

SUCCESS STORIES 2018



About the Islamic Development Bank

The Islamic Development Bank (IsDB) is a multilateral development financing institution, established in 1975. It aims to foster economic development and social progress of its 57 member countries and Muslim communities in non-Member Countries in accordance with the principles of the Shari'a (Islamic law). Its mission is to promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance and prospering people.

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I am delighted to share a collection of stories of successful development projects of Islamic Development Bank (IsDB) with you.

Dr. Mansur Muhtar, Vice President, Country Programs, Islamic Development Bank



Message from the Vice President Country Programs Complex



By successful, we mean that the projects have achieved their intended development objectives efficiently and effectively. Each success story shares different success dimensions and benefits of a project.

These Successful projects make meaningful and substantive improvements in the lives of the people in our member countries (MCs) and contribute to the achievement of the Sustainable Development Goals (SDGs). They achieve their development results in a timely, efficient and cost-effective manner

In this collection, we present seven success stories in five countries. The first story is about a project that helped to provide sustainable water access to the rural population in Morocco. The second and third stories share the experience of two highway projects in Morocco.

The experience of Linguere Matam Road Project in Senegal is discussed in the

fourth story. The fifth story is on how a railway project helped to enhance alternative connectivity between different parts of Turkey. The sixth project shares the experience of the rural housing project in Uzbekistan. The seventh story is about the motorway project in Pakistan.

These success stories are intended for use all stakeholders concerned with effective development and promoting economic progress in IsDB member countries.

I hope that we will learn from these stories and that they will be an inspiration for all of us to work together to create many more success stories in the future.

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Dr. Mansur Muhtar

Vice President, Country Programs Islamic Development Bank





MOROCCO:

Reviving the rural areas by provision of safe drinking water

Context:

Morocco has seen challenging times in achieving sustainable water supply in rural areas; a problem faced by most of the IsDB member countries. The Taza, province of Morocco was facing acute shortage of water supply. Supported by the IsDB project, the province was provided with a framework to tackle the problem of access to clean drinking water and impacting the lives of the inhabitants.

For the project to have a wider impact, water supply infrastructure was enhanced by the provision of 468 km of transmission and distribution network, 30 pumping stations, 24 water reservoirs, 217 public standpipes, 2,280 individual connections, 13 km electricity supply lines and remote controls. However, this was not the only matter that needed resolution.

The key challenge was to engage stakeholders in the development of this project. The risk mediated by adopting a consultative approach with stakeholders and beneficiaries from the beginning of the project.

Achievements:

The project intervention allowed 81,147 inhabitants in 155 villages and 11 rural communities to gain access to safe drinking water. Moreover, it helped to improve the water supply to 234,639 inhabitants in the province.

In addition to addressing development challenges, the project implementation saw:



Improved public health and sanitation facilities



Reduced rural to urban migration



Reduced time spent on fetching water from distance





Best practices implemented on the project:

To sustain the above benefits, the water supply system of the province needed continuous maintenance and operational management, which is more challenging in rural areas.

This was addressed by partly outsourcing the operation and maintenance of the water distribution network to private sector parties consisting of 37 village associations, microenterprises and guardians. The tariffs applicable were set at affordable levels for the beneficiaries as well as for the private entrepreneurs to recover investment, operation and maintenance costs

In short, the process flow consisted of the private entrepreneurs buying water from National Office for Potable Water Supply (ONEP) of Morocco (ONEE's water branch) for 2.5 Dirhams per m3 on an average and providing it to the beneficiaries for an average of 8 Dirhams per m3; a price increment that the beneficiaries are willing to pay for the services provided. In this process, the private entrepreneurs are supported by the ONEP, which has set up solidarity-based tariff mechanism between urban and rural areas to offset financial deficits in investment, operation and maintenance.







