



## TERMS OF REFERENCE (ToR): CONSULTANCY SERVICE FOR CORPORATE EVALUATION OF IsDB AWQAF PROPERTIES INVESTMENT FUND (APIF)

### 1. BACKGROUND AND RATIONALE

1.1 The Independent Evaluation Department (IEvD) of the Islamic Development Bank Group (IsDBG) reports directly to the IsDB's Board of Executive Directors (BED). IEvD is an independent and specialized organ of the Bank with the prime responsibility to plan, design, and conduct the evaluation of the operations funded by IsDB in line with internationally recognized evaluation principles. The primary objective of the IEvD is to conduct project, sector, corporate, thematic, process, program, and country assistance evaluations, covering the activities of the IsDB. Evaluations conducted by IEvD provide a robust assessment of the relevance, effectiveness, and efficiency of the IsDB's interventions and the sustainability of the development results achieved.

1.2 IEvD has planned to undertake a corporate evaluation of the Awqaf Properties Investment Fund (APIF) to assess the achievements of the fund's supported projects, APIF strategies to achieve objectives of the fund, adopted business process, the social and economic benefit of supported beneficiaries, financial and program sustainability, and value addition to the IsDB strategic objectives. This evaluation is expected to yield lessons and recommendations for enhancing the effectiveness and impact of the APIF.

1.3 The Awqaf Properties Investment Fund (APIF) was established in 2001, by IsDB and nine other institutions with a paid-up capital of USD 50 million. As of now, APIF has paid-up capital USD114.5 million, contributed by 19 investors. The Islamic Development Bank (IsDB) is managing APIF with the largest share of USD 30 million, which represents 26% of the fund's equity, and a revolving line of finance facility of USD 100 million to APIF to increase its resources for funding projects. (Task Force Report, 2022)

1.4 APIF aimed to revive the sunnah of Waqf and to institutionalize IsDB's approach to Awqaf promotion by funding the development of financially viable Awqaf properties in IsDB member countries and non-member countries, for the benefit of Muslim communities. (Ref: [APIF Regulations](#) and [Investment Policy](#)).

1.5 APIF provided financing to entities managing or holding Waqf properties, in line with Sharia principles, to develop these properties based on financial feasibility and social returns associated with the concept of Waqf. APIF enables its shareholders to generate income returns from property development and social returns in the form of assistance to Waqf property holders for developmental and charitable purposes.

1.6 APIF operates by financing the purchase or construction of physical real estate assets that generate returns using Sharia-compliant modes of finance. The returns generated are used to pay back the fund, with residual amounts supporting the beneficiary's activities during the repayment period. After this period, the asset is registered as a Waqf, and all income generated goes to the beneficiary, providing a sustainable source of income for socially desirable activities.

1.7 In June 2022, based on the Risk management committee (RMC) advice, H.E. the President, IsDB established a Task Force to conduct a thorough review of the APIF Portfolio covering aspects mentioned in the (Administrative Decision no.23). The Task Force Report, released in October 2022, revealed that the APIF portfolio is currently characterized by several issues, namely non-performing loans (NPLs), documentation gaps, and delayed implementation. The report included a portfolio analysis, highlighted the main trends, and provided recommendations. However, the report did not cover the assessment of the development results achieved by the APIF funded portfolio.

1.8 A detailed Financial Situational Analysis of APIF has been done by an independent consultant company called **"Future Investments"**. This review and analysis found out that APIF's annual dividend or return is relatively low as compared to similar investments.

1.9 This evaluation aims to evaluate APIF's social impact, which is different from the financial assessments conducted previously. Financial evaluations, though important, do not offer a complete understanding of APIF's effectiveness in achieving its objectives of reviving the Islamic Sunnah of Waqf (Endowment) by developing Awqaf real estate properties around the world to increase their returns and thereby contribute to the sustainable socio-economic development of the Ummah, and boosting the financial sustainability and independence of Charitable Organizations/Trusts serving Muslims globally.

## 2. APIF PORTFOLIO

2.1 As of July 2022, APIF has provided financing for 52 projects across 26 countries, including six non-member countries (excluding canceled projects). Of these, 26 projects have been completed, and 26 are currently active. Among the projects, 10 have been fully repaid, 15 are under repayment, while disbursement is ongoing for 15 projects, and 11 have yet to receive any disbursement. However, APIF has also canceled 52 projects and terminated one.

