

GROUP OPERATIONS EVALUATION DEPARTMENT

ANNUAL EVALUATION REPORT

2016 G



Islamic Development Bank Group
GROUP OPERATIONS EVALUATION DEPARTMENT







TABLE OF CONTENTS

TABLE OF CONTENTS	I
ACKNOWLEDGEMENTS	II
ACRONYMS AND ABBREVIATIONS	III
EXECUTIVE SUMMARY	IV

1

CHAPTER - I INTRODUCTION

1. A. Background and Objectives
2. B. Evaluation Planning, Methodology and Criteria
4. C. Enabling and Dissemination Activities
5. D. Structure of the Report

5

CHAPTER - II PERFORMANCE ANALYSIS

6. A. Ordinary Capital Resources (OCR) Projects
17. B. Higher Level Evaluations
- C. Other Evaluations

21

CHAPTER - III DEVELOPMENT RESULTS

22. A. Agriculture and Rural Development
- B. Water and Sanitation Sector
23. C. Transport Sector
24. D. Energy Sector
25. E. Education Sector
26. F. Health Sector

27

CHAPTER - IV LESSONS LEARNED

28. A. Importance of Recognizing and Maintaining a Stakeholder Focus
29. B. Need for Environmental and Social Safeguards
30. C. Involving the Private Sector to Improve Development Effectiveness
- D. Capacity of the Executing Agency

33

CHAPTER - V RECOMMENDATIONS, MANAGEMENT RESPONSE, AND ACTION

34. A. Synthesis of Recommendations
- B. Implementation of Recommendations

37

ANNEX

38. A. MAIN INDICATORS FOR PROJECTS EVALUATED IN 2016G (ORDINARY PROJECT LEVEL EVALUATION)
40. B. EVALUATED OCR PROJECTS WITH IMPLEMENTATION DELAYS IN 2016G
44. C. COST VARIATIONS IN OCR PROJECTS EVALUATED IN 2016G
48. D. CRITERIA-BASED RATING FOR EVALUATIONS IN 2016G
50. E. RECOMMENDATIONS FROM 2016G EVALUATIONS

LIST OF TABLES

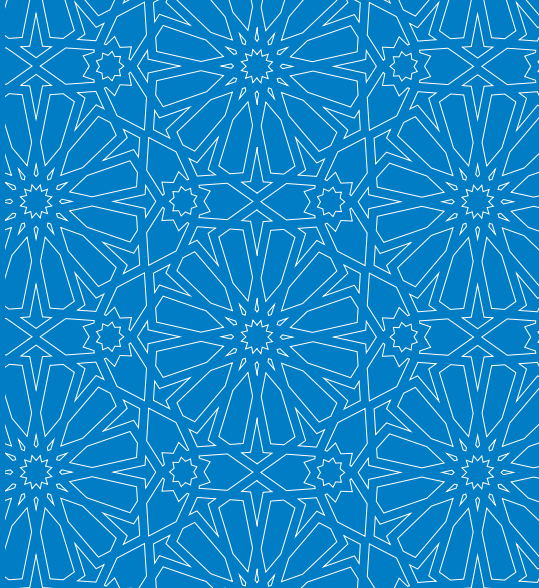
8. Table II 1: Other Evaluations Undertaken during 2016G

LIST OF BOXES

10. Box II 1 The Integrated Community-Driven Development Program, Phase-I, Indonesia
12. Box II 2 Nieuw Nickerie Port Upgrading Project in Suriname
26. Box III 1 Reconstruction of Housing Units for the Tsunami Victims Project, Maldives
33. Box IV 1 Socialization Activities' Impact on Sustainability of the ICDD Concept in Indonesia

LIST OF FIGURES

6. Figure II 1: Number of OCR Project Evaluations during 1433H-1437H/2016G
6. Figure II 2: Country Coverage of 2016G Project Evaluations
7. Figure II 3: Mode of Finance Distribution
7. Figure II 4: Sector Distribution
8. Figure II 5: Performance Ratings of 2016G-Evaluated OCR Projects
9. Figure II 6: Success Rate of Evaluated Projects across Regions
9. Figure II 7: Sector Performance Ratings of 2016G-Evaluated OCR Projects
11. Figure II 8: Distribution of 2016G Relevance Assessment
11. Figure II 9: Distribution of Effectiveness Assessment in 2016G
12. Figure II 10: Implementation Delays of Evaluated Projects in 2016G
13. Figure II 11: Implementation Delays of Evaluated Projects in 2016G
14. Figure II 12: Distribution of Efficiency Assessment in 2016G
14. Figure II 13: Distribution of Sustainability Assessment for Evaluated OCR Projects in 2016G
15. Figure II 14: Comparison of Distribution of the Ratings of PCRs and PCR-ENs
16. Figure II 15 IDB Group Yearly Approval Trend for Turkey (1977-2015) in US\$ million
17. Figure II 16 IDBG Yearly Approval Trend for Senegal (1977-2015) in US\$ million
19. Figure II 17: IDBG Financing for Uganda since Inception (US\$ Million)
19. Figure II 18: IDBG Approvals and Disbursement by Sector Under the MCPs (in US\$ million)
22. Figure II 19: Implementation Delay by Number of Evaluated Projects in Transportation Sector (2006-2016)