FINANCING SUSTAINABLE INFRASTRUCTURE IN MOROCCO:

Inclusion • Infrastructure • Integration

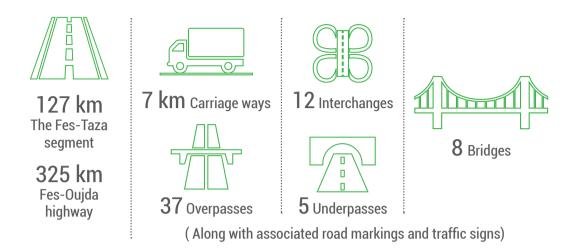
Sustainable infrastructure projects are key factor for the development. With this mandate, the IsDB has been financing critical infrastructure projects in Fes Meknes, a region in Morocco¹.

For a region to economically develop, efficient transportation is the foremost requirement. From ancient civilizations to modern day trade, roads have always led to prosperity by providing people with means of livelihood.

The Fes-Taza segment, 127 km in length, saw the streamlining of the Fes-Oujda highway which 325 km is long. The financing helped to construct two 7 km carriage ways, 12 interchanges, 8 bridges, 37 overpasses and 5 underpasses along with associated road markings and traffic signs.

The project has used the latest engineering techniques and produced several important sustainable and inclusive benefits.

¹ Please see success story on sustainable water supply in rural areas in Taza, Fes-Meknes (page 4).



Design, construction and operational management for achieving sustainability

ADM- Morocco's national authority for the management of expressways, a joint venture company between the Moroccan Government, along with private sector players and Kuwait Sovereign Wealth Management Fund has been managing the design and implementation of the project.

The conceptualization of the project was initiated by ADM and IsDB, ensuring that all measures for quality control, modern construction mechanics and environmental protection are met. The environmental protection was the most challenging task to achieve due to the difficult terrain comprising of valleys and mountains. In addition to the terrain the prevalent existence of animal life, watersheds, agricultural farmland and water bodies were needed to be protected and safeguarded against environmental degradation.

Hence, the design for the project was developed using sustainable designing techniques including geometrical characteristics of the highway. The axis of the highway was chosen so that it follows the ridges of the hills. This choice was technically appropriate because it helped protect the interceptions of streams and ensured adequate presence of hydraulic works for the drainage of the rainwater. In addition to this, the drainage channels that were developed along the bridges in the form of viaducts to prevent degradation of the water channels. To





further enhance sustainability of the surrounding environment, the highway project constructed tunnels in retaining walls and embankments to ensure the highway does not face any hurdle in the event of heavy rainfall. This in addition to the leveling and alignment of the highway has ensured that people commute with ease in the area.

Enhancing Connectivity:

The highway enhanced connectivity among regions within the country as well as between countries in the region². The IsDB financed highway helped to improve strategic East-West corridor network.

The commuters to the Fes-Taza area share that fuel consumption has dropped substantially due to the availability of better road structures.

From the environment point of view, this means that carbon emissions have been down by a quarter. True to travelling to any dangerous terrain, road accidents that



The highway has helped to reduce the travel time from 3.5 hours to 2 hours for the trucks and from 2.5 hours to 55 minutes for the cars in the Fes-Taza section.

² Algeria, Libya, Mauritania, Morocco and Tunisia



True to travelling to any dangerous terrain, road accidents that were initially a frequent happening has also seen a drop from 32% in 2013 to 29% in 2014 in the Fes-Oujda section

were initially a frequent happening has also seen a drop from 32% in 2013 to 29% in 2014 in the Fes-Oujda section.

The ADM is managing the highway's operations and maintenance, including

effectively outsourcing key activities such as tolling, cleaning, security, and vehicle services. The toll charges are based on a rate per kilometer and conform to country's policies. There are different fares for different vehicle categories.



Adequate Pedestrian Crossing



Road Preservation/Land Conservation Measures



Bride Taza



Poverty Alleviation:

The livelihood of the residents of Fes-Taza has been positively impacted by the construction of the highway by reducing the cost of transportation. This is largely due to the 20% reduction in fuel consumption.

