



ISFD Development Effectiveness Report 2020

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Abbreviations

Abbreviation	Meaning
ABC	▪ Agri-business center
BoG	▪ Board of Governors
CFA	▪ West African CFA Franc
DER	▪ Development Effectiveness Report
GVC	▪ Global value chain
ICRISAT	▪ International Crops Research Institute for the Semi-Arid Tropics
IEC	▪ Information, education, and communication
IsDB	▪ Islamic Development Bank
ISFD	▪ Islamic Solidarity Fund for Development
KPI	▪ Key performance indicator
LDMCs	▪ Least developed member countries
LLF	▪ Lives and Livelihoods Fund
MC	▪ Member country
MCPS	▪ Member Country Partnership Strategy
MDG	▪ Millennium Development Goals
MENA	▪ The Middle East and North Africa
MFI	▪ Microfinance institutions
MFSP	▪ Microfinance Support Program
MVP	▪ Millennium Village Program
NGOs	▪ Non-Government Organizations
PALAM	▪ Programme d'Alphabétisation et d'Apprentissage des Métiers
PCR	▪ Project Completion Report
PPP	▪ Purchasing Power Parity
REES	▪ Relevance, Effectiveness, Efficiency, Sustainability
RM	▪ Resource mobilization
RRP	▪ Report and Recommendation of the President
SACCO	▪ Savings and Credit Cooperative
SAPE	▪ Smallholder Agricultural Productivity Enhancement
SDGs	▪ Sustainable Development Goals
SLA	▪ Service Level Agreement
SSA	▪ Sub-Saharan Africa
SVP	▪ Sustainable Villages Program
UNDP	▪ United Nations Development Programme
UNICEF	▪ United Nations Children's Fund
UNESCO	▪ United Nations Educational, Scientific and Cultural Organization
VOLIP	▪ Vocational Literacy Program

About ISFD



VISION

Reduce poverty in OIC member countries



MISSION

The mission of the Islamic Solidarity Fund for Development (ISFD) is to lead innovative poverty reduction programs in the member countries of the Organization of Islamic Cooperation (OIC), particularly the least developed states, by developing strong partnerships with donors and main stakeholders, focusing on education, economic empowerment, community development, and health.

The Islamic Solidarity Fund for Development (ISFD) is the poverty alleviation arm of the Islamic Development Bank (IsDB) Group positioned and recognized for its focus and impact on poverty reduction with very clear focus on comprehensive human development including



Education



Economic
Development
through job
creation and
economic
growth



Community
Development



Health

Inception and Scope

ISFD was established in 2007 as a special fund within IsDB dedicated to financing projects and programs that contribute to reducing poverty in OIC member countries. Its target capital stands at USD 10 billion, maintained as waqf and consisting of contributions from member countries, IsDB and member country institutions. As of end-2020, ISFD collected USD 2.586 billion.

ISFD is an important member of IsDB and contributes significantly to poverty reduction in member countries. It is also on track to meet the targets set out in the Global Agenda 2030.

Message from the Chairman of The Board of Directors



Dr. Muhammad Al Jasser

Chairman, ISFD Board of Directors
Chairman, IsDB Group

I am pleased to share with you the 2020 edition of the Development Effectiveness Report of the Islamic Solidarity Fund for Development. The report provides an insight into the impact achieved and the development effectiveness of 13 completed projects in ten of our least developed member countries (LDMCs). The report findings are based on data collected during field visits and robust development evaluation methodologies that assess the relevance, effectiveness, efficiency, and sustainability of these completed projects.

ISFD's mandate is to reduce poverty in our member countries, especially the LDMCs, focusing on comprehensive human development, particularly education, women and youth economic empowerment, community development, and health. To this end, we have been concentrating on three major sectors: agriculture (30%) to improve people's living conditions, education (23%) to upskill the youth and out-of-school children, and health (18%) to contribute to the well-being of people, besides other related sectors such as microfinance, energy, water, sanitation, and urban services. A total of USD 653.2 million has been allocated to the LDMCs, USD 199.2 million to non-LDMCs, and USD 6.1 million for regional projects, also targeting LDMCs and non-LDMCs.

We have seen the fruits of these efforts as tangible results on the ground; 73.6 million people benefited from health projects, 33,958 women and girls empowered, 769 schools built, 2.8 million jobs created or sustained, 51,453 students supported, and 4,650 teachers trained.

ISFD has also contributed US\$227 million to IsDB Group Strategic Preparedness and Response Program (SPRP) to support member countries' response to COVID-19, along with IsDB, King Abdullah Program for Charity Works, and IsDB Group entities.

To continue to be even more relevant to the needs of our member countries, as a recognized leader in poverty alleviation, we have launched a complete transformation of ISFD that culminated in a new strategy 2030. The spirit of this new strategy will enable us to work more closely with our member countries to reduce poverty and engage with donors through country-dedicated poverty alleviation programs and funds. ISFD will design programs that fit member countries' needs to mobilize additional resources to support the implementation of its programs. Parallel to that, we will explore innovative resource mobilization tools targeting multiple sources, including the private sector and well-established donors, through instruments like Ihsan Waqf Investment Funds and Cash Waqf Sukuk.

Our journey will continue to meet our member countries' expectations more effectively. These results would not have been possible without the unfailing support of our member countries, the ISFD Board of Directors, and our honorable Governors. We appreciate equally the efforts and dedication of ISFD staff and management, as well as the IsDB Group entities and departments who work closely with ISFD to achieve its noble vision of reducing poverty in IsDB member countries.

Performance Highlights*



Number of
Students
Supported

51,453



Number of
Teachers
Trained or
Supported

4,650



Number
of Schools
built or
Maintained

769



Number of
Beneficiaries
from Health
Projects

73,575,181

** Performance highlights are based on outcomes of completed projects (excluding grants)*



**Number of
Hospitals
or Clinics
built or
Maintained**

2,609



**Number of
Beneficiaries
from Food
Security
Projects**

105,452



**Number of
Jobs Created
or Sustained**

2,812,839



**Number
of Women
and Girls
Empowered
or Supported**

33,958

Executive Summary

ISFD Development Effectiveness Report 2020 provides an overview of poverty alleviation projects implemented in ISDB member countries since the Fund's inception. The report covers several important aspects of these operations and provides an insight into the development effectiveness of completed projects*, including success stories based on field visits, project completion reports, and assessed development implications.

ISFD was established to provide concessional finance to promote the strategic objective of poverty reduction in member countries. The determination to fulfill its goal is evident from an extensive portfolio of programs, several successfully completed projects, and a strong network of development partners.

To further strengthen its management, ISFD has started taking concrete steps to adopt a new strategy. In 2020, with the support of PricewaterhouseCoopers (PwC), it developed a study as part of a newly launched transformation program to enhance its effectiveness and impact in delivering its mandate. The new 2030 strategy envisages a much stronger focus on a set of core development areas supported by five strategic objectives denoted by the acronym, 'FOCUS':

Focus operations
Organize funds
Cultivate capabilities
Underline governance
Steer with Key Performance Indicators (KPIs)

Since its establishment in 2007, ISFD has provided/ approved funding for projects in concessional loans and grants valued at approximately USD 858.4 million. Moreover, the Fund's programs are aligned with multiple Sustainable Development Goals (SDGs), such as no poverty, zero hunger, improving health conditions, and quality education.

Member countries have made significant progress in critical development objectives, but much remains

* Completed projects include loan operations and exclude grants.

to be done to achieve the ambitious SDGs. Moreover, the end of 2019 witnessed the outbreak of one of the most devastating pandemics in decades, putting a halt to several development initiatives across the globe. Lockdowns imposed worldwide severely impacted the global economy, creating additional risk to global poverty reduction programs.

The agriculture (30%), education (23%), and health (18%) sectors constitute a significant portion of ISFD's portfolio. The Fund has also financed projects in other related sectors, such as energy, water, sanitation, and urban services. Agriculture plays a pivotal role in improving the living conditions of people living in poverty. It helps combat hunger while giving people a decent and sustainable income, especially those living in rural areas. The education projects approved by ISFD include programs that are important for upskilling opportunities amongst the youth and out-of-school children. The quality of health care facilities and complete access to them can contribute significantly to the country's development. Meanwhile, preventive healthcare and vaccination projects in various member countries have immensely contributed to the well-being of people.

Regionally, ISFD project financing has covered more than 35 countries in Africa, Asia, MENA, and elsewhere. Africa accounts for the largest regional footprint in ISFD's portfolio regarding both value and number of projects.





Poverty alleviation in LDMCs has always been the strategic focus of ISFD, as shown in the table below:

Table 1 : Portfolio breakdown by LDMC and other member countries

LDMC (USD million)	Other MCs (USD million)	Regional projects (USD million)
653.2	199.2	6.1

ISFD gauges development effectiveness through four parameters – relevance, effectiveness, efficiency, and sustainability. DER 2020 showcases the success stories of the projects completed by ISFD. The performance summary of the projects indicates encouraging progress towards fulfilling the Fund’s goals. The projects were all relevant as they were related to aspects of poverty reduction. They were also effective, sustainable, and met/exceeded their targets in terms of efficiency.

During the first half of 2020, ISFD facilitated field visits to some member countries to assess the projects financed. While the visits were planned for several member countries, only Mali and Senegal could be covered due to the unforeseen circumstances imposed by the COVID-19 pandemic. Several insights and development implications derived from the completed and ongoing projects in Mali and Senegal are also highlighted in this report. The case studies on Mali and Senegal demonstrate the constructive response and effects of the operations and the on-ground realities of the people and communities benefiting from the projects.

This report shows the significant contribution that ISFD is making to eradicate poverty in member countries, helping improve overall social well-being and development. The support provided to multiple sectors, such as education, healthcare, agriculture, and women’s empowerment, helps beneficiaries escape poverty and become self-reliant. The extensive experience of ISFD’s project execution teams in mobilizing and training people in the healthcare sector has proven to be imperative in the current situation of the COVID-19 pandemic when there is a great need for robust public health systems.

Flagship programs, revamped business models, and mobilization of development partners will facilitate a dynamic growth trajectory for member countries, create new job opportunities, and develop attractive business ideas, a better reach to markets, and an improved food supply chain.





1

Introduction - ISFD and its Objectives

1.1 Overview

ISFD was established as a special fund within IsDB in 2007 with the goal of providing concessional finance to fulfill the strategic objective of poverty reduction in IsDB member countries. To achieve its purpose, the Fund focuses on the following:

- Promoting pro-poor growth
- Investing in human development, especially health and education
- Providing financial support to enhance the productive capacity and sustainable means of income for the poor
- Strengthening the role of women in socio-economic development

ISFD financing operations are guided by IsDB Group Policy on Poverty Reduction, ISFD work program, Member Country Partnership Strategies (MCPSSs), and consultations with member countries. It also draws on the experience of IsDB and similar institutions. It engages consultants and experts to support its programs.

Combating poverty requires targeted interventions in the spheres of social and human development, such as basic education and health services. It also requires enhancing capabilities, particularly for women and children—empowering men and women equally and providing the poor and vulnerable with income generation opportunities. ISFD gives priority to projects that directly address these concerns. It focuses on key aspects of pro-poor growth

activities through rural and agricultural development, rural and secondary infrastructure, microfinance, basic education, vocational training, and health services. It leverages partnerships and co-financing to supplement its limited resources and scale up its programs. It also engages with local communities and grassroots organizations to achieve an inclusive approach to poverty reduction.

Three overarching themes define the focus of ISFD's poverty reduction activities: (a) ensuring that these activities create additional jobs that reach the targeted groups of poor and disadvantaged people, including women; (b) promoting the development of human capital by boosting education and health support; and (c) ensuring that the interventions provide the poor with sustainable income-generation opportunities.

ISFD prioritizes meeting basic needs, including financing employment opportunities and providing market outlets, especially for the rural poor, improving basic rural and peri-urban infrastructures such as drinking water and electric power, and expanding education and health facilities.

ISFD definition of poverty

ISFD views poverty as a multi-dimensional phenomenon encompassing not only low income and consumption but also low achievements in fundamental basic needs, including education, nutrition, primary health, water and sanitation, housing, crisis-coping capacities, insecurity, and all other forms of human development.



Member Countries

Afghanistan	Albania	Algeria	Azerbaijan	Bahrain	Bangladesh
					
Benin	Brunei	Burkina Faso	Cameroon	Chad	Comoros
					
Côte d'Ivoire	Djibouti	Egypt	Gabon	Gambia	Guinea
					
Guinea Bissau	Guyana	Indonesia	Iran	Iraq	Jordan
					
Kazakhstan	Kuwait	Kyrgyzstan	Lebanon	Libya	Malaysia
					
Maldives	Mali	Mauritania	Morocco	Mozambique	Niger
					
Nigeria	Oman	Pakistan	Palestine	Qatar	Saudi Arabia
					
Senegal	Sierra Leone	Somalia	Sudan	Suriname	Syria
					
Tajikistan	Togo	Tunisia	Turkey	Turkmenistan	UAE
					
Uganda	Uzbekistan	Yemen			
					

* See the Appendix: ISFD classification of LDMC and Non-LDMC.

1.2 Development situation of member countries

Member countries have made significant progress in critical development objectives, but much remains to be done to achieve the SDGs.