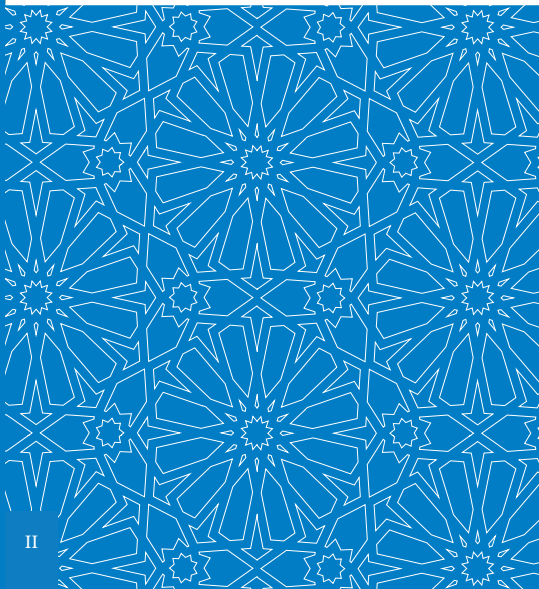


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ACRONYMS AND ABBREVIATIONS

AADT	Annual Average Daily Traffic	ITFC	International Islamic Trade Finance Corporation
AER	Annual Evaluation Report	km	kilo meter
AfDB	African Development Bank	kV	kilo Volt
APIF	Awqaf Properties Investment Fund	KWh	Kilowatt-hour
ARD	Agriculture and Rural Development	LOG	Landfill Gas
AsDB / ADB	Asian Development Bank	LOF	Line of Financing
BCC	Berber Cement Company	M&E	Monitoring and Evaluation
BED	Board of Executive Directors	MC	Member Country
BSTDB	Black Sea Trade and Development Bank	MCPS	Member Country Partnership Strategy
CAE	Country Assistance Evaluation	MCPS IR	Member Country Partnership Strategy Implementation Review
CCD	Co-operation & Capacity Development	MDB	Multilateral Development Bank
CDD	Capacity Development Department	MENA	Middle East and North Africa
CFA	West African CFA Franc	MoU	Memorandum of Understanding
CGO	Country Gateway Office	MTBP	Medium Term Business Plan
COP21	The Annual Conference of Parties	MW	Megawatt
CPD	Country Programs Department	NCB	National Competitive Bidding
DAC	Development Assistance Committee	NGO	Non-Governmental Organization
DED	Detailed Engineering Design	NMC	Non-Member Country
DoA	Delegation of Authority	O&M	Operation and Maintenance
DWTEA	Dead Weight Tons Executing Agency	OC	Operations Complex
EBRD	European Bank for Reconstruction and Development	OCR	Ordinary Capital Resources of IDB
ECG	Evaluation Cooperation Group	OECD-DAC	Organization of Economic Cooperation & Development – Development Assistance Committee
EIB	European Investment Bank	OIC	Organization of Islamic Cooperation
EIRR	Economic Internal Rate of Return	ONEE	Moroccan Electricity and Water Utility Company
FER	Road Maintenance Fund	OPSD	Operations Policy and Services Department
FIRR	Financial Internal Rate of Return	PCR	Project Completion Report
FPDC	Financial Product Development Centre	PIASR	Project Implementation Assessment and Support Report
G	Gregorian Year	PL	Project Level
GCC	Gulf Cooperation Council	PMU	Project Management Unit
GDP	Gross Domestic Product	PPER	Project Performance Evaluation Report
GGC	Gambia Groundnut Corporation	PPP	Public-Private Partnership
GOE	Group Operations Evaluation	QaE	Quality at Entry
GPEDC	Global Partnership for Effective Development Cooperation	SABIC	Saudi Arabia Basic Industries Corporation
GPS	Good Practice Standards	SDG	Sustainable Development Goals
GWh	Gigawatt hour	SME	Small and Medium Enterprise
H	Hijra Year	SPE	Special Assistance Operation
HDE	Human Development	TA	Technical Assistance
IaDB	Inter-American Development Bank	TAP	Technical Assistance Program
ICD	Islamic Corporation for the Development of the Private Sector	TIFERT	Tunisian Indian Fertilizers
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit	UM5	University Mohammed V
ICT	Information and Communications Technology	UN	United Nations
ID	Islamic Dinar	UNEG	United Nations Evaluation Group
IDB	Islamic Development Bank	US\$	US Dollars
IDBG	Islamic Development Bank Group	VOC	Vehicle Operating Cost
IFAD	International Fund for Agricultural Development	WB	The World Bank
IFE	Islamic Financial Engineering	WBG	The World Bank Group
IMF	International Monetary Fund	WP	Work Program
INF	Infrastructure Department		
IPP	Independent Power Plant		
IRTI	Islamic Research and Training Institute		
ISFD	Islamic Solidarity Fund for Development		
ITAP	Investment Promotion Technical Assistance Programme		



POWER TRANSMISSION PROJECT, KYRGYZTAN

EXECUTIVE SUMMARY

The 2016G Annual Evaluation Report (AER) synthesizes the overall findings of evaluations carried out by the Group Operations Evaluation (GOE) Department during the year 2016G, highlighting the performance of Islamic Development Bank (IDB) Group interventions covered, key lessons learned, and emerging recommendations. During the year, the Department carried out twenty-four Ordinary Capital Resources (OCR) project post-evaluations across various sectors in nineteen different member countries. Also during this period, the Department conducted post-evaluations of six Special Assistance Operations and one private sector intervention by ICD and carried out three MCPS Implementation Reviews (MCPS IRs). In addition, the Department completed one synthesis report each for the Transportation sector and the Health sector and one program evaluation. A third synthesis of evaluations in the Water and Sanitation sector and one program evaluation were initiated in 2016G and will be completed in 2017G.

The GOE Department also undertook evaluation of two Awqaf Properties Investment Fund (APIF) projects and four special evaluations, and it validated twenty-one Project Completion Reports (PCR). Among the twenty-four OCR projects evaluated, two projects (8 percent) were rated Highly Successful, fifteen projects (63 percent) were rated Successful, six projects (25 percent) were rated Partly Successful, and one project (4 percent) was rated as Unsuccessful. The vast majority of the projects evaluated were found to be relevant to member countries' strategic priorities and to the IDB Group's strategy, with 96% of projects rated Highly Relevant or Relevant. In addition, most of the post-evaluated projects contributed to achieving their associated outcomes with 70 percent of the evaluated projects rated either Highly Effective or Effective. In terms of efficiency, more than half of the projects were implemented without major delay. Similarly, a large number of projects did not experience major cost variation. Sustainability of the evaluated projects was mixed, however, with 52 percent found to be Most Likely or Likely Sustainable.

In the Agriculture and Rural Development (ARD) sector, the Department post-evaluated four projects located in four countries: Bangladesh, Indonesia, Iran, and Maldives. The evaluated projects delivered tangible output results including


roads, drainage systems, irrigation facilities, growth centers, and capacity building of project beneficiaries. These output results have contributed to reductions in travel time (by about 70 percent), increased income generation activities among 1,412 women through the micro credit scheme, and generation and/or sustainment of about 62,400 temporary and 8,663 permanent jobs for rural people through agriculture, transport, and trading activities. Moreover, construction of housing units for tsunami victims in Maldives helped restore the normal lives of 740 people affected by the disaster.