Road infrastructure has benefited locals and the area has also transformed as a tourist attraction and the rural population in valleys and isolated areas have gained access to markets The highway supported the creation of new opportunities for business and employment in agriculture and tourism sectors. The project directly created 6,600 temporary jobs during the construction and 338 permanent jobs after its completion.



The impact assessment of the Fes-Taza region notes that about 51 villages and 13 communities have gained direct access to the highway.





CONNECTING THE DOTS:

Morocco's North and South integration

A strong vision for supporting development is an essential element for a country's growth and progress. The Government of Morocco's realization that modernizing and expanding its highway infrastructure will help to remove constraints and sustain the development of different parts of the country came as a strategic direction and that too, at the right time.

In 2000, the Moroccan government planned to construct about 1,500 km of highways by the decade and more recently it has unveiled its plans to construct more than 5,500 km of new highways and expressways by the year 2035.

With IsDB's inclination to help, this felt like a doable task.

For a country of diverse geographic integration, enhancing connectivity between its important trade centers like Casablanca, Marrakech and Agadir is important. Casablanca as the economic capital of the country and Marrakech and Agadir as a major touristic attraction became perfect targets for infrastructure development.

The IsDB intervention supported this strategic direction by financing Marrakech- Chichaoua part of the road, which is 84 km of the total 233.5 km Marrakech-Agadir highway. This project constructed two 7 m way carriageways, interchanges, relevant civil engineering structures and associated motorway facilities.

The new highway helped to transform the lives of the people of Morocco.

Sustainable Connectivity

Government of Morocco has established ADM, a public limited company where the Government owns 92% of its shares and minority shares are owned by Moroccan private sector and Kuwaiti Investment Authority, Kuwait's Sovereign Wealth Fund. Over the years, ADM has demonstrated solid performance in road construction and management, including in highway design, bidding, financing, operations and management.

The highway section financed by IsDB was constructed and is operationally managed by ADM. The 84 km highway patch is equipped with appropriate facilities. This helps the project to

sustainably generate income from the tolls paid by highway users.

The tolling policy is based on the kilometric rate and the category of the vehicle.





"Morocco's success in constructing and managing road infrastructure is in the heart of this project story"

"Government of Morocco and IsDB are very keen on sharing this unique experience with other IsDB member countries"

Aamir Ghani Mir, Manager, Operations Quality and Results IsDB.



Alternative Connectivity

One of the best practice for social inclusion is that you extend the benefit to all. The highway is an alternative of connectivity to the existing national road crossing the region. Since, the toll road has come out to be an alternative to the toll-free road, thus people with varying degrees of income can choose which route to follow

The highway has significantly eased access to Casablanca and Marrakech and helped to ensure sustainable alternative link between the two important touristic poles of the country, namely Agadir and Marrakech. The travel time on this alternative road has reduced significantly as compared to the national road. For example, the travel time in ISDB financed

section of the road was reduced from 90 minutes to 55 minutes.

The road has played a critical role as an alternative connection in easing the traffic during the floods in November 2014 in southern parts of Morocco. The section was made toll free during that time when travelling via the national road was unpractical.



View of IsDB Financed Section, Taza - Oujda Highway, Morocco

Job creation

One of the most important pillars of sustainable development is the provision of decent and equitable work. The highway has helped to create about 270 direct jobs in addition to 600 temporary jobs that were created during its construction period.