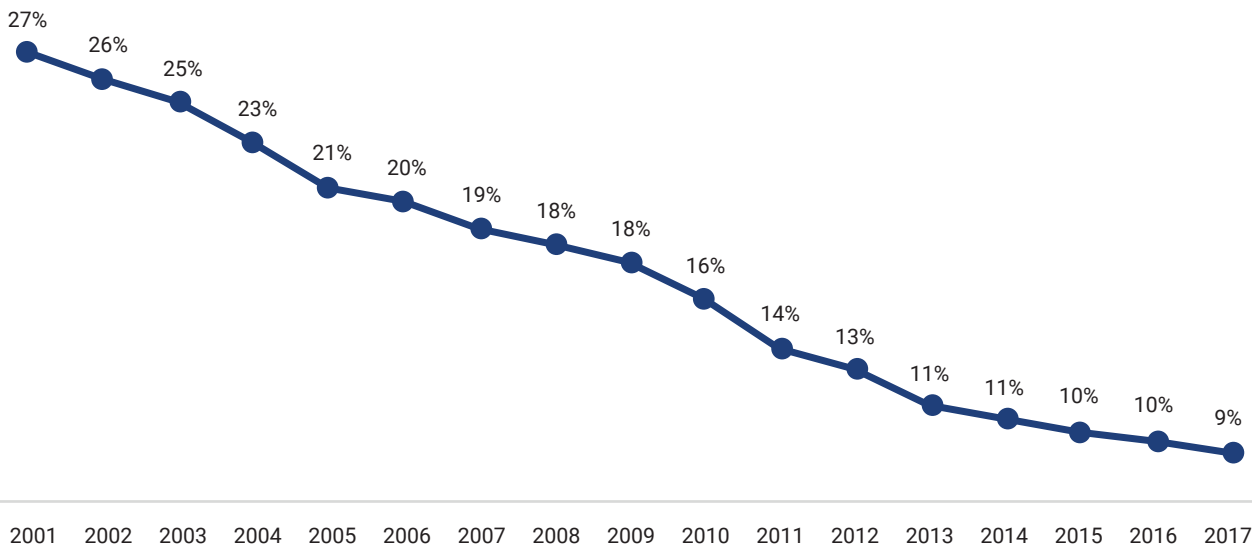
Poverty

Global poverty has been on a constant decline over the last decade. Several government policies focused on poverty

reduction and were supported by multilateral development bodies, such as IsDB. However, while basic deprivation across the globe is on a decline, a closer look reveals that multidimensional poverty has been decreasing more slowly than income poverty.

The figure below shows a global decline in the poverty headcount ratio at USD 1.9/day (as a population percentage).

Figure 1: World poverty headcount ratio at USD1.90 a day (2011 PPP) (% of the population)



Source: World Bank

The latest World Bank data also indicates that the proportion of member countries' poverty headcount ratio at USD 1.9/day (percentage of population) generally declined over the past 20 years. Among the member countries where data is available, several countries had poverty rates of less than 10%:

2017* - Albania (1.3%), Egypt (3.8%), Gabon (3.4%), Indonesia (4.5%), Kyrgyz Republic (1.1%), Iran (0.3%), and Turkey (0.1%)

2017* - Djibouti (17%)

2016* - Bangladesh (14.5%), Uganda (41.5%)

2015* - Benin (49.6%), Cote d'Ivoire (29.8%), Gambia (10.3%), Pakistan (4%)

Source: World Bank.

* Based on the latest available data

In contrast, several member countries had high poverty rates:



Human Development Index

Based on the Human Development Index (HDI) —a composite statistic of life expectancy, education, and income per capita published by the United Nations Development Programme— member countries, on average, fall into the "low human development" category.

Table 2 : Number and Percentage of member countries under various Human Development Index categories

Level of human development in 2019	Number of member countries	%
Very High Human Development	10	18%
High Human Development	16	28%
Medium Human Development	10	18%
Low Human Development	20	35%
Others (Unrated)	1	2%
Total	57	100%

Source: UNDP Human Development Report 2020

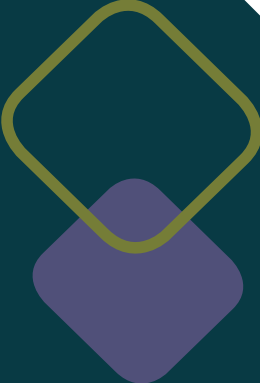
ISFD's programs are focused on several SDGs, including education, health, community development, and employment generation, as part of a holistic approach to poverty reduction. As the world moves closer to bringing down deprivation poverty, ISFD's multifaceted approach contributes to reducing multidimensional poverty.

Table 3 : Human Development Index (HDI) classification of member countries

Very High Human Development		
2019 HDI rank	Country	2019 HDI value
31	United Arab Emirates	0.890
40	Saudi Arabia	0.854
42	Bahrain	0.852
45	Qatar	0.848
47	Brunei	0.838
51	Kazakhstan	0.825
54	Turkey	0.820
60	Oman	0.813
62	Malaysia	0.810
64	Kuwait	0.806
High Human Development		
2019 HDI rank	Country	2019 HDI value
69	Albania	0.795
70	Iran	0.783
88	Azerbaijan	0.756
91	Algeria	0.748
92	Lebanon	0.744
95	Maldives	0.740
95	Tunisia	0.740

High Human Development		
2019 HDI rank	Country	2019 HDI value
97	Suriname	0.738
102	Jordan	0.729
105	Libya	0.724
106	Uzbekistan	0.720
107	Indonesia	0.718
111	Turkmenistan	0.715
115	Palestine	0.708
116	Egypt	0.707
119	Gabon	0.703
Medium Human Development		
2019 HDI rank	Country	2019 HDI value
120	Kyrgyzstan	0.697
121	Morocco	0.686
122	Guyana	0.682
123	Iraq	0.674
125	Tajikistan	0.668
133	Bangladesh	0.632
151	Syria	0.567
153	Cameroon	0.563
154	Pakistan	0.557
156	Comoros	0.554
Low Human Development		
2019 HDI rank	Country	2019 HDI value
157	Mauritania	0.546
158	Benin	0.545
159	Uganda	0.544
161	Nigeria	0.539
162	Côte d'Ivoire	0.538
166	Djibouti	0.524
167	Togo	0.515
168	Senegal	0.512
169	Afghanistan	0.511
170	Sudan	0.510
172	The Gambia	0.496
175	Guinea-Bissau	0.480
178	Guinea	0.477
179	Yemen	0.470
181	Mozambique	0.456
182	Burkina Faso	0.452
182	Sierra Leone	0.452
184	Mali	0.434
187	Chad	0.398
189	Niger	0.394

Source: UNDP Human Development Report 2020



2

ISFD Strategy

2.1 Detailed strategy to its 2030 vision

In 2020, with the support of PwC, ISFD developed a study as part of a newly launched transformation program to enhance its effectiveness and impact in delivering on its poverty reduction mandate.

One of the deliverables of the exercise was the development of a new long-term strategy for ISFD. Accordingly, the 2030 Strategy was approved by the ISFD Board of Directors in September 2020. Under the strategy, ISFD's vision and mission are as follows:

VISION

Reducing poverty in OIC member countries.

MISSION

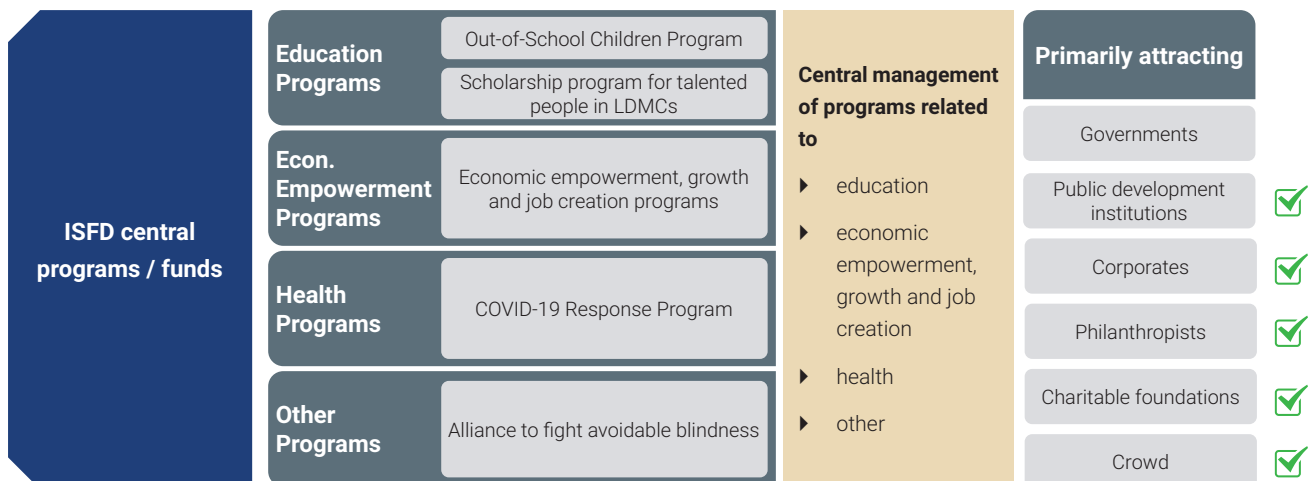
To lead innovative poverty reduction programs designed in collaboration with IsDB by developing solid partnerships with IsDB, donors, and primary stakeholders with a focus on comprehensive human development (namely education, the economic empowerment of women and youth, community development, and health) in OIC member countries, in particular the least developed ones.

The revised business model of ISFD is depicted below:

Business Model








Varying country by country depending on local development priorities and in alignment with IsDB GVC



Under the new strategy, ISFD will focus on creating an impact on poverty reduction while leveraging IsDB's institutional strength in its future operations. Resource mobilization will continue to remain a strategic priority for the Fund, and the LDMCs will remain the main focus of ISFD interventions. Sectors will also be strategically selected following the conditions and drivers of poverty in individual countries.

The new 2030 Strategy envisages a much stronger focus on a core set of development areas and capabilities. It is structured around five core pillars: 1) operations, 2) resources, 3) capabilities, 4) governance, and 5) performance. The acronym 'FOCUS' highlights the five strategic objectives based on the five core pillars as depicted below:

<h1>F</h1> <h2>Focus Operations</h2> 	<ul style="list-style-type: none"> ▶ LDMCs ▶ Education; economic empowerment, job creation and growth; community development; health ▶ Decentralize ISFD to be closer to LDMCs and their priorities
<h1>O</h1> <h2>Organise Funds</h2> 	<ul style="list-style-type: none"> ▶ Diversify sources of funding ▶ Roll out the full set of developed fundraising instruments ▶ Strengthen fund raising approaches, activity management, and staff capacity
<h1>C</h1> <h2>Cultivate Capabilities</h2> 	<ul style="list-style-type: none"> ▶ Strengthen capabilities where it matters ▶ Equip ISFD in a way that allows ISFD to deliver on its mandate ▶ Continue to leverage on IsDB to benefit from scale advantages
<h1>U</h1> <h2>Underline Governance</h2> 	<ul style="list-style-type: none"> ▶ Accelerate Board decision-making through restructure or delegation of authority ▶ Review the effectiveness of delegation of authority and procedures ▶ Make policy framework fit ▶ Establish an SLA framework with IsDB
<h1>S</h1> <h2>Steer with KPIs</h2> 	<ul style="list-style-type: none"> ▶ Clearly define and quantify success ▶ Introduce KPIs – for impact as well as for the financials of ISFD ▶ Ensure that KPIs are coherent across different levels (i.e., ISFD's overall impact KPIs are broken down into program specific KPIs)

Taking into account the evolving impact of COVID-19, health is a strategic focus area to enable ISFD to enhance the resilience of OIC countries in facing this pandemic and any future epidemics or pandemics.

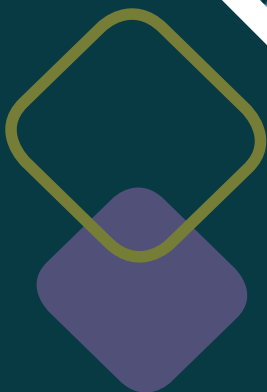
The strategy will be delivered through a transformed ISFD business model that encompasses strong development of central programs to meet basic needs, such as education and economic development through job creation while working closely with member countries to address poverty alleviation necessities and engage more intently with donors through country funds.

Under the 2030 Strategy, resource mobilization will help to secure additional capital contributions from member countries and to expand income resources through a set of diversified, innovative instruments such as Ihsan Waqf Investment Funds and Cash Waqf Sukuks. The objective is to target multiple sources, including private sector donors.

Investment capital will be deployed in assets with better investment returns. Still, it will also be used to finance high-impact opportunities, combining the rigorous analytics of traditional investing with the essence of philanthropy.

The focus areas of the 2030 Strategy –comprehensive human development including education, economic empowerment, community development, and health—are directly aligned with the six key priorities of the IsDB Group President’s Five-year Program aimed at making IsDB more competitive and responsive to the needs of its member countries. They also address seven of the United Nations’ SDGs – ‘no poverty,’ ‘zero hunger,’ ‘good health and well-being,’ ‘quality education,’ ‘clean water and sanitation,’ ‘decent work and economic growth,’ and ‘sustainable community development’ – while indirectly addressing ‘reduced inequalities’ achieved by successfully working towards other SDGs.





3 ISFD Portfolio

3.1 Overview of current operations

Since its establishment, ISFD has approved funding for projects in concessional loans and grants valued at approximately USD 858.4 million.

To achieve its mission of poverty alleviation, ISFD has adopted a new business model that involves adapting its fund structure to improve its effectiveness in fighting poverty and supplement its resources by developing partnerships with a diverse range of donors.