In 2016G, the GOE Department evaluated two Water and Sanitation sector projects in the Republics of Togo and Senegal. Around 520,000 people benefitted from these projects as a result of increased access to potable water through the construction of 755-km transmission lines, installation of 663 public stand pipes, and provision of 405 boreholes with pumping units. In total, 6,798 households have been connected to these water sources. Delivery of these outputs have led to improved health and sanitation conditions within the beneficiary communities. With regard to evaluated Infrastructure projects, significant results were achieved. In the Transportation sector, four projects were post evaluated across Africa, Asia, and Latin America.

On the one hand, the two road projects provided a total of 52 km of dual carriageway roads, significantly enhancing accessibility, improving road safety, and boosting local economic activities in Burkina Faso and Kyrgyz Republic. On the other hand, two projects in Suriname fell short in achieving their goals. The upgraded port in Suriname had limited impact and remained almost non-operational for four years due to the absence of onshore basic facilities and river dredging. The Air Navigation project enabled the acquisition of key equipment for air traffic although this equipment has yet to be fully utilized. In the Energy sector, the Department post-evaluated seven projects in 2016G cutting across Africa, South Asia, and CIS. In terms of power generation, the evaluated projects contributed a total of 1,743 MW of newly installed capacity and rehabilitated 300 MW power capacity. Furthermore, the projects added around 274 km of lines to improve power transmission networks.

During the year 2016G, two Education sector projects in Mozambique and Tajikistan were post-evaluated.





In addition, a cluster of six education projects under Special Assistance in the USA was also evaluated. These interventions resulted in construction of 316 classrooms, construction/refurbishment of twelve ICT laboratories, addition of eleven science laboratories, construction of eight sports facilities, construction of sixteen accommodations for staff, supplying teaching and learning materials and equipment, and training of teaching and non-teaching staff members. The outcome results from these interventions include access to education for 78,935 students and pupils (2012 - 2016), improved learning outcomes (e.g., an increased pass rate from 55% to 80% in Mozambique), and employment for 2,150 teaching and non-teaching staff. In the Health sector, the Department post-evaluated two projects, one in Albania and one in Bangladesh. Both projects have contributed to improved delivery of health services through expansion of medical facilities and provision of medical equipment. In particular, construction of health centers under the project in Bangladesh increased access to quality primary health care services for about 4 million unserved and underserved rural inhabitants of the catchment areas. These health centers treated around 1 million patients yearly, including 120,000 live deliveries per year on average.

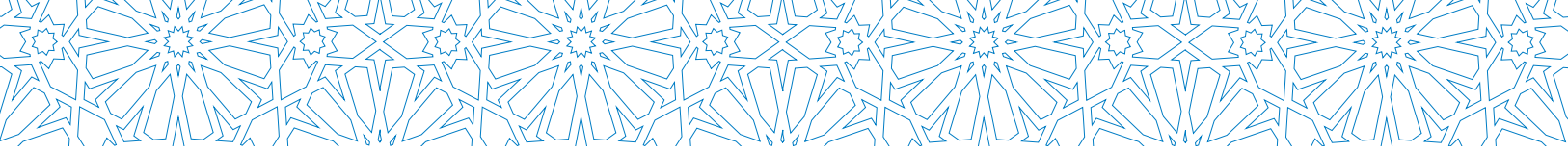
As part of the higher level evaluation, the GOE Department conducted three Member Country Partnership Strategy Implementation Reviews (MCPS IR) in 2016G. Among the main findings of these reviews were long start-up delays and low levels of disbursement, particularly for Senegal and Uganda. However, Turkey's disbursement rate was higher. For Turkey's MCPS IR for the period 2010-13, the Renewable Energy Program of the Pillar 1 ("Infrastructure Development") contributed 860 GWh/year to the national grid using renewable energy sources, thereby reducing CO2 emissions by 2.7 million metric tons annually. In the Transport sector, only one project, related to the procurement of six high-speed trains, was approved. Also under the same pillar, a project related to the "Disaster Management" sub-sector is currently being implemented. Under Pillar 2 ("Enhancing Human Development through Education"), the Reconstruction of twenty-one Earthquake-resistant Vocational Schools Project is on track (with eleven completed and ten ongoing). Moreover, under Pillar 3 ("Employment Generation through Private Sector Development"), ICD approved US\$15 million for two Turkish firms and US\$80 million as a global line of financing facility to benefit eleven medium-size SMEs operating in the construction, pharmaceuticals, and textiles industries. ITFC extended financing to SMEs for a total of US\$35 million, disbursed to 106 end-users. With regard to insurance coverage, ICIEC also provided investment insurance to clients in strategic industries such as energy and steel production.

The MCPS IR in Senegal looked at the IDB Group's support to the country over the period 2012-2015. Regarding the first pillar ("Enhancing Competitiveness"), IDB interventions in energy and transport are providing

immediate solutions to the recurring electricity shortages in recent years while addressing the transportation sector's challenges to enhance productivity and competitiveness. Even though most of these projects are yet to be completed, some results have already been achieved. For example, the ITFC approved a US\$30 million facility that resulted in 54,825 tons of groundnuts being collected, processed locally into groundnut oil (19,000 tons), and exported. Similarly, ICIEC was instrumental in providing insurance to the companies that invested in the construction of a 125 MW coal-fired power plant in Sendou and construction of the Dakar New Airport Project. In addition, a third pillar, centered on "Water Sanitation and Urban Services, and Disaster Risk Management", emerged during the MCPS implementation period, and approvals under this unforeseen pillar represented 28 percent of IDB Group approvals. These activities emphasize the IDB Group's flexibility in supporting the country's shifting development priorities. Regarding MCPS IR for Uganda (2011-2015), long delays have affected implementation of its interventions, especially in the infrastructure-related projects. Under Pillar 1 ("Infrastructure Development"), preliminary results indicate that, while the projects will contribute to increased access to electricity, especially in rural areas, to some 70,000 households, huge delays have affected implementation of the energy-related projects. In the Transport sector, IDB approved US\$440 million to finance three road projects.