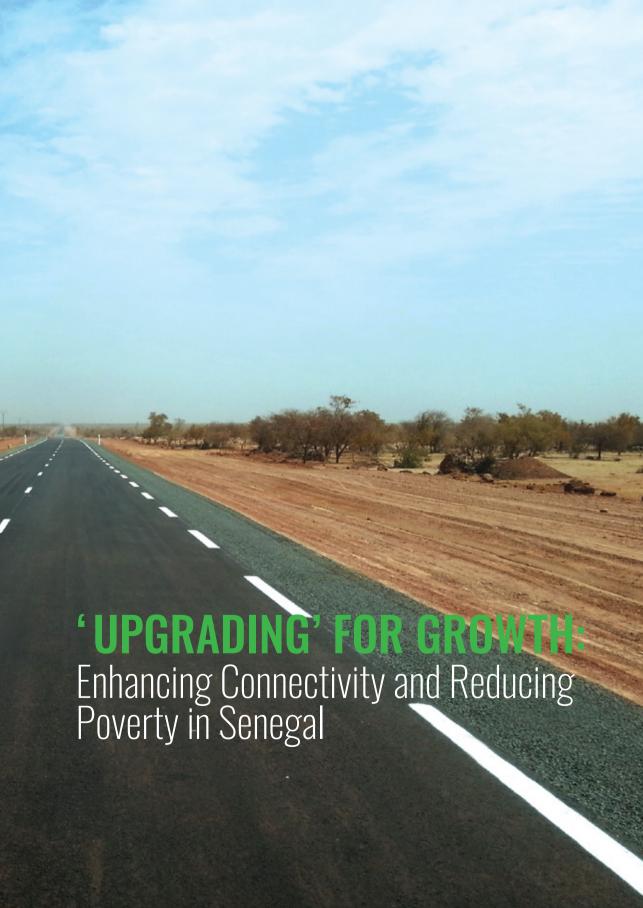




The highway is an alternative of connectivity to the existing national road crossing the region







'UPGRADING' FOR GROWTH:

Enhancing Connectivity and Reducing Poverty in Senegal

IsDB member countries aspire to become part of the global value chain and support mobility of their population for social and economic progress. An efficient highway infrastructure is needed to achieve such aspirations. Therefore, IsDB supports financing, construction and upgrading of important highway infrastructures.

IsDB supported the Government of Senegal in financing the upgrade of 226 km long Linguere-Matam road project. 55 km of the road was financed by the IsDB, while other investors and the Government of Senegal financed the remaining 171 km of the 7.2 m wide two-lane structure.

IsDB and Government of Senegal total financed



226 km Linguere-Matam road project.

IsDB financed



55 km Linguere-Matam road project.

Other investors and the Government of Senegal financed



171 km of the 7.2 m wide two-line structure

Impacting the ecosystem in Senegal

Infrastructural developments have a direct and immediate impact of any region's ecosystem. For Senegal, the entire economic ecosystem has been impacted.





Enhancing Connectivity.

The road upgrade improved connectivity between the Western part of the country, including Dakar and

North-eastern region. It also helped to open the international traffic to Mauritania and Mali. The upgrade allows reaching the western and the eastern corners of the country as well as connects the country better with other countries in the region.



Poverty Alleviation. The new upgraded road has helped more than a million of rural inhabitants to gain better access to markets and the

capital of the country, Dakar. The road has significantly reduced transportation costs and time for the rural population. In

addition, it has also facilitated the commercialization of their agricultural produce.



Access to markets. Population has gained better access to social and business services, including education and health

services. Ease of commuting and reduced travel time has improved enrollments in the schools

The benefits have come in two folds as the upgrade in the road structures have seen the development of new schools, training centers, grocery stores, small shops, police offices and petrol stations. These new facilities have created business and employment opportunities for the population as well as improved their access to services.











Restoring environment.

The road structure has significantly improved the condition of the nearby areas mainly by limiting

land erosion. Previously, during the dry seasons air pollution was rampant and inhabitants faced dust pollution. In the wet seasons the nearby areas were swept with muddy, polluted water. With the building of proper infrastructure now, the environment is restored.