This new model shifts ISFD's poverty-alleviation portfolio from a reasonably diversified portfolio with an insufficient strategic focus to a portfolio formulated around precise strategic geographies and sectors. It covers decentralized operations and activities in key regions and centralized operations and actions to address strategic sectors across multiple areas. Programs designed and developed in a more decentralized manner will closely address country-specific poverty drivers through community development projects and will be financed through dedicated country funds. Programs addressing specific poverty alleviation sectors in multiple member countries (such as education, economic empowerment, and health) will be developed and managed more centrally.

In September 2015, under an initiative led by the United Nations General Assembly, countries worldwide signed up to a new agenda for comprehensive and sustainable human development. The 2030 Agenda aspires to achieve 17 high-level Sustainable Development Goals and 169 specific targets encompassing development's social, economic, and environmental dimensions. These aspirations for human dignity and 'to leave no one behind' are entirely in line with the principles and objectives of development from an Islamic perspective (Maqasid Al-Sharia).



SDGs that ISFD addresses through its operations



ISFD, as a source of finance for social development, has primarily funded projects focusing on the SDGs listed below:

Table 4: SDGs aligned with ISFD operations

SDG Number	SDG	Education	Economic empowerment	Community development	Health
1	End poverty in all its forms everywhere	✓	✓	✓	✓
2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture		✓		
3	Ensure healthy lives and promote well-being for all at all ages				✓
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	✓			
5	Gender equality	✓	✓	✓	✓
6	Ensure availability and sustainable management of water and sanitation for all			✓	
7	Affordable and clean energy			✓	
8	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	✓	✓		
9	Industry, innovation, and infrastructure			✓	
10	Reduce inequality within and among countries	Result of the other goals			
11	Make cities and human settlements inclusive, safe, resilient, and sustainable		✓	✓	

Source: UN Sustainable Development Programme

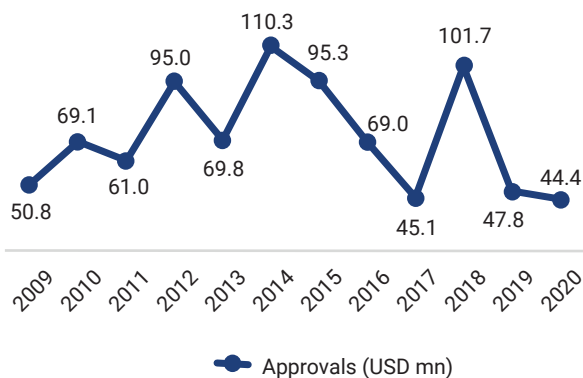
* Refer to Appendix SDG Orientation of ISFD Projects for detailed SDG alignment of projects



3.2 ISFD approvals

Since its inception, ISFD has provided funding through concessional loans and grants. Accumulated approvals are shown in the figure below:

Figure 2. ISFD approvals since inception (in USD million)



The Fund's financing increased from USD 50.8 million in 2009 to USD 69 million in 2010 before declining to USD 61 million in 2011. It picked up in 2012 to USD 95 million but fell again to USD 69.8 million in 2013. In 2014, approvals reached a peak of USD 110 million. The subsequent three years saw a gradual decline of approvals from USD 95 million in 2015 to USD 69 million in 2016 and USD 45 million in 2017. As shown in the figure, the situation improved considerably in 2018 when approvals

reached USD 101.7 million. However, on account of the global economic condition, the attendant low returns on investments in certain asset classes, and the maturity of portfolios, ISFD took a deliberate decision to review its multiplier rate downward from 1:2.5 to 1:1. These factors combined led to a decline in financing to USD 47.8 million in 2019 and USD 44.4 million in 2020

3.3 Sectoral portfolio allocation

The agriculture sector represents the highest share of funding approvals (around 30%). It plays a strategic role in the economic development of various member countries, which makes it vital for ISFD to achieve its objectives.

Education accounts for the second-largest share of approvals, at 23%. Education projects focus on improving access to education by building new or supporting existing schools and including programs pivotal for upskilling opportunities amongst youth and school dropouts.

As the quality of health care facilities and complete access to them can contribute significantly to member countries' development, health and other social services account for the third-highest allocation of ISFD's portfolio (18%). Preventive healthcare and vaccination projects in various member countries have immensely contributed to the well-being of people. The Fund has also financed projects in other related sectors such as finance, energy, water, sanitation, and urban services.

Figure 3. Sectoral portfolio distribution (in USD million)

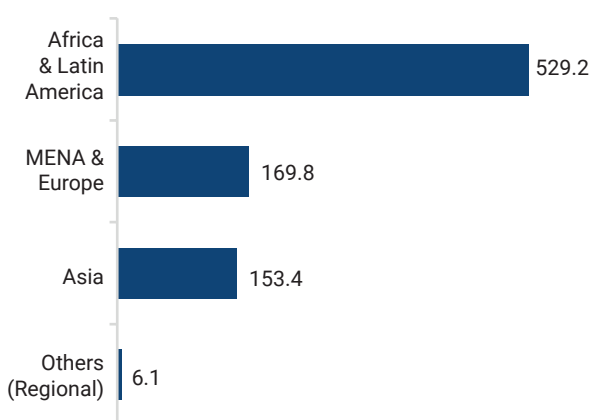


* Others include industry & mining, finance, public administration, real estate, and trade-related activities

3.4 Regional and country portfolio allocation

Poverty alleviation in LDMCs is ISFD's strategic focus. Africa accounts for the most significant regional footprint in ISFD's portfolio regarding value and number of projects. The MENA and Europe region accounts for the second-highest allocation in terms of project value amounting to USD 169.8 million. Asia is in third place with approved projects worth USD 153.4 million.

Figure 4. Regional portfolio distribution (in USD million)



3.5 Disbursement by country

ISFD project financing has covered more than 35 countries spread across Africa, Asia, and Arab regions. Sudan has secured most of the funding with projects worth USD 67.5 million, followed by Mali, Guinea, the Kyrgyz Republic, and Senegal with USD 64.9 million, USD 62.1 million, USD 56.6 million, and USD 54.5 million, respectively.

The figure below shows that about USD 653.2 million of funding has been allocated to LDMCs against USD 199.2 million to non-LDMCs and USD 6.1 million to other regional projects.

Figure 6. Disbursement breakdown by LDMCs and non-LDMCs (in USD million)

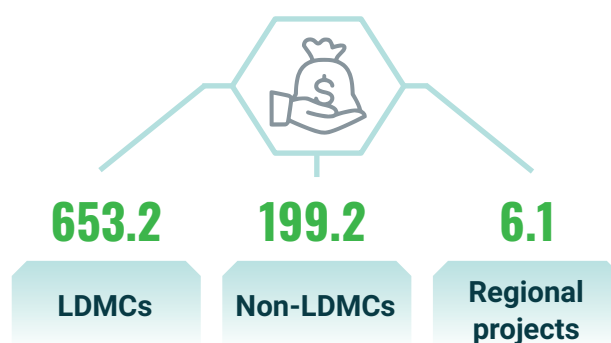
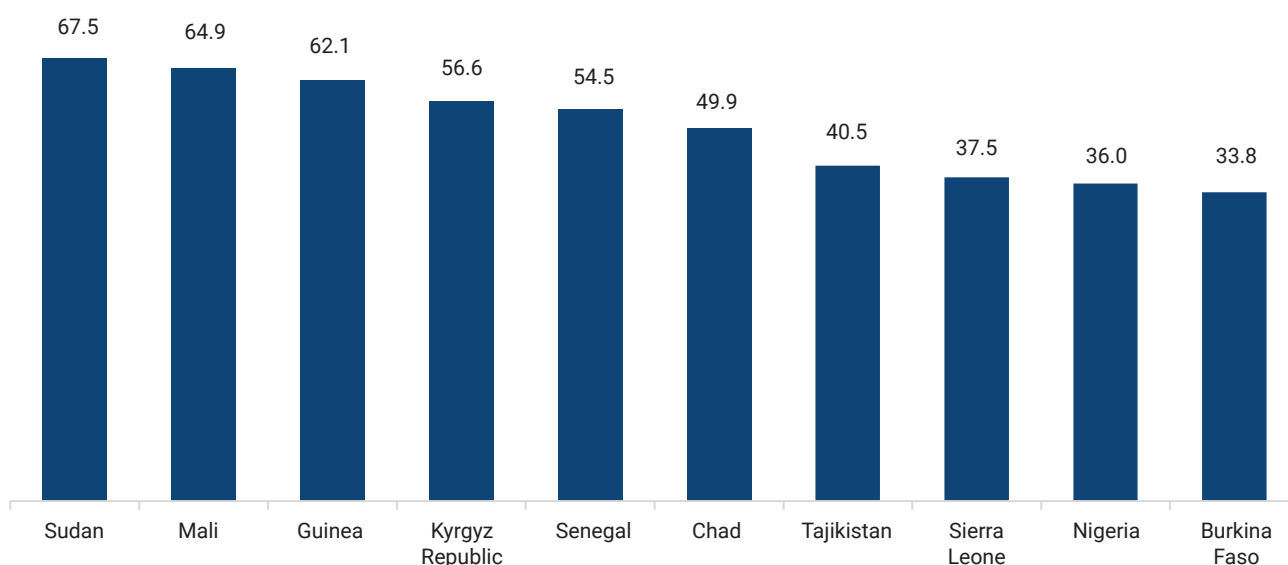
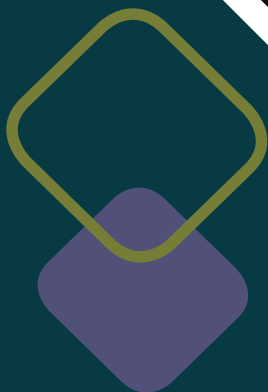


Figure 5. Country-Wise Portfolio Distribution (Top 10)

Total projects (in USD million)







4

Development Effectiveness

This section outlines the effectiveness of the completed projects* in terms of the development achieved, including the success stories based on field visits, project completion reports, and assessed development implications.

In the first half of 2020, ISFD facilitated field visits to assess the projects financed in various member countries. While

** Completed projects include loan operations and exclude grants.*

the visits were planned for several member countries, only the visits to Mali and Senegal could be implemented due to the unforeseen circumstances imposed by the COVID-19 pandemic. Several insights and development implications derived from the completed and ongoing projects in Mali and Senegal are also highlighted in this section.

4.1 Results achieved

Project details	Beneficiary country	Indicators/Criteria								Overall score	Overall rating
		Relevance	Score	Effectiveness	Score	Efficiency	Score	Sustainability	Score		
Polio Eradication Program Phase II	Pakistan	Highly relevant	93%	Effective	83%	Highly efficient	87%	Likely sustainable	80%	86%	HS
Support to the Polio Eradication Program	Pakistan	Highly relevant	100%	Highly effective	92%	Highly efficient	97%	Most likely sustainable	88%	94%	HS
The IsDB PNPM - Integrated Community-Driven Development (Phase II) Project	Indonesia	Highly relevant	85%	Highly effective	72%	Efficient	50%	Most likely sustainable	72%	70%	S
Access and Quality Improvement of Basic Education Project	Togo	Relevant	80%	Effective	80%	Less efficient	50%	Likely sustainable	70%	70%	S
Basic Education Development (Project-4)	Burkina Faso	Relevant	72%	Effective	70%	Less efficient	50%	Likely sustainable	68%	65%	S
Reallocation to Microfinance project for rural areas	Kyrgyzstan	Relevant	72%	Less effective	45%	Efficient	72%	Unsustainable	29%	54%	PS

Project details	Beneficiary country	Indicators/Criteria								Overall score	Overall rating
		Relevance	Score	Effectiveness	Score	Efficiency	Score	Sustainability	Score		
Microfinance to Rural Areas Project	Kazakhstan	Relevant	83%	Effective	77%	Efficient	77%	Likely sustainable	68%	76%	S
Millennium Village Program (MVP) Phase-2	Mali	Relevant	75%	Effective	80%	Highly efficient	90%	Most likely sustainable	90%	84%	S
Adagali-Atakpame Road Rehabilitation Project	Togo	Relevant	83%	Less effective	54%	Less efficient	40%	Likely sustainable	75%	63%	S
Millennium Villages Project (MVP) Phase-II	Uganda	Relevant	79%	Effective	81%	Efficient	75%	Likely sustainable	76%	78%	S
Sierra Leone Community-Driven Development (SLCDD) Project	Sierra Leone	Highly relevant	95%	Highly effective	90%	Highly efficient	94%	Most likely sustainable	85%	91%	HS

**Vocational Literacy Program (VOLIP) (Mauritania) – The project was closed prematurely at the request of the Government of Mauritania, and there are not enough details to create a scorecard. Sixty-nine classrooms were built as part of the project.*

*** Overall score and rating - The overall score would be the simple unweighted average of scores for four indicators/criteria. The numerical average will then be converted into descriptive ratings as Highly Successful (HS), Successful (S), Partly Successful (PS), and Unsuccessful (U). Please refer to the Appendix for the detailed scoring methodology used.*



The performance summary of the projects listed in the preceding table indicates encouraging progress towards ISFD's objectives. The projects were all relevant as they pertained to aspects of poverty reduction. They were also effective and met or exceeded their targets. Three projects had less than efficient ratings due to delays in implementation. Most of the projects were sustainable. However, the education component of the Millennium Villages Program did report sustainability issues in that the withdrawal of project support resulted in children dropping out of school. The two microfinance projects in Kazakhstan and Kyrgyzstan also reported sustainability problems since repayment rates were lower than expected under the microfinance schemes. Overall, the projects were both relevant and effective in reducing different dimensions of poverty.

