2014 to 2015 and identified four focus areas of engagement: (i) Supporting Healthcare Services; (ii) Skills Development; (iii) Improving Sea Transport; and (iv) Building Capacity.

- An indicative ISDB Group financing amounting to USD 65 million was earmarked for the MCPS. During the MCPS period, the Bank Group approved operations worth USD 152 million (134% higher than planned amount). The four focus areas identified in the interim MCPS were well aligned within the priorities of the National Development Plan of the country, especially the four core areas identified in the National Development Plan – (i) infrastructure; (ii) education & skill development; (iii) health; and (iv) agriculture.

2. THE KEY LESSONS

- It is important to ensure counterparty funding before starting to implement the project to avoid delayed and stalled project.

- ITFC trade finance has a potential to boost the economy of Suriname if the right sensitization is undertaken and capacity development is provided to the public and the private sectors.

- Organizing regular procurement workshops for the Executing Agencies staff enhances their technical capacity.

- Adequate time and resources spent in project preparation can avoid situation of project cancellation or a scope change.

- Establishment of local facilities, such as soil laboratory will help the country in the long-term to enhance its project implementation capacity.

- Frequent changes of a focal point at ISDB impedes project implementation.

3. MAIN RECOMMENDATIONS

- Develop an online tracking system for EAs to know the progress of their requests for No Objections and Payments. In parallel, establish accountability guidelines on Standard Response Procedures and Response Time within ISDB.

- Organize regular procurement and project implementation clinics through video conferencing to clarify issues faced in project implementation.

- Expedite operationalizing Suriname Regional Hub, and until then explore other conduits to engage more with the EAs during project implementations.

- ITFC should consider reducing the minimum disbursement threshold for imports from USD 100,000 to USD 50,000 and consider having one commodity per financing facility to reduce transaction complexity.

- ICD should assist Trust Bank Amanah in sourcing additional equity investment through ICD’s global network of Islamic banks. Furthermore, ICD should review pricing of the line of finance to make it more competitive in the local market.

- IRTI should continue organizing demand-driven and tailor-made training programs in the Islamic Finance sector to respond to the increasing demand for training in Islamic Banking and Finance in the country.

- For the upcoming ISDB Group MCPS in Suriname, ISDB Group may consider: (i) focusing on industries where Suriname has a comparative advantage such as improving the agricultural value chains; (ii) support Islamic Banking Sector in Suriname through capital injection in participating banks. Suriname has excellent potential to become a regional hub for Islamic finance and banking. ISDB’s continuous support is needed in this regard.
## OED 3-YEAR ROLLING PROGRAM

### Evaluation Product

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