Improved transportation facilities. After the road up-gradation, the

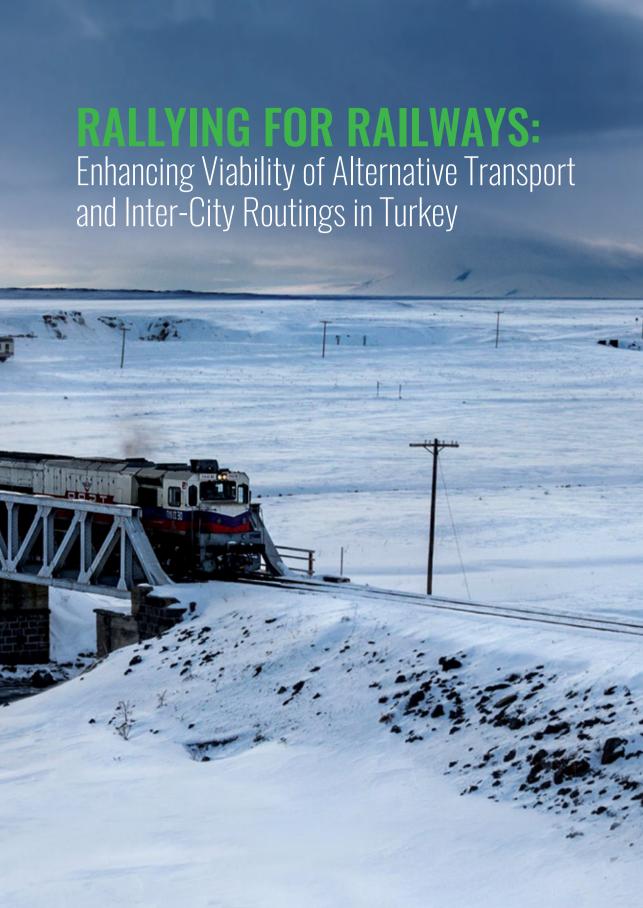
average daily traffic has increased from 164 vehicles to 712 vehicles in 2016. The

travel time has decreased from 10 hours to only 2.5 hours for the whole 226 km, while in IsDB financed 55 km the travel time decreased from 3 hours to just 40 minutes. The new road in fact allowed the speed to increase on average by 75 km per hour. It is also estimated that the saving from Vehicle Operating Costs (VOC) is more than 50% as a result of the improved road conditions.

All the above-mentioned benefits satisfy the development aspirations and strategic objectives of the Government of Senegal and the Islamic Development Bank. They are also contributing to the achievement of the Sustainable Development Goals (SDGs).







RALLYING FOR RAILWAYS:

Enhancing Viability of Alternative Transport and Inter-City Routings in Turkey

Since 1950s, the public policy measures in Turkey favored roads to railroads as cheaper and faster road transport. However, gradually multimodal transport is gaining attraction covering sea and air transportations.

"We're really pleased that the underinvestment in railroads generally has been recognized," explains Ali İhsan UYGUN, Chief Executive of the TCDD, a state-owned company responsible for train operations, maintenance, and management of railroad infrastructure in Turkey.

"We're often thinking about transport as a technical system and we need to start thinking more about the different ways that railroads can have a positive impact on the economy of Turkey and its people," he says. To foster social inclusion, Turkey needs to see the business case in establishing sustainable railways that lead to economic growth. Railways not only provide a viable alternative to roads, but are also a means for a commute to non-city-center routings for many inter-city passengers and freight transportation. The latter is more economically beneficial and environment friendly.

Since 1986, IsDB has supported the development of Turkish Railways. The development partner has helped to renew 1,415 km of a core network of the rail lines in central, southern and western parts of Turkey during 2009-2013. This constituted about 66% of conventional lines that have been identified for immediate upgrading by the Turkish Government's sectoral strategy measures.

Prudent financial management and reduced input costs enabled the project to accommodate the upgrade of 1,415 km of

the networks instead of 888 km originally planned.

"IsDB financing for the railroad projects is an important catalyst that helps Turkish railroads to become competitive," adds Ali ihsan UYGUN.