Taking into account the overall scores of the projects, it would seem that the projects in Asia (Pakistan and Indonesia) with an average score of 83% performed better than projects in Africa (Togo, Burkina Faso, Mali, and Senegal) with an average score of 75%. Discussions with staff at headquarters and in the Regional Hubs attribute the differences in performance between Asia and Africa to the following reasons:

- 1) Asian countries and governments have more and more extended experience with designing and implementing poverty reduction projects.
- 2) There is a larger pool of technical consultants and staff from whom project staff can be recruited.
- 3) African countries have a lower population density, making it difficult to reach larger numbers of people; and
- 4) The greater distances that have to be covered in Africa make it difficult to supervise projects.

These projects have generally been sustainable. The health and education projects are reported to have brought lasting benefits, including a reduction in the incidence of malaria and a change in behavior about using insecticide-treated mosquito nets. The polio eradication project has also brought lasting results, as Pakistan was taken off WHO's list of countries with new polio cases. The agriculture projects have also resulted in changes in agricultural practices. However, the microfinance project in Kyrgyzstan did not perform well mainly because of low repayment rates, making them unsustainable.



Completed Projects Snapshot

The following section highlights the outcomes of the completed projects undertaken in various member countries.



Strengthening healthcare system for polio prevention Support to the Polio Eradication Program



In line with the commitments of the global community to eradicate polio, underpinned by the Global Polio Eradication Initiative (GPEI), IsDB and ISFD, in partnership with the Bill and Melinda Gates Foundation, identified Pakistan as a pilot country for assisting with the Polio Eradication Program (PEP) during the period 2013-15. The project aimed to stop wild poliovirus transmission through countrywide mass polio vaccination campaigns (targeting all children below five years of age) along with an extensive community sensitization and mobilization campaign.

The country's PEP demonstrated significant progress with only 13 polio cases till July 2016, against 54 cases in 2015 and 306 cases in 2014. The project was successful in maintaining a continuous supply of 390 million doses of an oral polio vaccine (OPV) to implement 40 planned supplementary immunization activities without interruption, procuring 1,507,397,067 cumulative doses for 34 million eligible children under five years of age with an overall coverage of 103% (against the target coverage of 95%). The project successfully addressed barriers hindering increased demand for polio vaccination, as 100% of the parents with children in the targeted area became aware of the polio campaign, and 97% intended to get their children vaccinated in subsequent campaigns.

In line with various studies conducted under the GPEI confirming the substantial economic gains associated with polio eradication, the project's contribution to the country's general health improvement and socio-economic benefits is undeniable.

The project strengthened Acute Flaccid Paralysis (AFP) surveillance, institutionalizing monitoring, evaluation, and accountability across the PEP. However, the country required more effort to achieve a non-polio AFP rate of fewer than 2/100,000 cases in children less than 15 years old, even after successfully completing the project.

The project successfully ensured continuity of OPV supply by making 849,748,600 OPV vials available against the target of 626,274,383. The additional procurement was made through the re-appropriation of savings from the social mobilization component of the project to OPV procurement.

Various tools were employed and standardized for assessing the pre-campaign, campaign, and post-campaign situation. Independent monitoring through a third party helped estimate the coverage and quality of interventions but provided an opportunity to reach out to missed children.





Strengthening healthcare system for polio prevention IsDB Polio eradication project Phase II



The project is a continuation of Phase I, which was successfully implemented during 2013-2015, as part of the National Polio Eradication Program under the Global Polio Eradication Initiative (GPEI) launched in 1988. It was also in line with the SDG-3.

The project aimed at stopping wild poliovirus transmission in Pakistan and maintaining a 'Polio-Free' status for the next three years through a country-wide mass polio vaccination campaign targeting all children below five years of age, along with extensive community sensitization and mobilization, as well as high-quality surveillance activities.

At completion, all Pakistani children (more than 36 million) were expected to be fully immunized against polio for life. Moreover, the project would enhance the country's capacity to undertake effective massive public health interventions and strengthen its routine immunization delivery system. During the project period, about 1,058,968,245 doses of OPV/IPV were procured for the PEP from the contribution of all partners. Out of this, the IsDB budget was used to procure 307,556,878 quantities and supplied to conduct 51 mass immunization campaigns for 38 million eligible children with a coverage of 102%.

The number of children paralyzed by the wild poliovirus dropped from 50 cases in 2015 to 20 cases in 2016, 8 cases in 2017, and four cases in 2018. Though Pakistan had not achieved polio-free status by mid-2016 as envisaged, the project was very effective in meeting the targets stipulated in the log frame.

The "all-government ownership" approach has solved problems and driven success with the financial assistance provided by the partners, including IsDB and the Bill and Melinda Gates Foundation.

More than 120,000 women vaccinators were trained to carry out the vaccination and build community support for the program. The refusal rate on religious grounds declined from 20% in 2016 to 0.3% in 2018, thanks to the support of clerics through Religious Support Persons (RSPs) and sustained nationwide information, education, and communication (IEC) messages. However, there were still challenges due to the limited availability of semi-skilled female workers in some conservative areas and life threats to health workers.

The project has enabled Pakistan to bring the poliovirus infection rate close to zero. It has strengthened the healthcare delivery system in dealing with other public health problems such as the current coronavirus infection.





Community-driven multisector approach to poverty reduction Integrated Community-driven Development (ICDD) Phase-II Project



ICDD Phase-II Project is a part of the National Community Empowerment Program (PNPM-Mandiri), one of the significant national flagship poverty alleviation programs of the Government of Indonesia. Around 4.1 million households benefited from the program, out of which 2.8 million represented poor households (68.3%). Moreover, poverty incidence in the ICDD area dropped from 11.7% in 2009 to 10.0% in 2012. This was achieved by a community-driven multisector and multi-pronged approach to poverty reduction.

Village communities decided on and planned rural infrastructure. Instead of employing contractors, the communities undertook road construction and maintenance, thus enhancing their capabilities. They also reduced costs through community contributions. Infrastructure development improved living conditions and increased business opportunities through better connectivity.

The 'big push' approach to rural development helped create employment for around 1 million people, including 350,000 women. The project piloted Islamic microfinance, under which the microfinance institution does not provide cash to the participants but purchases and provides the required equipment and inputs for production.

Overall, ICDD provides an example of community-driven development that can be replicated elsewhere along with the multi-sectoral approach.

Project result/impact highlights:

- Positive responses from field surveys that the project had a positive impact on the lives of the community by improving living standards.
- The infrastructure built was of good quality and was cheaper than if contracted to a firm.
- The infrastructure built vastly improved the living conditions of the village.
- Vibrant and diverse economic activities ensued as a result of microfinance.
- There were strong signs of substantial local government participation from planning to execution.
- The ICDD approach was replicated for some government initiatives fully funded by the government.
- The administration costs were substantially lower than expected. The planned cost of administration (represented by the Project Management Unit, consultancy services, facilitation, financial auditing, and monitoring and evaluation components) represented 20% of the total project cost at appraisal. However, the actual cost of administration when the project completion report was prepared was 15.40%.





Providing easy access to basic education Access and Quality Improvement of Basic Education Project



The project's primary objective was to support the Education Sector Plan of the country and improve both access and quality of basic education, reduce regional and gender disparities, and improve the capacities of the Togolese education ministry. The project aimed at expanding and upgrading basic education in Togo.

This objective was to be achieved by constructing and equipping new schools with related facilities, training activities, support, and assistance to Project Management Units and the Executing Agency.

Overall, the project helped increase school infrastructure for basic education and sustainably reinforced training activities for teachers and staff of the Executing Agency. It improved institutional conditions for education in the country. Moreover, the project helped enhance education for both male and female children by providing computers, learning materials, and educational equipment.

The project included targeted support to 50 primary schools and 50 lower secondary schools in poor areas to help address the increasing and urgent need to provide good education opportunities in these communities. Most of the outcome indicators were met.

Overall, the target of increased access to basic education was met. The same thing applies to the target of enhancing student learning. As a result of the project, schools now accommodate more students in new primary and lower secondary classrooms. The trends also indicate meaningful, sustainable, and higher enrollment

rates of girls, poor students, and students from remote areas. Thus, the project achieved its intended outcome, even exceeding targets in some cases.

Certain highlights

- Classrooms built made it possible to offer more than 20,000 seated places in permanent and durable buildings, with improved conditions of hygiene (restrooms and water).
- The project contributed to greater enrolment and attendance, as confirmed by schools.
- School enrolment, especially for girls, increased.
- The baseline enrolment of 20,356 students in 2011 rose to 40,933 in 2017, an increase of 20,577, including 9,876 girls, as against a target of 17,500 additional students and 8,750 girls by 2014 at appraisal. As a result, the percentage of new female admissions rose from 35% to 48%.
- The number of additional pupils enrolled per year in the newly constructed schools of the project area rose to more than 20,000 pupils, at an average ratio of 80 pupils/classroom.
- Improved water supply was provided in 88 sites, and more people now have access to safe water. At the same time, 25 boreholes were constructed on other sites.
- Teacher training was effective in achieving outcomes. It changed the attitudes, commitment, and teaching skills of schoolteachers, as confirmed by schools.
- 78,000 textbooks and 118,000 reference books were delivered in 2015.





Strengthening the education system Basic Education Development (Project-4)



The project's objective was to support the Ten-Year Basic Education Development Plan in Burkina Faso. The project's development objective was relevant in light of the Sectorial Strategy for Basic Education and Literacy Development (PDSEB) of the Government of Burkina Faso. The project improved access to quality education for more than 4,500 pupils, including 50% female students. It also aimed to enhance the Ministry's basic education capacity to manage the sub-sector better.

The project was designed in close consultation with the stakeholders and benefited from a preliminary design and lessons learned from the implementation of previous projects. The construction and equipping of 30 school complexes or 90 equipped classrooms increased the dissemination of basic education. In addition, these new infrastructures in the rural areas of the four beneficiary provinces contributed to reducing geographical disparities and distances traveled by students. Overall, the project helped encourage massive enrolment and the retention of girls in schools since the facilities became closer to their homes.

The training of teachers enhanced their knowledge and skills, enabling them to better deliver on their duties. With the acquisition of motorbikes, the academic supervision of teachers and school principals became regular. In addition, the donation of furniture and equipment for central and decentralized directorates and the training of staff helped reinforce the Ministry's capacity.

Specific performance highlights of the project at completion:

- Thirty primary school complexes were built and operational.
- Thirty houses for teachers were built with relevant facilities, such as restrooms and kitchens.
- 787 education staff, including 100 school principals and 648 teachers, were trained.
- Fifty-three pedagogic advisors were equipped with motorbikes and trained.
- Five campaigns for promoting girls' education, including the annual distribution of incentive packages for the top 10 first girls of Grade 6 and the villages with the girls' highest enrollment rate.
- One Teacher Training School is now operational.
- Four staff members of the ministry in charge of basic education were trained in education planning.
- A monitoring and evaluation system was put in place.





Microfinance credit for the self-reliant rural and urban Poor Reallocation to Microfinance Project for Rural Areas



The limited availability of reasonably priced and longer-term microfinance facilities to small-scale farmers was a significant constraint to alleviating poverty and supporting rural/agricultural development in Kyrgyzstan. Moreover, despite high-interest rates prevailing in the market (30%-36% per annum) and the relatively short duration of average micro-loans of USD 2,000 - USD 3,000, the demand remained high.

The project is intended to provide microfinance services to the rural and semi-urban poor. In addition, it was designed to improve access to credit and deepen microfinance services' outreach for the marginalized and the "un-bankable." In this regard, this project emphasized reachability, better tailored, entrepreneur-/poor-friendly and diversified products, and bringing the service closer to the clients.

The project aimed to support the Government's efforts to achieve growth and reduce poverty by providing the poor (especially women) in rural and urban areas of Kyrgyzstan with microfinance credit in agriculture and livestock. The targeted areas of this project included Chui and Osh Oblasts as well as the Greater Bishkek. Under the project, two medium-size microfinance partners were selected in the country

- i) Eco Bank
- ii) Bai Ordo

Both Eco Bank and Bai Ordo did not face repayment issues.

Unlike existing and operational microfinance schemes in the country, the project's added value could be summarized as a planned focus on women entrepreneurs living in rural areas. It also focused on investing and targeting agricultural and other labor-intensive sectors, lending only in local currency and at rates 8-10% lower than the prevailing microfinance market rates.

Certain highlights:

- USD 3,984,580 of microfinance was disbursed
- 861 clients received micro-credit, 46% of whom were women
- More than 60% of the credit went to the agriculture and livestock sectors
- A financial audit report was prepared
- Observations about a sample of five clients indicated that beneficiaries have become better off, have extra income, have gained assets (cattle), and also earned the potential to grow further
- Eco Bank demonstrated significant capacity for implementing Islamic principles in using microcredit finance to support the poor (small enterprises), but Bai Ordo did not





Economic development and poverty alleviation through microfinance Microfinance to Rural Areas Project



The project's overall objective was to contribute to the Government of Kazakhstan's efforts to achieve economic development and poverty alleviation. The project provided resources for Shariah-compliant microfinance services that targeted the rural population and small-scale agrarian farmers. Hence, the project was specifically aimed at:

- a) helping new small businesses emerge in rural areas,
- b) assisting existing small businesses to expand, and
- c) introducing Shariah-compliant microfinance services.