Under Pillar 2 ("Enhancing Agricultural Productivity and Value-Addition"), IDB approved a total of US\$76 million to finance four projects, mainly in irrigation and integrated rural development. Two projects have already produced outputs: (i) rehabilitation of 3,215 km of community access roads and 230 km of district feeder roads representing 95 percent of the target; (ii) supply and installation of 95 assorted agro-processing facilities; and (iii) connection of 57 sites of agro-processing facilities to the electricity grid. As a result, some outcomes are emerging: (i) increased farm gate prices; (ii) increased connectivity and ease of access; (iii) reduction in travel times between areas of production and markets; (iv) a 50 percent reduction in transportations costs; and (v) improved post-harvest handling through construction of storage facilities. Under Pillar 3 ("Promoting Private Sector Development"), only ICD and PPP were able to approve lines of finance and instalment sale facility projects worth US\$40 million and US\$10 million, respectively. However, implementation has not yet taken place for either project. Under Pillar 4 ("Human Resources Development and Capacity Building"), the MCPS's focus was expected to be vocational and technical training, institutional capacity building, and science and technology. Three projects were financed under the reviewed MCPS totaling US\$41.55 million. To date, the following results have been delivered through projects in the Education and Health sectors: (i) one male dormitory (twenty-eight rooms) with a capacity of 112 beds; (ii) a 320-bed maternal hospital; and (iii) an obstetric fistula prevention program for 200 women in the North East region.





The IDB Group's Investment Promotion Technical Assistance Programme (ITAP), managed by the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), was also evaluated. Since its inception, the programme organized thirty-four capacity-building activities (81 percent), prepared five project and sector identification studies (12 percent), and organized two matchmaking conferences (4 percent) and one reverse linkage (3 percent). The vast majority of ITAP's resources were allocated for capacity building. For project and sector identification studies, matchmaking conferences, and reverse linkages, the major programme beneficiaries were the national investment agencies of Sierra Leone, The Gambia, Djibouti, and Uganda. From 2006 to 2016, more than twenty countries benefited from the programme's capacity-building activities. Around 400 participants (180 in Turkey and 220 in Malaysia) from investment promotion agencies and/or government officials benefitted from the training sessions.

Overall, the aforementioned capacity-building activities financed by ITAP produced their intended outputs by providing public servants with basic skills and knowledge. However, there has been little evidence regarding program outcomes on the institutions of beneficiary countries, particularly with respect to development of the investment promotion agencies' structures, organizations, plans, and programs. development of the investment promotion agencies' structures, organizations, plans, and programs. In 2016G, the GOE Department evaluated two Awqaf Properties Investment Fund (APIF) projects, namely the Construction of Nama Commercial and Residential Building Project in Fujairah, United Arab Emirates and Bandar Abbas - Residential and Commercial Complex Project in Iran. A third post-evaluated project, the Shariah Courthouses Project in Malaysia, was planned to be under APIF but was finally financed directly from IDB's treasury.

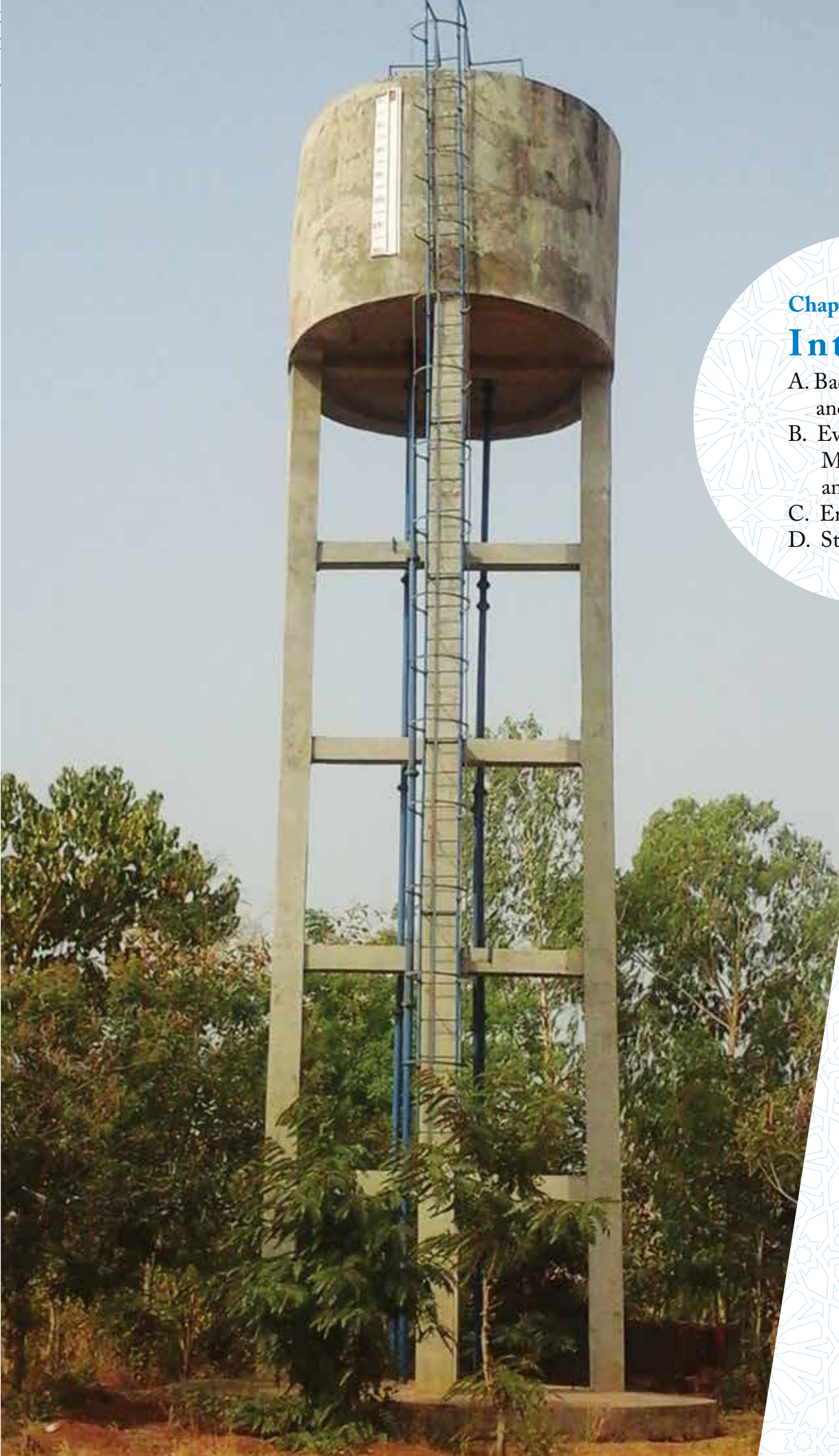
The APIF projects in UAE and Iran has been found to be Successful while the one in Malaysia has been deemed Partly Successful. The Department also evaluated the Islamic Financial Engineering (IFE) Laboratory in Morocco, a project supported by the Financial Product Development Centre (FPDC) of IRTI as a special evaluation in 2016G. The project was found to be effective in achieving its objective, i.e., launching a doctoral program in Islamic Financial Engineering to build capacities and enhance human resources in this field. Since the start of the IFE Lab in 2013, twenty-one students (including ten women) have enrolled in the doctoral program, three of whom have been awarded their degrees with two more expected to finish in 2017. In terms of outcomes, the students have applied agent-based simulation (ABS) models to conduct research in various fields of Islamic finance.