The project included upgrading of 288 KM of the railroad from Alanyurt to Belikesir. The latter has a dynamic, fast growing industry and boasts important linkages





with the agriculture sectors in the other regions of the country.

The project also facilitated the upgrade of 322 Km Cetinkaya-Malataya-Narli section

and 154 Km Kaklik-Karakuyu-Sandikli section. This brought major economic ease to Malataya, a tourist destination positively impacted with the development.

The project



Increased rail passengers from 3.78 million in 2013 to 4.83 million in 2015



Increased speed by 20 km per hour



Reduced hours of delay by 46% from 2012 to 2014



Decreased derailments by 54%







On the employment front, the upgrade is creating new jobs, generating revenue and serving a high number of cities and villages along the tracks. It is facilitating the access of local population to social services like schools and medical health facilities and have increased the common man's mobility across Turkey. For example, the upgraded 154 Km Kaklik-Karakuyu-Sandikli section reduces the distance between these villages and cities, allowing people to access markets and services in nearby provinces.

The upgraded railroads and electric powered trains have improved

environment in the regions by bringing down carbon emissions especially as a large number of commuters have started using the railways instead of buses and cars. This has helped in the preservation of many tourists attractions and helped business centers to thrive.

Sustenance and maintenance of the investments of Government and IsDB will be supported by the Government's initiation of the Law on Liberalization of Railroad Sector in Turkey, which allows private sector to invest and operate in the railways sector as well.

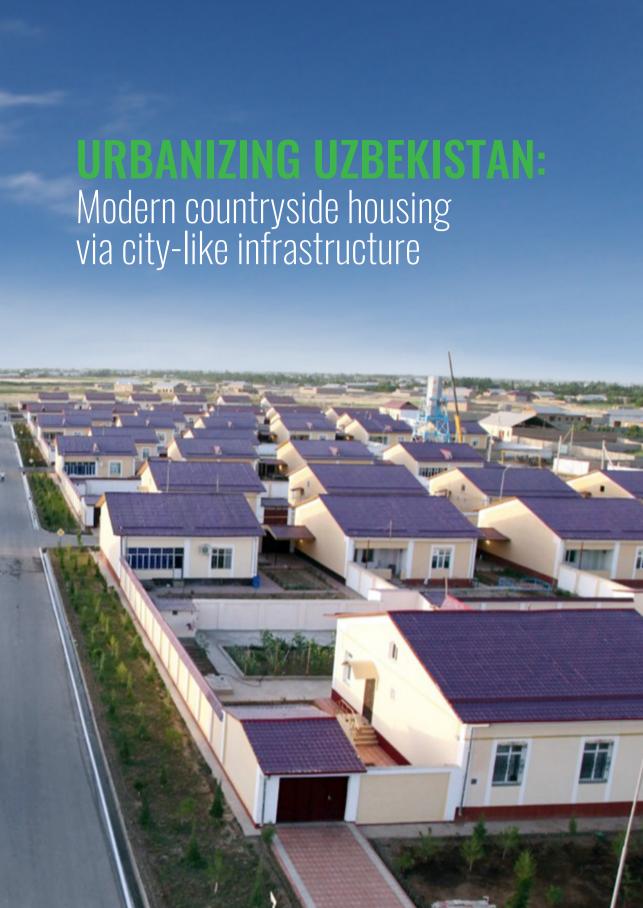












URBANIZING UZBEKISTAN:

Modern countryside housing via city-like infrastructure

People of Uzbekistan are renowned to cherish countryside living. Almost 16 million People of Uzbekistan live in the countryside and this figure is growing by almost 3% annually according to UN estimates.

The countryside infrastructure and homes have not been modernized for a long time whilst the population has been growing rapidly. As a result, about 4 million people need improved living conditions in the area.

The Government of Uzbekistan has realized that it would be impossible to achieve inclusive development in the country without investing in improving the living conditions of the countryside. Therefore, the Government has launched Housing for Integrated Rural Development Program (HIRDP) in 2009.