At the time of project appraisal, the Kazakh economy was experiencing a downturn primarily because of the global financial crisis and decreasing commodity prices. Therefore, the project was designed when the need for diversifying the Kazakh economy away from mineral resources was highly apparent, and the need to help rural communities was urgent.

The project also intervened in financial markets when they failed to meet the financial needs of the rural population and small businesses, as they were providing only a tiny portion of their total assets to these sectors (only USD 22 million lendings in rural areas compared to total assets of USD 97 billion). Moreover, microfinance loans were also costly as they carried an average markup of about 40% for individual borrowers. Hence, the finance was not only limited to rural areas and small businesses but also very expensive and not investment enabling.

Given these considerations, the project was highly relevant from the need perspective. It also provided a highly significant amount of funds (about half of the total lending offered by the entire financial sector). Therefore, it was a relevant undertaking for shaping the lending scene in rural areas.

The project's contribution was significant in terms of

- employment in rural areas
- increasing productivity through the acquisition of machinery
- generation of value added by way of increased economic activity
- provision of alternative low-cost borrowing for the rural sector
- demonstration of the Murabaha scheme in rural areas and the agriculture sector.





Integrated approach to Millennium Development Goals Millennium Village Program (MVP) Phase-2



The project's expectations were based on the assumption that an integrated approach of the critical sectors combined with strong community and institutional engagement and adequate financing would generate sustainable development impacts in the rural areas of Mali. The key sectors covered by the project were agriculture (including livestock and agribusiness), education, primary health care, potable water and sanitation, energy (including rural electrification), infrastructure (including rural roads), environment, and community capacity development.

Key expected results of the project were:

- significantly reducing the number of people living below the poverty line,
- improving the level of education across genders,
- decreasing the number of vulnerable people dying from malnutrition, maternal death, and preventable diseases, and
- replicating the successful interventions in communities outside the project clusters, such as in agriculture and business development

As a proof of concept, the project demonstrated well that rural development in Africa can be achieved when integrated solutions are brought onboard simultaneously. Overall, the project was executed efficiently. Over 100% of the budget (including gains made through currency exchange) was utilized by May 2018, when the PCR mission was conducted. It had a sound monitoring and

evaluation system against which performance was closely monitored and reported for each sector.

Project highlights:

- A revolving fund was established that allowed farmers to procure fertilizers, the most expensive production inputs. The project invested about USD 1.5 million in the fertilizer revolving fund designed to be paid back by a farmers' organization.
- Sixty-seven primary small cooperatives or unions were supported to strengthen crop and livestock value chains.
- Lead farmers were deployed to train other farmers to improve the limited extension and advisory services. The ratio used was one lead farmer for 20 follower farmers and one youth facilitator for 25 lead farmers.
- A solar-powered Integrated Water Management System (IWMS) was established in phases 1 and 2. The system provided potable clean water and benefited communities across 23 villages with a total population of nearly 41,000 people, of whom 21,101 were women in 2921 households.
- The project equipped two modern Community Health Centers (CHCs) and three existing ones built and rehabilitated in MVP Phase 1 through the UNDP.
- Main achievements in the education sector include - a) 110 newly built classrooms, seven rehabilitated classrooms, and 20 new storerooms; b) 6 improved Quranic schools; c) 10 schools equipped with safe drinking water; d) 26 schools equipped with hygiene and sanitation equipment; e) 15 Early Childhood Development Centers (including five community gardens and ten nurseries)





Togo

Improvement of local infrastructure Adagali-Atakpame Road Rehabilitation Project



The project goal was to improve the level of service of the existing national road No. 5 between Adagali and Atakpamé (78 km long) and enhance the accessibility of the Plateaux region, which is densely populated and fertile. The project would reduce travel time and vehicle operating costs on the existing road, which was in a very bad condition. In addition, the project was meant to contribute to the improvement of the life of neighboring communities by offering greater capacity in terms of classrooms, equipped boreholes, and greater awareness about road safety and disease.

The road construction allowed the interconnection of the two cities Atakpame and Kpalime, which have significant potential in the national economy. This construction also opened up several localities along the road. These results were in line with the Government's policy in the context of poverty reduction.

Key highlights

- According to the project description, the road was built based on the planned length (78 km); access roads to the main community infrastructures (Prefectures) were also constructed.
- No boreholes were built out of the seven planned as there was no water problem in the project area, where it rains twice a year.
- 350 shed markets were built.
- A block of three latrines was built.
- Three classrooms were built.
- 1.14 km of urban roads were built.
- Project sustainability was ensured, keeping in mind the quality of road construction, with the completed sections maintaining a very high level of service with an operational longitudinal drainage system. Sustainability was also ensured by the new Road Maintenance Strategy, which required a systematic survey of degradations with immediate repairs on sections already completed.





Integrated community development for local empowerment Community Development through Millennium Villages Project Phase-II



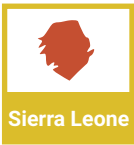
The likelihood that most countries in Sub-Saharan Africa would not achieve the Millennium Development Goals (MDGs) by 2015 was relatively high. The Millennium Village Project (MVP) model was specifically designed and adapted to target the MDGs' improvement and fast-track their achievements. During the first phase of the MVP in Uganda, some notable achievements were made, especially in terms of improving food security and essential services. MVP Phase II was undertaken to consolidate and enhance sustained economic improvements and resiliency. It would contribute to a significant increase in the living standards of the communities and the neighboring areas.

The project's development objective was to make substantive progress towards the achievement of MDGs in targeted project areas. Some of the key results expected at the outcome level in the project areas were as follows:

- Increased agricultural production and enhanced nutrition
- Improved business development and microfinance
- Increased universal access, retention, and quality of education
- Strengthened health service delivery systems
- Infrastructure development and improved access to water for domestic consumption

The outcomes of the project were achieved to a great extent, as outlined below:

- The project improved the nutrition status of households, as demonstrated by a reduction in the prevalence of underweight children in the community (from 16% at the baseline to 8% at the end of the project). It also led to a decrease in the proportion of stunted children under five years of age (from 55% at the baseline to 40% at the end of the project).
- The project also diversified and increased agricultural production, reaching in some cases a 200% increase in output.
- The construction of water schemes and improved toilets greatly improved access to safe water for domestic use (from 1% at the baseline to 63% at the end of the project) and increased access to household sanitation (from 4% at the baseline to 80% at the end of the project).
- It strengthened Savings and Credit Cooperatives (SACCOs) to ensure increased liquidity and operational modalities, promoting entrepreneurs to establish viable businesses. This was evidenced by an increase in the membership and savings of the community in SACCOs (over 90%) and an increase in loan portfolios (over 80 %).
- The project improved school infrastructure and provided school meals and a wide range of training and capacity-building activities. This has increased net enrolment in schools (from 45% to 74 %) and high completion rates for pupils (from 15% to 30%).
- It also strengthened health services and facility infrastructure and activated Community Health Workers (CHWs). This is evidenced by the increased institutional deliveries (from 9% at the baseline to 90% at the end of the project), a reduction in infant mortality by half, a reduction in malaria incidence, and an increase in antenatal care coverage (from 33% at the baseline to 85% at the end of the project).



Building local communities to reduce poverty Sierra Leone Community-driven Development (SLCDD) Project



The project's objective was to assist war-affected communities in reducing poverty and building local capacity for collective action, thus contributing to the country's stability, peace, and sustainable growth. Moreover, community-driven development (CDD) approaches have made immense contributions to the service delivery objectives of governments and supported the capacity building of local councils and communities.

The project design did not experience significant changes. It achieved its outputs as envisaged in the appraisal report and even achieved more in terms of infrastructure (190 planned against 215 accomplished) and rural electrification (24 solar panels planned versus 28 installed). The project progressed towards achieving its outcomes by providing improved access to social services such as increases in school enrolment and reductions in child and maternal mortality. A tremendous impact was also made in building community social cohesion, capacity building, and project governance.

The project contributed positively to employment and livelihood opportunities. It provided a conducive environment for the expansion of rural economic activity through access to productive and financial services

Key highlights:

- A total of 215 infrastructure projects were constructed and completed
- Health education sensitization sessions were held, and IEC materials were distributed in 675 villages
- 135 farmer-based organizations were identified and provided training in agronomic practices
- 150 microenterprise groups with 95% female membership were established, trained, and serviced with micro-grants and loans from the revolving fund
- Solar lighting facilities were installed in 28 communities
- Training in the capacity building took place, and three exposure visits were made
- Sixty-three master trainers were trained by MYRADA (Indian NGO) in advanced CDD concepts and sustainable livelihood practices. 135 clusters were trained in community empowerment
- A monitoring and evaluation consultant was hired for six months for baseline evaluation
- MYRADA provided modular capacity building / empowerment training
- The reputable auditing firm of (KPMG) was hired to provide auditing services for the project throughout the implementation. Audit reports were submitted to IsDB according to the reporting schedule



4.2 Field visits



Mali

Support to Bilingual Basic Education Project

Location: Outskirts of capital city Bamako

Project activities: Supporting schools with training for bilingual education and smartboards. Major activities include:

- Franco-Arabic schools - bilingual education and quality improvement.
- Quranic schools – renovation
- Capacity building for the ministry
- Project management

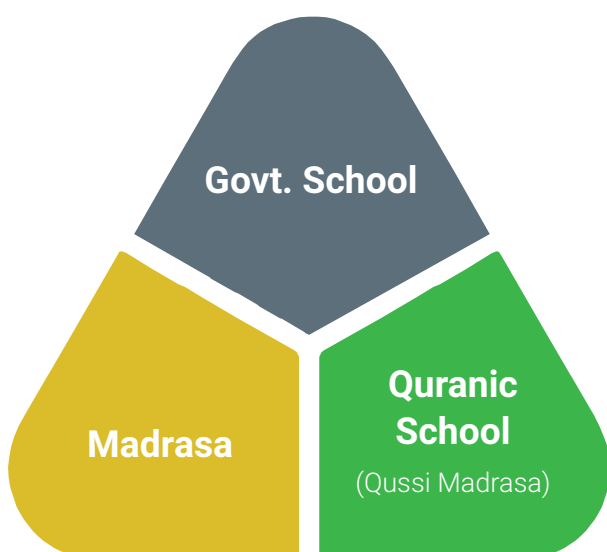
Number of beneficiary students to date: 5,000 students in 50 schools

School Structure in Mali

The National school (government school) system teaches in French.

The Quranic schools teach in Arabic and are run with public funds.

Madrasas teach in Arabic.



Overview

This is the first year of the "Bilingual Basic Education Project," as 100 teachers have been trained, with 50 each in French and Arabic. The Arabic teachers have been trained in the new curriculum subjects such as history and geography, civics, moral education, and language. The French teachers have been trained in language, mathematics, physics, and natural science. The first year supported 50 schools with two teachers trained in each school. The project is also monitoring the schools' achievements and gender breakdown of students benefitting from bilingual education.

The project target is to reach 2,500 schools, provide training to 5,000 teachers (2 per school) and 2,500 school directors/principals. The project also envisages the training of 500 staff members in the Ministry of Education. The project will also train teachers in all Madrasas. The Ministry also has a program for modernizing Madrasas, and the ISDB project is part of it. The Ministry is using other funds for this purpose. The project has developed the content for the training, which the Ministry is also using.

School Glimpses



Particular focus on female students' empowerment

Apart from education, sewing training for girls was also organized to make them economically independent. There are 22 training centers/workshops, each equipped with four sewing machines.

A glimpse of training centers



Mass information and sensitization campaigns are being carried out in various regions. The project will provide educational materials to 10,000 girls. Ten girls will be selected for scholarships.

Girls are being trained to join Teacher Training Institutes run by the Government. In 2017, 136 girls were trained. Out of the 120 girls who took part in the entrance exam, seven were successful. In 2018, some 95 girls were trained, 88 participated in the entrance exam, and 11 were successful.

For Quranic schools, 125 working tools will be digitized, including some lessons about history and geography.

Rural Electrification Project

Location: Central Mali, Siboo

Implementing Agency: AMADER (Malian Agency for the Development of Domestic Energy and Rural Electrification)

Overview

Mali's power system is mainly a grid-based transmission system. 55% of the total power produced is hydropower.

The project involves setting up two solar plants of 1.3MW each to satisfy the energy demand of 24 villages. Both plants are financed by ISFD for USD 5.6 million. The network is also financed by IsDB and is worth USD 4.4 million. It is now in the process of being contracted.

Out-of-School Children Program

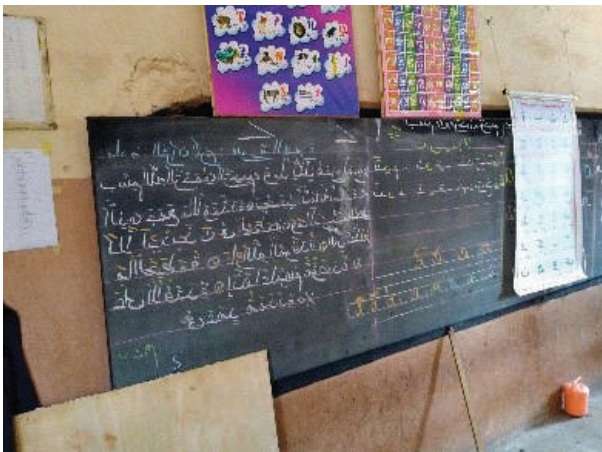
Location: Outskirts of Bamako, Village Sonkoniko

Number of beneficiary students to date: Approximately 2150 students (1,160 boys and 990 girls)

Activities conducted under the project:

- Language and subject training for teachers
- The new curriculum introduced with higher importance given to French
- Mathematics taught from Grade 1
- Workshops for girls
- Nine sewing machines for training girls
- Smartboards (digital blackboards) for teaching science
- Computer labs set up in schools





Overview

The official language of Mali is French. However, Arabic is the teaching language for junior classes, making it difficult for students to understand French in higher courses from 9 to 12, where all subjects are being taught in French.