## 3. EVALUATION OBJECTIVES AND KEY QUESTIONS

3.1 This corporate evaluation will be an independent evaluation of APIF operations during the last ten years (2013-2022). This evaluation will also review previously completed evaluation reports including; (i) Thematic Evaluation in 2008, ii) Financial Situational Analysis of APIF, iii) Financial Audit Report, and iv) Special Task Force Recommendations, to document key highlights on the achievement of APIF and draw common lessons learned. This corporate evaluation aims to evaluate the overall purpose of the APIF and the results achieved by a few selected projects that were supported to generate income returns from property development and social returns in the form of assistance to Waqf property holders for developmental and charitable purposes.

3.2 The key questions and sub-questions that it will answers are as follows:

**Q1: To what extent the Bank implemented the commitments agreed upon under the APIF regulations?**

- How relevant are APIF's operations in relation to its policy guidelines, IsDB MCs, and Banks Strategy?
- To what extent have APIF's operations delivered on their intended outcomes and added value?
- To what extent have APIF's shareholders and beneficiaries achieved their intended goals?
- Are the shareholders satisfied with APIF's performance, and if not, what changes do they want to see in APIF?
- How efficient are APIF's operations, programs, and activities?

**Q2: To what extent the Bank's implementation of these commitments contributing to the development of Awqaf in the Member Countries?**

- To what extent have APIF's policy, strategy, and operations contributed to the promotion of Awqaf in MCs, and what is the social impact?
- How does APIF's mode of financing and operations contribute to sustainability, and are the shareholders satisfied with the return on investment? If not, what can be done?
- What are the major recommendations for improving the effectiveness and efficiency of present and future APIF operations?
- What instruments and modes of finance should be prioritized to leverage APIF support for Awqaf in MCs and NMCs?
- Is APIF's operations sustainable, and what can be done differently to make the fund sustainable?
- How does the return of APIF projects in NMCs compare with those in MCS?
- How much does APIF contribute to the sustainability and promotion of Awqaf institutions?

**Q3: What lessons can be drawn from the APIF's experience and considered to enhance the Bank's development effectiveness, relevance, strategy, priorities and sustainability going forward?**

- To what extent APIF incorporated the learnings from recommendations of previous studies and project evaluations (Annex-1) for project design and implementation?

3.3 The evaluation will select three case study countries out of the 26 beneficiary countries with the highest number of completed projects to assess the social impact of APIF on the ground. As of now, the selected countries are Saudi Arabia, UAE, and Iran, all representing 56% of total completed projects (26 projects).

3.4 The evaluation combines three objectives of (i) development effectiveness, by assessing the socio-economic effectiveness over the period of (2013-2022), (ii) accountability, through determining the extent the Bank has successfully managed viable Awqaf properties for the benefit of Muslim communities, and (iii) learning, by identifying the lessons on how APIF can contribute most impactfully to improving its approach in the country.

3.5 The evaluation will also present the recommendation to enhance the performance of the Fund, its management, and its growth. IEvD is seeking the services of a consultant to conduct the evaluation under the supervision of an IEvD designated staff.

## 4. MAIN TASKS FOR THE CONSULTANT

4.1 The objective of the consultancy assignment is to support the Evaluation team of IEvD through collecting the necessary data in order to prepare a comprehensive evaluation report. As the content of the corporate evaluation report should be supported by quality data, statistical analysis, qualitative and quantitative data analysis, documented references and beneficiary case studies, the consultant is expected to collect and use data analysis tools to produce charts, tables, and graphs to prepare the evaluation report.

4.2 The consultant will undertake all tasks required to fulfill this ToR. In this connection, an individual consultant will review all relevant documents including APIF's strategy, guidelines and all previously conducted evaluations, assessments, audit reports, Task Force reviews and recommendations. Progress on APIF and undertake a mission with the IEvD during September 2023.

4.3 There will be field missions to three countries, of which the consultant will visit at least one country, to undertake country case studies. During the field mission, the individual consultant will support to set meetings, interviews with the stakeholders and visit the APIF supported project sites. The consultant will liaise with concerned operations stakeholders in countries visited and related ministries to ensure that they prepare and submit to IEvD/IsDB the responses to the questionnaires distributed before the evaluation mission.