The Construction of Modern Rural Housing Project (Phase II) supported by IsDB is being implemented through a multi-tranche financing facility. It aims to improve the welfare of the rural people by providing affordable housing and improved access to social services

The Project targeted medium to low income population, young families, women and single-headed households, rural teachers, health workers, amongst others. The project is being implemented in 6 regions of the country, namely Andijan, Bukhara, Jizzakh, Namangan, Navoi, and Syrdarya.

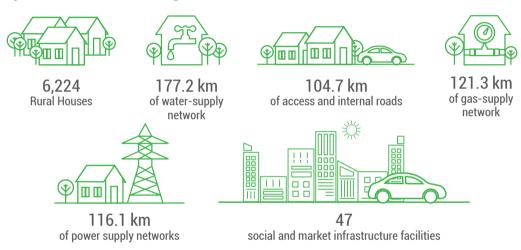
The project has positively impacted the housing and construction sectors. The involvement of the local communities in this process has ensured that they remain extensively engaged and claim an ownership of the project.

Over the past 7-8 years, 12 cement plants, more than 70 brick factories, 114 enterprises for the production of various construction materials, have been opened in Uzbekistan and more than 1,000 constructions; construction related transportation and other services have been established. As a result, more than 300,000 people were provided with jobs annually, including about 75,000 people within the IsDB supported project.

Today, the success of implementation of the State Program for Construction of Rural Housing is being studied and lessons learned by various member countries of the IsDB.

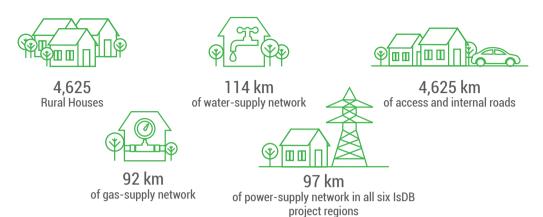
In November 2018, a Delegation from the Republic of Sudan conducted familiarization visit under IsDB's Technical Cooperation Program. Moreover, the representatives from Tajikistan, Kyrgyzstan, Turkmenistan and other countries' embassies and consulates organized a visit to modernized countryside. The Project has been showcased as a success story and was visited by the President of the IsDB, His Excellency Dr. Bandar M. H. Hajjar in September 2018 on the sidelines of the IsDB Day in Uzbekistan. The President personally met with the beneficiaries; the owners of the residential houses, contractors and other stakeholders to witness the impact at the ground level.

By the end of 2018, the following infrastructure has been constructed in rural areas of Uzbekistan





In 2019, It is planned to construct















TOWARDS A PROSPEROUS PAKISTAN:

Connecting via motorways

Located at the junction of three important parts of the world, South Asia, West Asia and Central Asia, Pakistan enjoys an ideal economic, political and strategic location. It is a country that not only has ample natural resources to its credit, but also serves as a connection between resource-sufficient and resourcedeficient countries. This key route for transportation enables access to warm water and trade in addition to serving as a bridge between South East Asia and South West Asia. Since its inception, Pakistan has been the hub of economic, transit and trade activities largely made possible due to its resource-rich area in the northwest and people rich in the north-east. Connectivity is, therefore, a key element that determines Pakistan's prosperity.

On the geo-political front, Pakistan is surrounded by China, Iran and India, seen by the larger world as progressive, energetic nations that have an important role to play in the world development agenda. Landlocked Afghanistan, relies on Pakistan for linking it to the outside world. Pakistan is located in the center of these huge states and the interconnectivity of these nations and other continents are very much dependent on the quality of the latter's transport infrastructure. Therefore, Pakistan has great potential to become a transit economy and regional hub of trade and to develop its comparative advantage for the produce and exports.