The project is helping to introduce French as the primary language for all subjects from junior classes so that students can have a fair amount of knowledge by the time they reach higher levels. As an official language, it will also help them prosper by getting good jobs. The new curriculum is based on French. It induced the need for new books in all subjects, as previously teaching was mainly in Arabic. The Government of Mali provides books based on the National Program, whereas teachers are being trained to teach subjects such as science and mathematics in French.

Exceptional support to female students in terms of workshops and sewing machine training will help them become self-reliant.

Smallholders Agricultural Productivity Enhancement Program

Location: Mali, Benin, Cameroon, and Burkina Faso.

Objective: increase the productivity of smallholders in SSA.

Main crops: Millets, maize, sorghum, and wheat.

Project overview

The project started in 2013 with the following components:

- Dissemination of technology of nutrient management tasks
- Access to seed for all crops - new or hybrid varieties
- Access to markets and finance
- Project management
- Consultation for technology assistance

The project also includes infrastructure development by building 24 agri-business centers that can build

laboratories for analysis, support inland preparation and development, provide training for beneficiaries, and provide market centers and warranty systems for storage. New technology (high yielding variety seeds) has been deployed, sourced from the national agricultural research centers that work with international organizations, such as ICRISAT.



Land preparation

- Supporting 450 hectares of land in 2 regions
- Canals for water
- Leveling of land
- Soil testing and fertilizer recommendation
- All of these activities support the rice crop.

Technology dissemination

- Promoting the use of organic fertilizer and manure
- Sowing methodologies focused on germinating seed before sowing
- Animal-drawn vehicles for sowing
- Hybrid varieties of maize, sorghum, and millets

Training of framers

The number of farmers trained – over 10,000 in three regions of Mali.

There is also farmer-to-farmer training/extension. The trained farmers are required to teach other farmers, and the project monitors this aspect.

10,639 smallholders have been trained, comprising 8,716 men and 1,923 women.

Project impact

Table 5: Productivity impact

Crop	Results before project	Results after project
Millet	600-800Kg/ha	1,500-2,000Kg/ha
Sorghum	900Kg/ha	2,000-3,000Kg/ha



- The project provided smallholders with the required technical support and fertilizers at 50% of the price.
- Hybrid seeds are helping farmers improve crop production. In one village, the new seeds increased rice production to 4.2 tons compared to 1.5 tons of old seeds output. Similarly, farmers find the hybrid maize seeds much better than the old seeds as hybrid seeds take less time for cultivation, are better in taste, and provide higher yields.

Social Impact:

- Improved well-being of women farmers
- Reasonable quantities of food stock in the house
- Improved affordability for better health care services
- Enhanced level of education with the improvement in farmer's income
- The number of cattle has increased, and villagers use them for milk, meat, and land preparation



Support to the Dara Schools Development Project

- Number of beneficiary students: Over 550, including 250 female students
- Two schools constructed
- Training conducted for over 20 teachers



Senegal

Women Entrepreneurship Development and Youth Employment Support Project

Overview

Fanta runs a laundry with five employees. Before the laundry business, she used to work as a household maid and earned CFA 80,000 per month (USD 133). She bought a washing machine with tontine funds and started laundry. Financing worth CFA 5.7 million provided by IsDB / ISFD under a project through Micro bank supported the expansion of her laundry. Her current income has improved from around CFA350,000 to CFA500,000 per month (USD580 to USD830)





Dara schools are religious schools, usually in very dilapidated condition. The Modern Dara Schools Project is constructing new buildings for comprehensive schools, modernizing the curriculum by introducing mathematics and French and training teachers for these subjects. The teachers for these modern Dara schools have also been trained. As of now, more than 550 students have benefited from the construction of two modern Dara schools

PALAM Project

Project Location: Fentel Sanb, Diourbel

Crops Produced: Groundnut and millet

Finished Products: Couscous, groundnut oil, and Peanut butter



Overview

Farmers benefiting from the project were facing low-scale production and low incomes due to the poor availability of electricity. Under the project, two groups of 24 women, one group producing couscous from millets and other groundnut oil and peanut butter, received PALAM-imparted training in improving production and using surplus groundnut millet. They were also taught literacy and numeracy under the project.

The millet cultivator group that was selling products locally before the project interference is getting orders from cities. Every 15 days, 50 kg millet is collected from the members, out of which 30 kg is sold as millet, and the rest is processed as couscous. They can now sell couscous for CFA 25,000, of which about CFA 15,000 are their expenses, resulting in a net income of CFA 10,000 every two weeks. They repay CFA 12,000 to the bank, and the rest is kept in a fund and lent to members when they need it.

Similarly, the groundnut farmer group processes and sells groundnut oil, peanut butter, and oilcake (for animal feed). 50 kg of groundnuts is bought at CFA 500/kg, from which 20 liters of oil are extracted and sold at CFA 1,100 per liter. The group also produces ten blocks of animal feed using byproducts from the oil, selling it for CFA 500 for each cake. This way, a net income of CFA 22,000 (oil) and CFA 5,000 (oil cake) is generated. The group also produces 5 kg of peanut butter, generating a CFA 500/kg net income.

The two groups have collectively borrowed CFA 6 million from PALAM and microfinance institutions and repaid CFA 12,500 per month per group.

Groundnut group output



PALAM assistance:

- The net income is now kept in a fund that members can use to draw on in an emergency. Previously, farmers would sell their animals or some other asset in case of an emergency.
- Farmers have been trained and are being monitored to maintain hygiene and quality. Proper hygiene conditions are followed while making products to assure quality.
- Each PALAM group is trained in different activities. These groups sell products at lower prices than the local market without hampering the quality. This helps to sell products to traders as well.

Social upliftment

The project has uplifted women standing in both the family and community since they took up agro-processing. They are now also looked up to in the community as successful businesswomen.

Support Project for the Development of Female Entrepreneurship and Youth Employment (PADEF)

Health Centre

Project Location: Louga, Sakal District Health Center

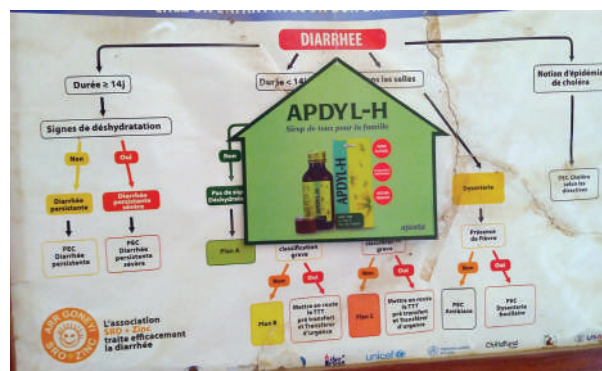
Start date: 2014

Implementation Agency: Millennium Promise, United-States based NGO

PADEF assistance

- One 4x4 car to be used as an ambulance.
- Six health posts in Louga
- Lab equipment for tests, etc.
- Building residence quarters for staff nurses near the health center
- Capacity-building sessions were held, which included training in
 - Reproductive health
 - Supporting kids
 - Nourishment of kids
 - Tuberculosis awareness
 - AIDS awareness

Site Glimpse



Overview

The project supports a health center run by nurses and other staff. Doctors usually visit every 15 days, and seriously ill patients are taken to the hospital in Luga. Nurses use digital platforms such as WhatsApp to share the patient's details with the doctor and get live consultations for treatment. This helps actively assess the patient's treatment and provide the appropriate aid and medicine. The nurses are also trained in reproductive health, TB, AIDS treatment, and even minor surgeries.

The centers also work with NGOs to execute government schemes to provide enriched wheat for malnourished children. The center also does radio shows for gender equality supported by PADEF, as there is a high preference for male children over female ones.

Under the PADEF, approximately two million mosquito nets have also been distributed to prevent people from malaria. It has resulted in a decrease in malaria cases to just 3 or 4 in a year.

Irrigation scheme

Village: Beutlamine

Corps: Onion and tomatoes



The project output includes a tubewell, water distributed for irrigation, and stored in 122 plots. Plots are about 55 m x 25 m in size.

Overview

9,996 illiterate women were educated and trained against 10,000, in which 5,539 were trained in the management discipline. Similarly, 2,880 young people were trained in various fields, where 1,811 were specifically trained in management. 4,681 children, out of which 61.3% are girls, were provided with Basic Community Schooling (BCS). Approximately 50 young people obtained certifications such as the Certificate of Professional Aptitude (CPA) and the Certificate of Professional Competence (CPC). 175 young people groups and 399 women economic integration groups were formed.

With the support of projects in various aspects, including agriculture, upskilling and basic education, farmers' income has improved, and they are now better able to afford their children's education. Farmers can now invest in cultivating more land, buying animals, or starting a shop.

Traditionally, women do not go to the fields to work. However, PADEF is trying to change this perception and helping women that own small plots through the irrigation scheme. One such story is presented below:

Bonbayang Deye

Bonbayang Deye's husband works in north Senegal and thus could not become a member of the irrigation scheme. She became a member of the project and cultivated onions on her plot. She hired a man to work and engaged a friend of her son to sell the product in the market. Usually, she earns CFA 20,000 as net income.

She is even able to make decisions on expenses and inform her husband about them. She can buy clothes and other materials for herself and her children.



Support to National Malaria Prevention and Control Project

Period: 2017-2019

IsDB supported 25 districts (8 health posts) with approximately 2 million mosquito nets

Implementing Agency: PMI (American NGO)

Health Personnel Trained: 432 personnel

Overview

IsDB supported the Health Ministry for this program. There are some hot spots for malaria, and an NGO concentrated work in those areas. Under the project, two million mosquito nets were supplied in 25 districts in 2017-19. There are other partners in this program, such as UNICEF, which is responsible for procurement. 10,840 doses of Primaquine and ACT (both medicines) and 504,000 Rapid Detection Tests (RDT) were also distributed as part of the project.

With this program, morbidity fell from 35.7% of the population in 2001 to 4.8% in 2018 (figures given by Health Ministry officials). The mortality among those infected also fell from 29.7% in 2001 to 2.1% in 2018. These figures are for the whole of Senegal and apply to the project areas as well. Apart from mosquito nets, the project also supported mosquito repellent spraying inside houses.

4.3 Development implications of projects

This section summarizes the implications of multiple projects catering to various sectors, education, health, women empowerment, and agricultural development, showcasing the strategic vision of ISFD towards poverty alleviation in African regions.

Education: Importance of bilingual education

Education focuses on developing bilingual schools, teaching in Arabic and French, rather than the earlier schools teaching exclusively in Arabic. In these countries, the official language is French. The change to bilingual schools is important since those who study only Arabic cannot shift to government-run schools in post-primary classes, where teaching is conducted primarily in French. Even enrolling in vocational training is difficult due to French being the language of instruction. The inability to

understand French also makes it difficult for youngsters to get jobs, whether in government organizations or the private sector. The students can continue farming or livestock rearing but cannot enter the industrial sector except at the lowest levels.

In building a modern economy with industries and services, an educated workforce is a prime necessity. One should remember that the East and South-East Asian countries now known for their manufacturing prowess first paid attention to education-for-all to transition from an agriculture-based to an industry-based economy. Furthermore, in the 21st century, computer literacy has also become a necessary part of modern education.

Schools with a combination of bilingual education, computer literacy, and vocational training, whether in tailoring or some other skill, will help build a workforce for manufacturing and modern services. In line with this requirement, bilingual schools also impart computer training to all students and tailoring instruction to girls. With rising global wages, many garment brands are trying to set up or utilize manufacturing facilities in African countries. The numbers of these factories can grow, provided there is a sufficiently educated and trained workforce.

Health: Critical to strengthen health infrastructure with digital communication

Two core components for the health sector in the region are imperative for ISFD projects. The first is preventive healthcare measures, such as the distribution of insecticide-coated mosquito nets. This is accompanied by campaigns to convince people that mosquitoes are the source of malaria, which mosquito nets can prevent. As a result of one such project in Senegal, national figures and project staff assured us that the project has successfully reduced malaria incidence.



Besides the essential equipment and trained staff, another component is the digitalization of primary health centers, such as video conferencing. Such facilities help spread the services of doctors to remote areas.

There is an acute shortage of doctors in Sub-Saharan Africa. Strengthening health infrastructure and making full use of trained personnel through digital infrastructure has become even more critical. The frequent pandemics spread through many African countries, from AIDS to Ebola, and now COVID-19.

Innovative microfinance model: Providing not money but equipment and material

The microfinance system under ISFD/IsDB is significantly different from other microfinance systems worldwide, such as those of the Grameen Bank and BRAC in Bangladesh. In those microfinance systems, the microfinance institution (MFI) gives a borrower (usually a woman) a loan. It is then up to her to use that money to buy inputs and pay other costs for her micro-enterprise. In the process, some of the money meant for investment in the business may be diverted for the consumption needs of the household. The borrower still has to repay the total amount of the loan, which may be made more difficult because of the smaller amount invested.