To date, these students and Ph.D. holders have published sixteen articles in refereed journals with three more accepted for publication. In addition, eight papers have been presented at national and international conferences. The three students who completed their degrees found jobs immediately after

graduation. A number of important and strategic lessons learned were generated and can be summarized under four specific themes: (a) Importance of Recognizing and Maintaining Focus on Stakeholder Management, (b) Need for Environmental and Social Safeguards, (c) Involving the Private Sector to Improve Development Effectiveness, and (d) Capacity of the Executing Agency. The key lessons under these themes are:

- A people-centred approach leads to successful project implementation and sustainability of benefits. Project transparency and accountability are also essential in engaging project beneficiaries to contribute to the project's success.
- A strong sense of ownership by beneficiaries is critical to sustain developmental results, especially where there budget support is limited. Alignment of Member Country Partnership Strategy (MCPS) with a country's National Development Plans (NDPs) enhances country ownership.
- Inadequate stakeholder analysis coupled with lack of effective coordination seriously affects project performance and causes implementation delays. In addition, lack of close coordination between the relevant government agencies and financiers is a contributing factor to issues during project implementation.
- For cross-border projects, prior official agreement between the two countries is essential to avoid future conflicts. In addition, conducting social analysis in addition to financial and economic analyses helps identify and mitigate social challenges for countries in emergency situations.
- Including the monitoring of environmental indicators as part of supervision reports can lead to better management of emerging health and safety issues during project operation.
- To ensure a strong foundation for renewable energy projects financed and operated by the private sector, an enabling environment, where there are incentives and adequate facilitation for private partners, is crucial.
- Taking into account the learning curve of an executing agency is necessary to ensure effective development results. Indeed, failure to allocate appropriate financial and human resources to a project's operational and maintenance function can undermine project effectiveness. Therefore, conducting a capacity assessment of the executing agency to ensure its ability to implement the project is a must for proper implementation and for safeguarding the investments financed by the Bank.
- Technical factory training is a vital sub-component in high-tech projects to ensure both effectiveness and sustainability.

Lastly, recommendations, supported by fact-based evidence and emanating from evaluations, were addressed to IDB Group Departments and Members for necessary strategic and operational actions.



Chapter - I

Introduction

- A. Background and Objectives
- B. Evaluation Planning, Methodology, and Criteria
- C. Enabling Activities
- D. Structure of the Report

A. Background and Objectives

The Group Operations Evaluation (GOE) Department, which reports directly to the Board of Executive Directors, provides objective and independent assessment of the development effectiveness of the IDB Groups interventions. The primary objective of these evaluations is to help the Islamic Development Bank Group achieve maximum development results by providing independent, impartial, and evidence-based analysis of the relevance, efficiency, and effectiveness of the Group's operations and sustainability of the results achieved. These evaluations also derive practical lessons learned from IDB's operations, which, in turn, are applied to enhance future interventions of the IDB Group in its member countries. To ensure its independence and autonomy, the GOE Department reports directly to the Board of Executive Directors of IDB.

The GOE Department evaluates interventions of the IDB Group, including operations of the Bank, of the Islamic Research and Training Institute (IRTI), of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), of the Islamic Corporation for Development of the Private Sector (ICD), of the Islamic Solidarity Fund for Development (ISFD), and of the International Islamic Trade Finance Corporation (ITFC). The GOE Department disseminates evaluation results and findings of the evaluation activities to internal and external stakeholders, while striving to ensure alignment and compliance with evolving evaluation global standards and good practices.

IDB Group's Operations Approvals in 2016G

During 2016+, the IDB Group approved 255 operations valued at ID8.8 billion (US\$12.2 billion). However, excluding the transition period, Group approvals totaled ID7.6 billion (US\$10.5 billion) in 2016, compared to ID8.3 billion (US\$11.8 billion) approved in the previous year (1436H), representing a decrease of 10.7 percent attributed to lower approvals by ITFC.

In terms of the Group members' shares in total approvals, the IDB's Ordinary Capital Resources (IDB-OCR) accounted for the largest share in 2016+ at 55.5 percent (ID4.8 billion or US\$6.8 billion), followed by ITFC's activities at 36.7 percent (ID3.2 billion or US\$4.5 billion), ICD at 6.7 percent (ID608.1 million or US\$819.4 million) with APIF and UIF accounting for 0.5 percent each respectively. Concerning growth in net approvals in 2016, UIF registered the highest at 70 percent, ICD at 27.2 percent, APIF at 15.5 percent, IDB-OCR at 14.5 percent with ITFC recording a decrease of 36.1 percent.

With regard to regional distribution of approvals, the Sub-Saharan Africa, Europe and Central Asia, and Middle East and North Africa regions received the largest share of IDB Group net approvals in 2016+, 25 percent (ID2.2 billion or US\$3.1 billion) each, followed by Asia and Latin America, which received 22.7 percent (ID2 billion or US\$2.8 billion) of the approvals.

In country terms, the top five recipients of IDB Group financing in 2016+ were Turkey at 13.5 percent (ID1.2 billion or US\$1.7 billion), Indonesia at 8.2 percent (ID710.3 million or US\$995.3 million), Pakistan at 7.8 percent (ID683 million or US\$950.5 million), Egypt at 7.7 percent (ID671.2 million or US\$942.2 million), and Turkmenistan at 5.7% (ID501.7 million or US\$700 million).