Envisioned in 1990, the Motorway
Development Programme is part of
Pakistan's "National Trade Corridor
Project", which aims to link the country's
Arabian Sea ports, Port Bin Qasim and
Gwadar Port, to the rest of the country by
setting a network of national highways
and motorways. It also aims to connect
the Ports further in the north with
Afghanistan, Central Asia and China. The
China Pakistan Economic Corridor (CPEC)
aims to link Gwadar Port and Kashgar
in China using motorways, national
highways and expressways.

The Motorway Development Programme not only seeks to develop Pakistan as a transportation hub and an efficient trade route of the region, but also provides support for the integration of resources with the production centers. This will ultimately help reduce the cost of doing business in the country and enable it to have a competitive advantage in its export potential.

The Khanewal – Multan section is a part of Faisalabad-Multan-Khanewal Motorway (M-4). It represents a key



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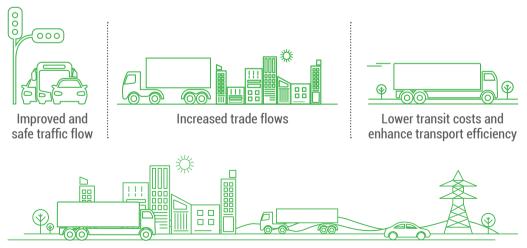
milestone in the expansion of Pakistan motorways network to complete the direct link between Faisalabad and Multan, Pakistan's two major cities, with the rest of the country and beyond.

The Motorway connectivity will contribute towards the development of the National Trade Corridor (NTC), which aims to reduce the cost of trade by improving transportation, logistics, infrastructure and services. This initiative will provide a significant contribution to the economic growth of Pakistan. The NTC will also help in enhancing regional connectivity by improving transportation links to the Middle East, Central Asian Countries and Iran, Afghanistan and India.

The project is part of Karachi-Lahore Motorway link and will bypass Multan assisting the traffic coming from Balochistan. This section will reduce the traffic congestion and ease traffic flow experienced by commuters on the Grand Trunk (GT) Road. The distance between Khanewal - Pindi Bhattian will reduce by about 150 km. It will further open new avenues for economic development and provide better access to modern education, health and other facilities. After successful completion, M4 will link the southern areas of Punjab with the already established networks of motorways in northern areas of Punjab. It will also extend the M1, M2, and M3 southwards and reduce the distance between Multan and the twin cities, Islamabad-Rawalpindi.

The construction of the M4 motorway extension started in December 2011 and was completed in November 2015. The completion of Khanewal-Multan section was estimated at PKR 13 billion, however, it was completed at PKR 11 billion with a saving of PKR 2 billion (15.4% of estimate).

The key objectives achieved through the construction of 57 km long dual carriageway—M4 Motorway extension project are:



Reduced travel distance, travel time, road accidents and operational costs due to high speed, safer roads, efficient linkage and greater connectivity to the existing motorways and highways network

At the completion of entire M4 link (remaining sections under construction through ADB Loans), the section will facilitate transportation of goods between Central Asia and China to the ports of Karachi, Gwadar and other harbors. It will provide easy access for the residents of Faisalabad, Khanewal, Multan to Islamabad, Rawalpindi, Lahore and Karachi (key business hubs of Pakistan). The vehicle-operating costs would reduce by 30%, accident rates by 15% and travel time by 20%, when compared with the existing levels.

The Project also provided an opportunity for learning key lessons during its implementation that could help in the designing of future initiatives and in improving the ongoing projects. A few of these are:

(a) Relocation of utilities and affected people before commencement of construction activities,

- (b) Special emphasis on early resolution of land acquisition issues,
- (c) Continuous supervision, monitoring and follow-up; and
- (d) Capacity building and familiarization of the initiatives undertaken at the earliest.

The successful implementation of the project demonstrated the efficiency, effectiveness and relevance to the development objectives of Pakistan's transport infrastructure modernization. The route is serving as a key transportation link for local, regional and cross-border traffic mobilizing people, goods and services. The project is a driver of economic growth, comparative advantage and efficient transportation services, which will ultimately help in enhancing the strategic significance of Pakistan.











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