The MFI system followed by ISFD and IsDB overcomes the diversion of the loan by directly buying the required equipment for the intended enterprise instead of giving money. This purchase by the MFI may also get a better price for the equipment than a group of rural women may have to pay. In some cases, the MFI also buys back the output of the enterprise from the beneficiary group. This technique reduces the risk the beneficiaries might face in the marketing of their products.

Enhancing women's status in family and community

Along with the expected economic and household benefits of a higher income (such as increased spending on health and education, elimination of distress sales of small livestock, etc.), there is an improvement of women's status both within families and communities. For example, women rice farmers in Mali, who benefited from irrigation and high-yielding varieties, have seen an increase in their ability to carry out household expenditures from their crop income. Some members of these women's groups have also been elected to offices in

local administrations. These are indicators of an increase in women's empowerment. While not exaggerating the extent of women's empowerment brought about by their involvement in direct income-earning activities, these changes in the position of women in both households and communities need to be noted. These things can be included as part of project objectives and, consequently, in project outcome indicators.

Moving up the value chain: the importance of quality control and branding

Those farmers who market their products by themselves face difficulty resolving marketing and quality control problems at the local level. These activities require some investment and are scale sensitive, which means that they become too expensive to be undertaken by small groups with a low output size. However, marketing and quality control functions can be taken up by associations or federations of women's groups. Such associations can also develop their brand names, which, with strict quality control, could become higher-priced differentiated products in general commodity markets.

Thus, the associations of women's economic groups could enable these groups to increase their income.

Agricultural development: adding marketing structures to increase farmers' price realization

Agricultural development projects mainly dealt with introducing improved seeds, some with irrigation and fertilizer packages. Various projects have been successful in increasing yields that project beneficiaries can reconfirm. However, there is a common problem related to marketing, which is carried out within the village to local traders and shopkeepers—or in the case of women, to traders who would come to the farmers' homes. The prices realized in such village-level transactions are necessarily somewhat lower than what could be achieved from urban traders or traditional markets.

One project (SAPEP in Mali) is developing Agricultural Business Centers, which would include marketing sheds. Since large traders from the towns could come to these centers, such marketing centers would help increase price realization by farmers. Thus, agricultural development projects should also promote marketing systems so that small farmers can increase their share of benefits from higher productivity.





5

Conclusion

Improving the state of member countries

This Annual Development Effectiveness Report shows that ISFD contributes to eradicating poverty in member countries, improving overall social wellbeing, and facilitating development. While working towards its objectives, the support it provides to multiple sectors, mainly education, healthcare, agriculture, and women's empowerment, is helping beneficiaries escape from poverty and become self-reliant.

The extensive experience of ISFD's project execution teams in mobilizing and training people in the healthcare sector has proved crucial during the current COVID-19 pandemic when there is a great need for robust public health systems. This is especially important as Africa accounts for only 1% of global health expenditure while it has 16% of the world's population and 24% of its disease burden*. Public health systems in LDMCs obviously need strengthening.

Combating poverty requires a combination of strategies and timely interventions, especially in the agriculture and the education sectors, which can help create a conducive ecosystem for the economic empowerment of women and others. Resilience has to be built into income systems and consumption patterns of the poor. Flagship programs, revamped business models, and the mobilization of development partners will provide member countries with a dynamic growth trajectory, create new job opportunities, develop attractive business ideas, enable better reach to the market, and improve the food supply chain.

The Fund should also identify projects in low-income member countries that would increase benefits from their participation in global value chains (GVCs). Many African countries are only involved in the extraction or cultivation of resources and the sale of primary products such as timber, cocoa, shea nuts, etc. Projects can identify suitable opportunities for creating infrastructure for processing raw materials and producing finished goods, including timber-made furniture. Moving from simple extraction and sales to taking on various value-added functions that result in complete package supplying (where the local firms undertake tasks other than design, branding, and marketing) would increase employment and income from GVC participation. This requires projects that build

local capabilities for both management and skilled labor. At the same time, projects should also support innovative capacities for developing new products from local raw materials.

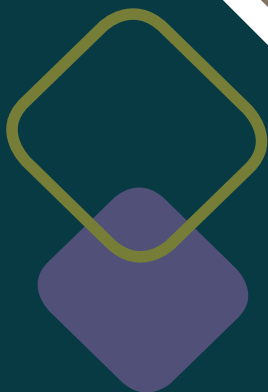
The ongoing pandemic, which has resulted in lockdowns and supply chain disruptions, has shown the importance of digital technologies. The mobile phone is an essential instrument of life anywhere on the planet. The digital payments system, digital education, and health care are areas in which social innovation is possible. Some African countries have started using drones to supply medicines in remote areas without good road communication. Leapfrogging to skip older technologies and moving into advanced digital technologies can be encouraged by innovative projects.

All these factors make the Fund a well-positioned and trusted partner of member countries to lead transformations in various sectors and support poverty reduction and human development in the future.

Enhancing the Fund's performance

The development of innovative programs and focused execution of projects are at the core of ISFD's activities to address poverty alleviation in the member countries. The executed projects are having a sustainable impact with high levels of effectiveness and efficiency. The strategy that ISFD has recently adopted will help resource mobilization for capital infusion into the Fund, ultimately resulting in greater fund distribution and scaling up project execution. ISFD is also working towards streamlining the project management cycle with quality assurance at each stage, aiming to deliver higher-quality development outcomes more rapidly.





6

Appendix

6.1 ISFD Member Country Classification as per ISDB Financing Terms (New Classification Approach), 2019

Table 6: New Classification Approach

S. No.	LDMCs	Low and Lower-Middle Income Member Countries (non-LDMC)	Upper-Middle- and High-Income Member Countries
1	Benin	Cameroon	Albania
2	Burkina Faso	Côte d'Ivoire	Algeria
3	Chad	Egypt	Azerbaijan
4	Comoros	Indonesia	Bahrain
5	Djibouti	Kyrgyz Republic	Brunei Darussalam
6	The Gambia	Morocco	Gabon
7	Guinea	Nigeria	Guyana
8	Guinea-Bissau	Pakistan	Iran
9	Mali	Tunisia	Iraq
10	Mauritania	Uzbekistan	Jordan
11	Mozambique	Palestine (West Bank & Gaza)*	Kazakhstan
12	Niger	Syria	Kuwait
13	Senegal	Tajikistan	Lebanon
14	Sierra Leone		Libya
15	Somalia		Malaysia
16	Sudan		Maldives
17	Togo		Oman
18	Uganda		Qatar
19	Afghanistan		Saudi Arabia
20	Bangladesh		Suriname
21	Yemen		Turkey
22			Turkmenistan
23			United Arab Emirates

* Considering the special status of Palestine, it is considered under the LDMC category for ISFD operations

6.2 Development Effectiveness Framework – REES Rating Scale

At ISFD, the Development Effectiveness of the completed projects is assessed in terms of four criteria:

- Relevance
- Effectiveness
- Efficiency
- Sustainability

The following performance rating scale is used to assess the development effectiveness of the completed projects on the four criteria.

Table 7: Performance Rating Scale

Overall Score (same thresholds for all sub-ratings)	Score >= 85%	60% <= Score <85%	30% <= Score < 60%	Score < 30%
Overall Project Rating	Highly Successful	Successful	Partly Successful	Unsuccessful

Relevance				
Sub-Rating	Highly Relevant	Relevant	Partly Relevant	Irrelevant
Relevance of Development Objective	The project purpose remained fully aligned with the Bank's and country's development strategies	The project purpose was primarily aligned with the Bank's and country's development strategies	The project purpose was not aligned with one of the following: (i) Bank's strategy (ii) Country's development strategies	The project purpose was not aligned with either of the following: (i) Bank's strategy (ii) Country's development strategies
Relevance of Project Design	From approval to closure, the design was highly conducive to achieving the project results	From approval to closure, the design was consistently conducive to completing the project results	From approval to closure, the design was conducive primarily to attaining the project results	From approval to closure, the design was not conducive to achieving the project results

Effectiveness				
Sub-rating	Highly Effective	Effective	Less Effective	Ineffective
Outputs	≥ 85% or more of the target is being met	60% ≤ outputs < 85% of the target is being met	30% ≤ outputs < 60% or more of the target is being met	Less than 30% of the target outputs is being met
Outcomes	≥ 85% or more of the target is being met	60% ≤ outcomes < 85% or more of the target is being met	30% ≤ outcomes < 60% or more of the target is being met	30% ≤ outcomes < 60% or more of the target is being met

Efficiency				
Sub-rating	Highly Efficient	Efficient	Less Efficient	Inefficient
Time	<6 months delay	6-12 months delay	12-18 months	>18 months
Cost	Less than 10%	Less than 40%	Less than 65%	More than 65%

Sustainability				
Technical and Financial Soundness of Project Results	The project has put in place robust mechanisms for technical and financial sustainability to ensure continued flow of benefits	The project has put in place sufficient mechanisms for technical and financial sustainability to ensure a continued flow of benefits	The project has put in place some mechanisms for technical and financial sustainability to ensure a continued flow of benefits	The project has not put in place any mechanisms for technical and financial sustainability to ensure continued flow of benefits

6.3 SDG orientation of projects

Table 8: SDG Orientation

Country	Project Name	SDG
Afghanistan	Support for Establishment of Comprehensive Obstetric Fistula Treatment Services	 
Albania	Microfinance Project - First Albanian Financial Dev Company Reallocation	 
Azerbaijan	Integrated Rural Development Project (JED Declaration)	  
Bangladesh	Rural Access Road Improvement in Sylhet Division Project	 
	Mothers First: Ending Obstetric Fistula in Bangladesh	 
Benin	Integrated Microfinance Support Program for Benin	 
	Smallholders Agricultural Productivity Enhancement Program for Sub-Saharan Africa	 
Burkina Faso	Basic Education Development (Project-4)	 
	Smallholders Agricultural Productivity Enhancement Program for Sub-Saharan Africa	 
	Support to Bilingual Primary Education Project	 
	Solar Rural Electrification Project	 
	AFAB2 Second Generation of Alliance to Fight Avoidable Blindness: Formulation of 5 Year Work Program	 
	Dangoumana region Hydro-agricultural Development (PAHD)	 
Cameroon	Smallholders Agricultural Productivity Enhancement Program for Sub-Saharan Africa	 
	Basic education Support Project in Priority Areas (PASZEP) in Cameroon	 
	Mont Mbappit Rural Development Project (Phase II)	     
	Grassfield Participatory Integrated Rural Development Project (GP - DERUDEP)	       
Chad	MALARIA PREVENTION CONTROL SUPPORT	 
	Sustainable Villages Project (SVP)	         
	Vocational Literacy Program for Poverty Reduction (VOLIP)	 
	Bilingual Lower Secondary Education Development Project	 

Country	Project Name	SDG
Chad	Solar Energy y for Rural Development	
	Rural Water Infrastructures Project in Ennedi East and Wadi Fira Regions	
Comoros	Youth Entrepreneurship Support Project	
Cote d'Ivoire	Post-Conflict Reconstruction and Community Development Project	
	National Participative Microfinance Facility and Capacity Building Project	
Djibouti	Dryland Project	
	Bilingual Education System Strengthening Project	
Gambia	Establishing a Comprehensive Obstetric Fistula Centre in The Gambia Project	
	Small Ruminants Production Enhancement Project	
	Rice Value Chain Program	
Guinea	Support to the Primary Education Sector Program of Guinea	
	Support to the Development of Technical and Vocational Schools Project	
	Toward a Fistula-Free Generation in Guinea	
	Sustainable Villages Program	
	Post-Ebola Heath Sector Support Project	
	Crop Value Chain Development Project	
	Rice Value Chain Program	
Guinea Bissau	Strengthening the Capacity of the Simao Mendes National Hospital	
Indonesia	The ISDB PNPM - Integrated Community Driven Development (Phase II) Project	
	Integrated Community Driven Development (Phase III) Project	
	National Slum Upgrading Project	
	LLF - The Development of Integrated Farming Systems in Upland Areas	
Kazakhstan	Microfinance to Rural Areas Project	

Country	Project Name	SDG
Kyrgyzstan	Microfinance Project	
	Microfinance Project for Rural Areas-Bai Ordo Co.	
	Microfinance Project for Rural Development - Centre Kapital	
	Microfinance Project for Rural Development - Finance Partner	
	Microfinance Project for Rural Development - OJSC "K Kyrgyzstan Commercial Bank"	
	Sustainable Villages Project	
	Improvement of Electricity Supply in Arka Area of Batkan Region	
	Sarymsak Irrigation Scheme Development Project	
	Rural Water Supply and Sanitation Improvement Project	
Mali	Improvement of Rural Water Supply & Sanitation in Batken and Talas	
	Millennium Village Program (MVP) Phase 2	
	Solar Energy for Rural Development Project under Reverse Linkage	
	AFAB2 Second Generation of Alliance to Fight Avoidable Blindness: Cataract Campaign in Mali	
Mauritania	Out-of-School Children Program	
	Vocational Literacy Program for Poverty Reduction (VOLIP)	
Morocco	Solar Rural Electrification Project in Aftout Elchargui Zone	
	Vocational Literacy Program for Poverty Reduction (VOLIP)	
Mozambique	Sustainable Village Project	
	Inland Aquaculture and Artisanal Fisheries Development Project	
	AFAB2 Second Generation of the Alliance to Fight Avoidable Blindness Formulation of Mozambique 5 Year Work Program	
Niger	Vocational Literacy Program for Poverty Reduction (VOLIP)	
	Smallholders Agricultural Productivity Enhancement Program for Sub-Saharan Africa (SAPEP-SSA)-Niger	
	Sustainable Villages Project	