The Group disbursements in 2016+ totaled ID5.7 billion (US\$7.7 billion) compared with ID4.9 billion (US\$6.8 billion) in 1436H. Repayments were ID2.6 billion (US\$3.5 billion) in 2016+ compared with ID2.8 billion (US\$2.8 billion) in 1436H. Cumulatively, IDB Group disbursements totaled ID55.7 billion (US\$79.5 billion) while repayments reached

ID40.9 billion (US\$58.5 billion), resulting in a net resource transfer of ID14.8 billion (US\$21.0 billion).

Between 1976G and 2016G, IDB Group net approvals totaled 8,196 projects and operations of US\$124.3 billion. This amount excludes ICIEC's insurance commitments of US\$33.1 billion and business insurance operations of US\$36.2 billion. Of these Group approvals, IDB-OCR accounted for 43 percent, while ITFC accounted for 26 percent, and ICD approvals totaled 3.6 percent, while approval of other funds accounted for the remaining 27.4 percent.

Development Effectiveness and Results

While resources are limited, the development challenges IDB member countries face are unlimited and enormous. The GOE Department's evaluation results – findings, conclusions, and recommendations – help the IDB Group maximize its impact on development and achieve value for money spent. The results are shared with IDB Group Management, the recipient governments and their line ministries, executing agencies, and other specialized users from the wider public. A current global consensus is that donor agencies and recipient countries need to ensure that aid resources are used as effectively as possible to reach collective goals and should be accountable to each other for demonstrating results produced in accordance with the Paris Declaration on Aid Effectiveness.

As we enter the era of Sustainable Development Goals, around 767 million people still live on less than US\$1.90 a day, and more than 795 million people do not have enough food to eat. Estimations from the intergovernmental committee of experts on sustainable development financing have put the cost of providing a social safety net to eradicate extreme poverty at about US\$66 billion a year, while annual investments in improving infrastructure (water, agriculture, transport, power) could reach a total ranging from US\$5 trillion to US\$7 trillion globally. In this regard, the sustainable development goals (SDGs) are a universal set of goals, with targets and indicators that will stimulate action over the next fifteen years in areas of critical importance for humanity and the planet and will be used by United Nations

(UN) member states to frame their agendas and policies. Most recently, in March 2016G, during the 47th Session of the United Nations Statistical Commission, the complete set of 230 global indicators and a robust framework intended for follow-up and review of progress at the global level towards achieving the seventeen SDGs were finalized.

B. Evaluation Planning, Methodology and Planning Process

The GOE Department discharges its duties and conducts evaluations and disseminates findings and lessons learned from its evaluations based on an annual Work Program (WP) approved by the Audit Committee of the Board of Executive Director. The GOE Department's Work Program for 2016G, which was prepared in accordance with the provisions of its three-year rolling Work Program for the period 2016-18G, highlights its strategic priorities, human resource requirements, and the budgetary resources needed to implement the Work Program. The planning process is fully aligned with the IDBG Score Card Results Framework developed in line with the IDBG 10-Year Strategy.

Selection of Completed Projects under Ordinary Operations for Post-Evaluation

As per the practice in the past five years, the GOE Department selected OCR projects to be post-evaluated on a random basis. The long list of projects eligible for post-evaluation was prepared based on the following criteria: Time factor: Projects completed during the period 2009G-2013G (1430H-1434H) and approved after 2004G are considered pertinent for post-evaluation to provide sufficient and accurate information that enhances the quality of the post-evaluation reports. Projects completed after 2013G are excluded because they would not have been in operation for a sufficiently long period to have outcomes and impacts on the ground and to encounter potential sustainability issues. The objective of excluding projects that were approved before 2004G are two-fold: (a) the data and information on the implementation of these projects would be difficult to trace and (b) these projects were appraised much earlier, and the project cycle has evolved significantly since, making lessons drawn from these projects less relevant to the current operational processes of IDB.

Exclusion of projects financed under lines of financing: The projects financed under lines of financing are excluded as these are small projects. However, the lines themselves may be covered as thematic evaluation.

Exclusion of projects that have already been post-evaluated: All projects already post-evaluated or covered under special or thematic evaluation are excluded.

Status of Implementation of 2016G Work Program

During the year, the Department carried out twenty-four Ordinary Capital Resources (OCR) project post-evaluations across various sectors in nineteen different member countries. In addition, during this period, the Department conducted post-evaluations of six Special Assistance

Operations and one private sector intervention by ICD and carried out three MCPS Implementation Reviews (MCPS IRs). The Department also completed two synthesis reports for the Transportation and Health sectors and one program evaluation. A third synthesis of evaluations in the Water and Sanitation sector and one program evaluation have been initiated in 2016G and will be completed in 2017G. The GOE Department also undertook evaluation of two APIF projects and four special evaluation upon management requests and validated twenty-one Project Completion Reports (PCR).

Compliance with Evaluation Good Practice Standards

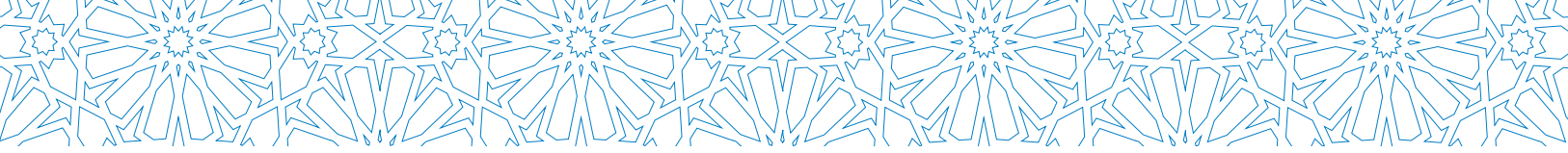
In assessing public sector projects, the Department follows the widely accepted evaluation criteria of the Organization of Economic Cooperation and Development - Development Assistance Committee (OECD-DAC), namely Relevance, Efficiency, Effectiveness, and Sustainability. The GOE Department adheres to the Good Practice Standards (GPS) in both public and private sectors set by the Evaluation Cooperation Group (ECG), an international body formed by the evaluation departments of Multilateral Development Banks (MDBs). The evaluation criteria assess whether IDB interventions were aligned with the recipient country's priorities and development strategies, as well as with the IDB's own vision and strategic agenda. The evaluation criteria also assess the extent to which the targeted results set at the appraisal stage were achieved, how efficient the project was in terms of resources and time spent to achieve the results, and how sustainable the development results are. In assessing private sector projects, the Department looks at financial and economic viability, contribution to the development of Islamic Finance, conformity to accepted environmental and social standards, and addition of value to private sector development.