4.4 In addition, the individual consultant will collect all necessary quantitative and qualitative data from all related operational areas to facilitate the evaluation of APIF. This will be through interviews of APIF shareholders, staff, and other key informants or stakeholders to collect data, triangulate it, and conduct a thorough analysis of the overall relevance and design, implementation efficiency, and operational effectiveness of the APIF.

## 5. DELIVERABLES OF THE CONSULTANCY AGREEMENT

5.1 The Consultant will conduct a comprehensive evaluation under the supervision of IEvD staff, and the deliverables of this consultancy will be in English. The Consultant will be responsible for producing the following deliverables:

- (a) **Review of the approach paper detailing:** (i) the methodology of the evaluation; (ii) proposed schedule/work plan of the evaluation activities; (iii) retrofitted logical framework of the APIF Portfolio; and (iv) schedule for the meetings and the field visit and evaluation questionnaires for data collection. The draft approach paper for the program evaluation prepared by IEvD will be shared with the consultant.

- (b) **A four-page comprehensive Back-To-Office Report** (one week after the field mission in selected case study countries) reflecting the main key findings, lessons learned, and recommendations.
- (c) **A Draft Evaluation Report (V0.1)** is to be submitted by following the template mentioned in the [Annex-2](#) to the IEvD (four weeks after completion of site visits) for review and comments. The IEvD will send its comments and feedback to the consultant within two weeks after receiving the draft report. The consultant should submit an updated draft report (V0.2) based on the IEvD review and comments within seven working days. IEvD will then share the updated draft report with the APIF for feedback and comments. The IEvD will send the comments it receives from the APIF and other relevant departments concerned within 15 working days of receiving the updated draft report (V0.2). (IsDB's Guidelines for Preparing Project Performance Evaluation Report and a report template will be provided. An outline of the report is annexed to this ToR).
- (d) **A Draft Case Study Report** for the selected countries (at least one), to be submitted after providing the case study report structure, questionnaire's structure and questions, and a Back-To-Office Report within one week after the field mission reflecting the main key findings, lessons learned, and recommendations.
- (e) **A Final Report including a recommendation** and follow-up matrix is to be handed over to the IEvD within three weeks after receiving comments on the draft report. The final report should be around 25 to 30 pages, excluding annexes.
- (f) **A Two-page flyer** reflecting the Evaluation findings, lessons, and recommendations.
- (g) **A 4-page Executive Dissemination Note (EDN)** from the Evaluation Report for dissemination focusing on the results, lessons learned, and recommendations.
- (h) **PowerPoint presentation** of 15-20 slides concisely reflecting the Evaluation Report content.

## 6. TIMELINE

6.1 The Consultant is expected to deliver the main outputs of this assignment within the following tentative timeframe:

N.	Date	Deliverables
1	10 <sup>th</sup> August 2023	Finalize the Desk Review and the draft Approach Paper.
2	30 <sup>th</sup> August 2023	Support the IEvD team in finalizing and launching the Approach Paper for Corporate Evaluation of APIF.
3	September 2023	Conduct field missions in selected countries by consulting with relevant stakeholders and agencies in selected case study countries and filling out questionnaires.
4	September 2023	Submit a four-page comprehensive Back-To-Office Report reflecting the main key findings, lessons learned, and recommendations within five days after the field mission.
5	30 <sup>th</sup> October 2023	Submit the draft Corporate Evaluation Report of APIF.
6	15 <sup>th</sup> December 2023	Submit the Final Evaluation Report, a Flyer, EDN for dissemination, a recommendations and follow-up matrix, and a comprehensive PowerPoint presentation reflecting the content of the evaluation report.

## 7. DURATION OF AND PAYMENT FOR THE ASSIGNMENT

7.1 The Consultant is expected to begin the assignment tentatively on August 10<sup>th</sup>, 2023 and complete it by December 15<sup>th</sup>, 2023. The distribution of working days during this period will be flexible. The Consultant will receive a lump sum payment of USD 30,000, which includes all allowances and benefits, accommodation, and transportation costs, as well as any tax obligations and related expenses that may be imposed on the Consultant. The Consultant will have the option of working from home.

7.2 The payment breakdown is as follows:

- 30% upon submission and acceptance by IEvD of deliverables (a) and (b).
- 40% upon submission and acceptance by IEvD of deliverables (c).
- 30% upon submission and acceptance by IEvD of deliverables (d), (e), (f) and (g).