Country	Project Name	SDG
Niger	Rural Electrification Project through Renewal Energy under Reverse Linkage	
	AFAB2 - Launching Cataract Campaigns in Niger	
	Rice Value Chain Program	
	Sustainable Village Project	
	National Disease Prevention and Control Program in Niger	
Nigeria	Jigawa State Integrated Rural Development Project	
	Promotion of Bilingual Education	
	Bilingual Education Project for Adamawa, Barno, Gombe, Kaduna, Kano, Kwara, Nasawara, Niger and Osun States	
	Kano State Agro-Pastoral Development Project LLF	
	Out-of-School Children Program	
	Promotion of Bilingual Education	
Pakistan	Support to the Polio Eradication Program	
	Basic Education for the Poor Project	
	Obstetric Fistula	
	Polio Eradication Program Phase II	
	Out-of-School Children Program	
Palestine	Economic Empowerment Fund for Palestinian People	
Regional	Youth Job Creation Program	
Senegal	Support to the Dara Schools Development Project	
	Women Entrepreneurship Development and Youth Employment Support Project	
	Support to Yellow Fever Vaccine Production Project	
	Rural Electrification Project	
	Support to National Malaria Prevention and Control Project	

Country	Project Name	SDG
Senegal	Vocational Literacy Program for Poverty Reduction (VOLIP)- Phase 2	
	Agricultural Entrepreneurship Development Project (PRODAC)	
	Emergency Program for Community Development Project (Phase-II)	
	Rice Value Chain Program	
Sierra Leone	Sierra Leone Community-Driven Development Project	
	Palm Oil Production Project in the Framework of the C.B. Initiative	
	GIETRENK: Sierra Leone Community-Driven Development (Phase II) Project	
	Health System Strengthening Project	
	Reinstating Comprehensive Obstetric Fistula Treatment and Care in Sierra Leone	
	Rice Value Chain Program	
Somalia	Dryland Development Project (EARDP Initiative)	
Sudan	Water Harvesting Project for Agro-Pastoral Development in Al-Gadarif State	
	Micro-Finance Support Program	
	Sustainable Villages Project in West Darfur	
Suriname	Reforming the Technical and Vocational Education and Training Project	
	Enhancing Rice Production (Reverse Linkage)	
Tajikistan	Microfinance Project for Rural Areas - Amonatbank, Tajikistan	
	Microfinance Project for Rural Areas - Tojiksodirotbank, Tajikistan	
	Microfinance Project for Rural Areas - National Bank of Tajikistan	
	Vocational Literacy Program for Poverty Reduction Project (VOLIP)	
	Improvement of water resources management in Khalton	
Togo	Access and Quality Improvement of Basic Education Project	
	Access to Energy for Rural Communities in Togo Project	

Country	Project Name	SDG
Togo	Reconstruction of Adagali-Atakpame Road Project	1, 9
	Integrated Microfinance Project in Togo	1, 2, 5, 8
Tunisia	Vocational Education and Training for Employment Project	1, 4
Turkey	Konya PPP Hospital Project	1, 3
Uganda	Support to the Development of a Specialized Maternal & Neonatal Healthcare Unit in Mulago National Referral Hospital (Mulago III)	1, 3
	Dryland Integrated Development Project	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11
	Millennium Village (Phase II) Program	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11
	Technical and Vocational Education and Training (TVET) (Phase III)	1, 4
Yemen	Vocational Literacy Program for Poverty Reduction (VOLIP)	1, 4
	Enhancement of Rural Development Opportunities Project	1, 4, 6, 7, 8
	Fisheries Development Project	1, 2, 8

6.4 Expected sectoral results

The approved and ongoing projects are expected to benefit several sectors. This section provides a snapshot of desired results from the approved projects.

** Based on RRP of approved projects till 2019.*

Agriculture



All the agriculture projects under implementation are expected to build or upgrade approximately 2,200 market centers and establish around 18,500 tons of storage capacity in the target regions by 2025. Cumulatively, the projects are projected to increase livestock production by approximately 140,000 tons and crop production by an estimated 1.4 million tons over 15 years.

Table 9: Analysis of expected agriculture-oriented results

Sector indicators	Value
Agricultural storage facility built or upgraded (tons)	18,515
Area irrigated (hectares)	141,507
Associations established or actively promoted (numbers)	3,003
Crop production increased (tons)	1,379,036
Crop yield increased (tons/hectares)	180.5
Livestock (dairy) production increased (tons)	139,429
Market centers established, upgraded, or rehabilitated (numbers)	2,181
Water resources developed for multiple use (m3)	10,210,000

Education



The education projects are estimated to benefit almost 1 million students over the period from 2010 to 2025. Over 4,500 classrooms are expected to be built or upgraded within 12,500 institutions. Additionally, approximately 35,000 teachers are expected to be trained to achieve the development objectives of various projects.

Table 10: Analysis of expected education-oriented results

Sector indicators	Value
Accommodation - Residence rooms built or upgraded in hostels and accommodation in educational institutions (number)	5,215
Classrooms built or upgraded in primary/secondary educational institutions (number)	4,509
Institutions built, upgraded or equipped (number)	12,661
Student benefited (number)	994,057
Teachers/faculty/staff trained (number)	35,884

Energy



ISFD energy projects target underprivileged groups in society to light up their life through renewable energy generation. The projects plan to increase renewable energy generation capacity by 24 MW by 2021. In addition, approximately 2,200 km of energy distribution lines will be installed/upgraded to provide energy to almost 500,000 households.

Table 11: Analysis of expected energy-oriented results

Sector indicators	Value
Installed energy generation capacity using renewable sources (MW equivalent)	24
New households connected to electricity (number)	499,662
Sub-stations installed, upgraded, or rehabilitated (MVA)	125
Transmission/Distribution lines installed, upgraded, or rehabilitated (KM)	2,233

Health and other social services



The health and other social services projects are expected to set up and upgrade more than 450 healthcare facilities and train approximately 6,000 health personnel. The projects also intend to provide vaccination to about 68 million children. Moreover, 14.5 million doses for malaria prevention are expected to be distributed from 2009 to 2023.

Table 12: Analysis of expected results in the sector of health and other social services

Sector indicators	Value
Health facilities constructed, upgraded, or equipped (number)	473
Health personnel trained	5,943
Children vaccinated (number)	68,500,000
Preventive healthcare - number of long-lasting insecticidal nets distributed (number)	14,526,000

6.5 Testimonies

Lighting the way (Solar Home System Program in Bangladesh)

Description

In 2008, ISFD stepped into this program by providing a soft loan of USD 18 million. The Solar Home System (SHS) Program is powered by innovative finance, technical know-how, and promotional activity. 64,000 SHSs have been installed in Bangladesh with the help of ISFD finance.

“ In Bangladesh, access to energy was a significant constraint for most people to improve their living conditions.

MI Karim

IsDB Representative, Dhaka

“ The program has been a huge success. What started as 50,000 units to be executed in five years has gone up to 55,000-60,000 units per month. So, this is a huge success.

Arastoo Khan

Additional Secretary, Economic Relations Division of the Ministry of Finance

“ People in rural areas are using this SHS for many different purposes. The main requirement is basic lighting. However, this lighting is helping them in generating income. They can now work after it gets dark.

Monirul Islam

General Manager IDCOL

“ Before solar power, we used kerosene lamps. Now it's easier for children to study and I can work at night.

Seema Zingthakin Baum

Weaver, Bandarban

“ I saw that other shops using the SHS could stay open till 10 pm, so I decided to get one. Now I can also stay open till 10 pm. The earnings from the store easily cover the monthly payment (EMI)

Ahsanullah

Shopkeeper, Faridpur

Seeds of change (Microfinance Support Program)

Description

Jordan is situated in a region that had played a pivotal role in trade and commerce since ancient times. Jordan's economy is fast developing. Entrepreneurs are starting new ventures across the country. The microfinance support program supported by ISFD is helping them on their way to prosperity.

“ In the beginning, I was looking for work, and then I got a job in a company where I learned this work and liked it. The girls there sewed and did upholstery. I thought about why I shouldn't do this work as well, as I enjoyed it. My loan was sanctioned quickly. When they found out the business was viable and that a woman was doing it, they helped me out and encouraged me.

Nawal Hilal Mohamed

Sofa Maker

“ The cooperation between Jordan and IsDB goes back a long way. In this project, we are specifically targeting Jordanians on the poverty line.

Omar Khalifeh Al-Omari

General Manager, Development and Employment Fund, Jordan

“ A loan for 3000 dinars was approved. They gave me 1500 dinars at first and the remaining 1500 dinars after seeing the project to make sure the work was there. Thank God the job is going well.

Omar Mohammad

Mechanic

Bridging the divide (Integrated Community-driven Development Program)

Description

The Integrated Community Driven Development (ICDD) Program in Indonesia empowers the people to decide their requirements. Committees in each village identify their priorities—whether infrastructure, microfinance, or social initiatives. Indonesia is one of the member countries that the Fund is reaching out to through sharia-compliant equity capital grants and loans. ISFD seeks to empower those most in need providing them with the means to work for their progress.

“The newly constructed village road has changed my life. Now I can get the product to the market faster and don't have to pay any middleman.

Sanen

Farmer, Indonesia

“With this assistance, we hope we can easily overcome every challenge we face

Ceppie K. Sumadilaga

BAPENNAS

“With ICDD and the assistance from IsDB (with ISFD), we hope they can enrich our approach, for example, to increase the people's capacity-building and build social solidarity.

Budi Yuwono Prawirosudirjo

Director-General, Ministry of Public Works

Opening the Door (Vocational Literacy Program)

Description

Senegal is a vibrant business hub for the region of Africa, but it is a country faced with multiple challenges from inflation to illiteracy to high unemployment. Vocational Literacy Program (VOLIP), a program launched by IsDB, is an innovative effort to tackle these problems in countries like Senegal. The three elements of VOLIP are the provision of Literacy, Vocational Training, and Microfinance.

“PALAM (French name of VOLIP) is a program that fits perfectly within the scope and framework of the poverty reduction strategy of the government, which today is part of the economic and social policy and has many attributes. This encompasses many features because, as we know, poverty has a multi-sectoral nature.

Ms. Mbacke Khady Fall Ndiaye

Director, PALAM

“The program will help the community in many areas. Currently, there is a shortage of small business opportunities here. At the same time, it will help the women gain literacy skills and help the youth here learn a skilled trade.

Village Coordinator

Gogom



“ The program has a participatory approach that allows the community members to identify problems themselves and find solutions together with the program.

Babu Kanjai

President, Rural Community, Gogom

“ Despite efforts by the government of Senegal, the level of illiteracy in Senegal is still very high, around 57% (only 43% of the population is literate).

Al Hadji Meissa Diop

Director of Literacy and National Languages

“ Often, the problems with Daras (religious schools) consist of difficulties with modernization and teaching models. I think if we have access to the right resources in terms of training, equipment, and financial resources, our craftspeople and artisans will be able to advance in the region as the potential exists for them to do so.

Mamadou Ibrahim Lo

Governor, Diourbel

“ With PALAM, there is a mutual partnership between us. We can receive their girls and train them. PALAM can also benefit from our trained girls who can go and work with them to teach their girls, thus providing them with more opportunities.

Mme Dia Madeleine Gomis

Director, Training Centre, Kaffrine

“ With PALAM, our goal is to help 21,000 people. We think this is extremely important because training allows people to learn a trade, and with this proficiency and financing, they have the power to achieve something.

Ndeye Khady Diop

Minister of State, Ministry of Family



BID Microfinance

Description

150 families are the beneficiaries of a three-year USD 1.75-million project partly financed by ISFD. Based on Islamic financial principles, money is provided upfront for the produce or commodity delivered at a specific date and an agreed price—a financing model well suited to seasonal agriculture production. Islamic finance also embraces risk-sharing and long-term partnership principles, something conventional or capitalist funding does not do. Technical support is also provided by the financing, which had reached an estimated 40000 beneficiaries (in Sudan and Benin).

“ I used to work from day to day, and now I have a regular job and salary, which means I can support my family

Abdelrahim Kabashi
Farmer

“ Others in other cooperatives need support, and this is a much better financial system than anything else available for their projects.

Justin Kounde
Farmer, Benin

“ The good thing is that there is no interest, no immediate repayments. You present the project and then share the profits that you generate.

Nadia Akiyo
Egg farmer

“ This kind of financing is different from conventional financing. It is based on values and principles. One of the principles is participation in loss and profit, which is a big difference from conventional financing.

Laurent Tolome
Director-General, UNACREP

“ We were in a training group, and some people came to instruct us on farming management and how to grow things.

Evariste Woko
Farmer

“ It was a dream from the start for me, a Sudanese woman, to have her own space and to be self-dependent, but my father and family supported me too. So, I used all the opportunities I had to get a good job. Now I'm looking forward to developing my ideas and projects.

Afrah Mohammed Eljaylani
Technical Supervisor, Abu Halima Greenhouse Project

“ I didn't have the right equipment, and that is what I used the financial assistance for.

Alofa Edrowe
CEO, Freedom Alouhin Fruit Juice & beneficiary

“ We feel more at ease with this kind of loan as they are our partners if we have a cash flow problem.

Issa Symphonie
CEO, Espoir IS & beneficiary





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