Contribution versus Attribution

As development is a multi-faceted and multi-dimensional process, development results can hardly be attributed to a single assistance. Many intended or unintended factors contribute to achieving results. Therefore, in most of the cases, the achievements documented in this report represent the IDB Group's contribution to progress made by complementing the efforts of the recipient countries and their development partners.

Credibility of Evaluation Findings

In addition to complying with the GPS in conducting the evaluation activities, the GOE Department ensures credibility of the information and data being used in evaluation exercises through several measures. First, due attention is given to evaluation design and active engagement with stakeholders beginning a project's early stages. One of the most important measures is that evaluation findings undergo several validation processes throughout the evaluation exercise. The first validation occurs at the end of the evaluation mission during wrap-up meetings with executing agencies and government representatives; the second validation is carried out at GOE Department



Weekly Meetings; the third consists of a rigorous peer review process where at least three GOE evaluators review the draft evaluation report and provide their comments for its improvement; the fourth validation is done by the concerned Department/Member of the IDB Group; and the fifth validation is accomplished by sharing the report with concerned beneficiaries for comments before the report is officially issued as a GOE Department’s evaluation product.

C. Enabling and Dissemination Activities

As a member of the ECG, the GOE Department participated in the Semi-Annual Meeting of the ECG held in the USA and the UK. The GOE Department organized a training session on Formulation of Lessons Learned and Recommendations as a part of its capacity-building activities for the GOE Department staff and selected IDB Group staff. The Department sent two staff members on a familiarization visit to the African Development Bank (AfDB) and to participate in the “Evaluation Week”. One other staff member also participated in the “Evaluation Week” of the Asian Development Bank (AsDB). In addition, two staff members attended the International Program for Development Evaluation Training in China. Lastly, the GOE Department, together with IRTI, offered a training workshop for Capacity Building of National Staff in Project Monitoring & Evaluation in Benin.

As a part of its ongoing efforts in dissemination of evaluation results to a variety of wider audiences, the GOE Department printed five higher level evaluation reports, produced twenty-four K-Series, issued two e-Newsletters, published six articles related to findings and lessons learned, and prepared five flyers in 2016G. Twenty-five PPERs reports were also shared with the respective executing agencies in different countries.

D. Structure of the Report

In addition to this chapter, the report includes four other chapters: Chapter II. Performance Analysis,

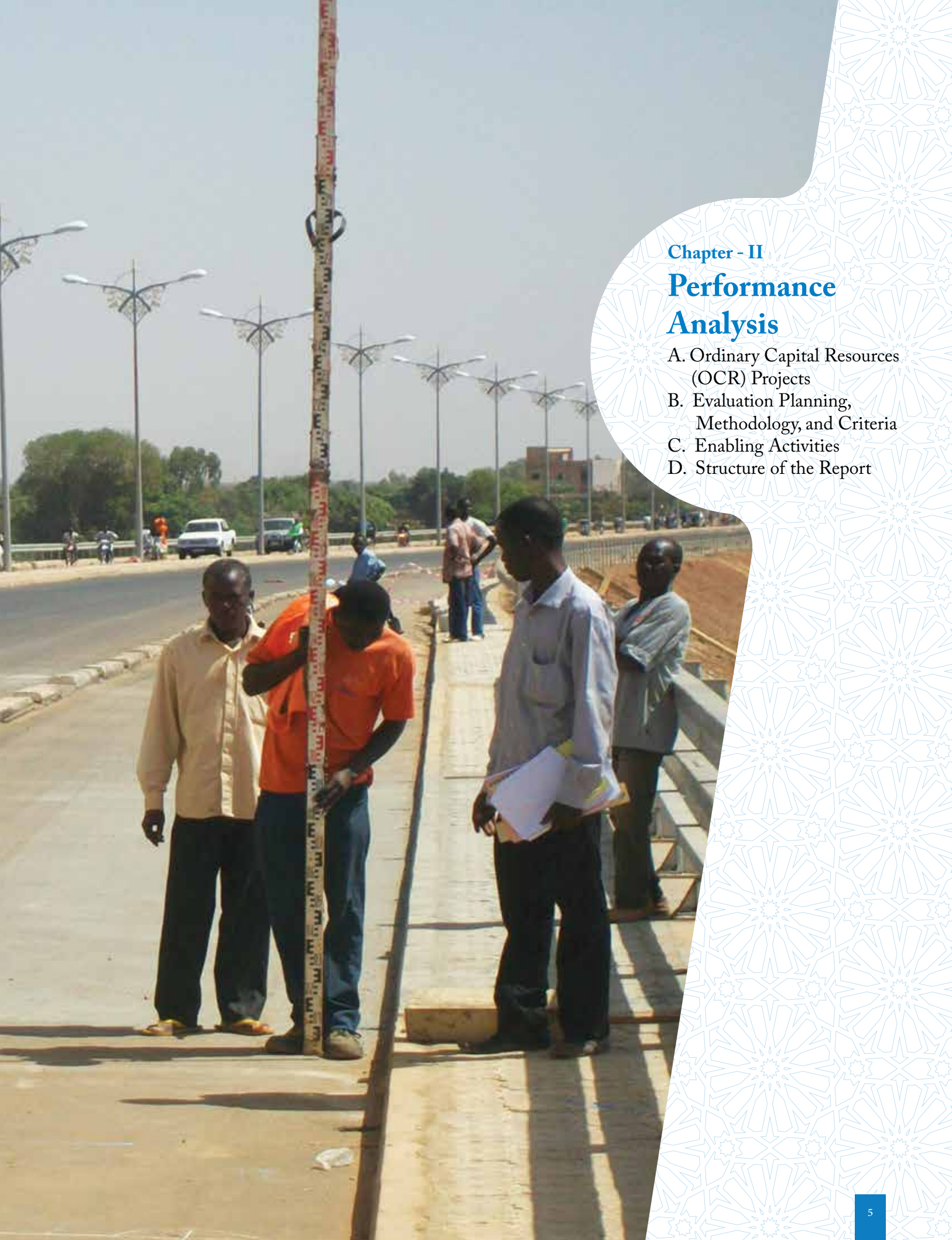
Chapter III. Development Results, Chapter IV. Lessons Learned, and Chapter V. Recommendations and Management Response and Action. The following paragraphs highlight the main features of each chapter.