## 8. CONSULTANT REQUIRED QUALIFICATIONS

8.1 The necessary qualifications for the Consultant include: (i) a relevant academic background in Development Economics, Investment, Finance, or Business Administration; (ii) a minimum of ten years of experience in Financial Analysis, Investment or Funds Management; (iii) a strong knowledge and demonstrated experience in evaluation standards, methods, and terminology; (iv) excellent oral and written communication skills in English and a working

knowledge of the Arabic language; (v) proficiency in computer skills for word processing, data analysis, and presentations.

## 9. EXPRESSION OF INTEREST

9.1 The IEvD is seeking eligible consultants to express their interest in providing the services mentioned above. Interested consultants must provide the following:

- i. Availability information for the expected services.
- ii. An indicative approach to achieve the objective of the evaluation.
- iii. Curriculum Vitae, including relevant publications and assignments.
- iv. Samples of similar work.

9.2 Interested candidates should submit their Expression of Interest (EOI) through the IsDB Procurement System by emailing : **[EOI Submission - BCC2023-040 Hiring of Consultant for APIF Evaluation 93473261.isdb.org@emea.teams.ms](mailto:EOI_Submission_-_BCC2023-040_Hiring_of_Consultant_for_APIF_Evaluation_93473261.isdb.org@emea.teams.ms)** **By no later than 5<sup>th</sup> august 2023**

For Clarification : General - BCC2023-040 Hiring of Consultant for APIF Evaluation  
[e5af9164.isdb.org@emea.teams.ms](mailto:e5af9164.isdb.org@emea.teams.ms)

## 10. ABSENCE OF CONFLICT OF INTEREST

10.1 As per IsDB regulations, the Consultant must not have participated in the design, implementation, supervision, coordination, or received benefits from the program or project (or theme) under evaluation. The Consultant will be required to sign a declaration confirming that they have not worked on this program in any capacity.

## ANNEX-1: LIST OF PREVIOUS EVALUATION RELATED TO APIF PROJECTS

Evaluation Year	Evaluation Title	Rating
1991	<a href="#">MOROCCO-MARRAKECH AWKAF PROJECT</a>	Successful
2005	<a href="#">QATAR Awqaf Housing Complex Project</a>	Successful
2005	<a href="#">KUWAIT-High Rise Awqaf Commercial Project</a>	Successful
2007	<a href="#">UAE Awqaf Residential Building Project Ajman</a>	Successful
2007	<a href="#">UAE WAQF Al-Taawun Commercial Centre SHARJAH</a>	NA
2007	<a href="#">WAQF BANGLADESH IDB-Bangladesh Islamic Solidarity Educational WAQF</a>	Successful
2008	<a href="#">Saudi ARABIA Waqf Building Al Madina Al Munawara</a>	Successful
2009	<a href="#">SOUTH AFRICA purchase of Waqf properties- IDM</a>	Partly Successful
2015	<a href="#">PPE-Nama Building Project-UAE</a>	Successful
2017	<a href="#">IRAN- Bandar Abbas Residential and Commercial Complex Project</a>	Successful
2017	<a href="#">MALAYSIA- CONSTRUCTION OF SHARIAH COURTHOUSES PROJECT</a>	Partly Successful

## **ANNEX-2: EVALUATION REPORT OUTLINE**

Acknowledgments

List of Acronyms & Abbreviations

Executive Summary

### **Chapter - 1: Introduction and Background**

1.1 Context

1.2 Background About APIF

1.3 Financial Agreements of The Fund

1.4 Evaluation Purpose and Process

### **Chapter - 2: Criteria-based Assessment**

2.1 Relevance

2.2 Effectiveness

2.3 Efficiency

2.4 Sustainability

2.5 Overall Assessment

2.6 Management of the APIF

### **Chapter - 4: Impact of Post-Evaluated Awqaf Projects**

4.1 Impact of APIF Financed Projects

4.2 Case Study 1

4.3 Case Study 2

4.4 Case Study 3

### **Chapter - 5: Issues, Lessons & Recommendations**

4.1 Issues and Overall Assessment

4.2 Lessons Learned

4.3 Follow-Up Actions and Recommendations

### **Annexes**

Annex-1: Photographs of APIF Development Results

Annex-2: Retrofitted Theory of Change / Business Model of APIF

Annex-3: Planned and Actual ISFD's Major Commitments Since Inception

Annex-4: List of interviewed Stakeholders.