Chapter II introduces criteria-based evaluation and examines the performance of post-evaluated projects over the past few years. The projects’ overall development outcomes in the public sector were rated using the four-point scale, based on their relevance, efficiency, effectiveness, and sustainability. The chapter synthesises the experiences accumulated by the GOE Department in the area of project evaluation, drawing on good practice standards. Pertinent project performance issues, such as change of scope, delays, and sustainability, are discussed in addition to the performance of the Bank, beneficiary, contractors, consultants and executing agencies. Moreover, sectorial and regional trends in project ratings are analyzed. In addition, the chapter includes an overview of higher level evaluations.

Chapter III outlines the development results of the interventions in each sector evaluated in 2016G, including discussion of their outputs, outcomes, and impacts. The sectorial results provided in the chapter summarize both project level evaluations and the higher level evaluations conducted during the year 2016G. Success factors as well as development challenges are also highlighted.

Chapter IV focuses on the lessons learned drawn from the evaluations undertaken during 2016G. In this chapter, the lessons learned are synthesized in four cross-cutting learning themes that emerged from the 2016G evaluations. Finally, Chapter V provides a synthesis of the recommendations drawn from the 2016G evaluations and the feedback received from concerned departments and members of the IDBG.





Chapter - II Performance Analysis

- A. Ordinary Capital Resources (OCR) Projects
- B. Evaluation Planning, Methodology, and Criteria
- C. Enabling Activities
- D. Structure of the Report

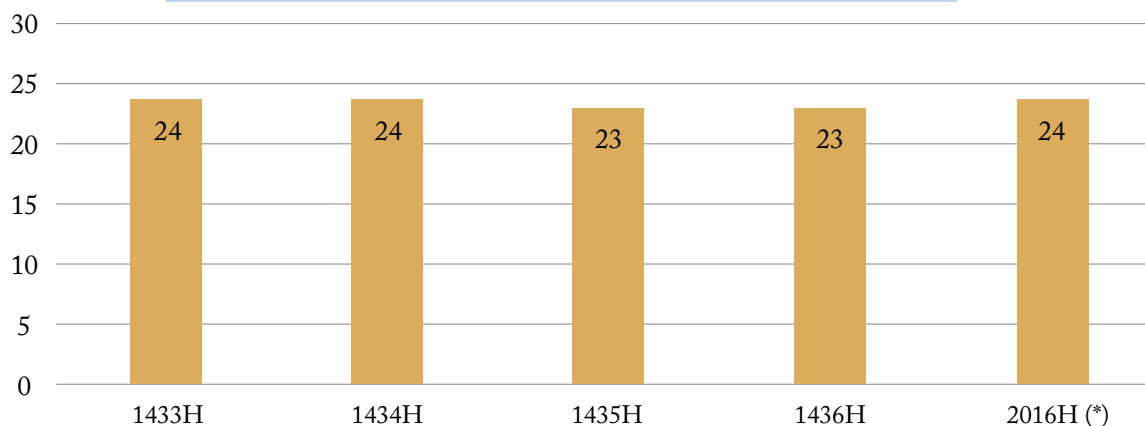
A. Ordinary Capital Resources (OCR) Projects

i. Overview

During 2016G, the GOE Department conducted twenty-four Ordinary Capital Resources (OCR) project post-evaluations in 2016G, one more than in each of the previous two years.

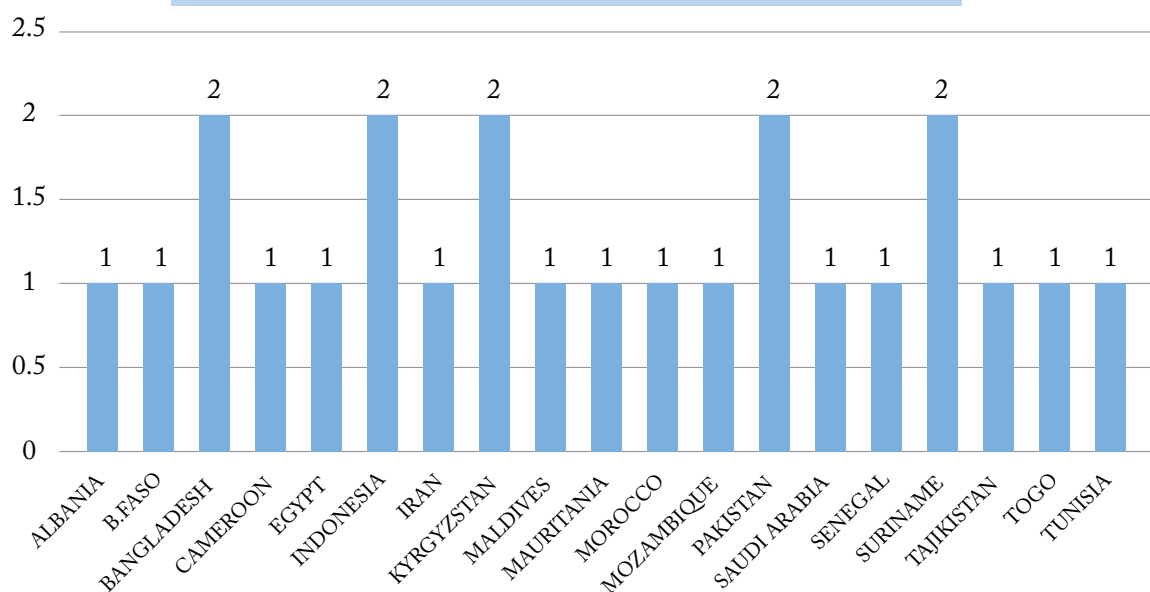
This year's OCR project evaluations span seven sectors and nineteen member countries (see Figure II-2).

Figure II 1: Number of OCR Project Evaluations during 1433H-1437H/2016G



(*) The annual work program shifted to the solar calendar following 1437H. Thus, 2016G covers 14.5 months.

Figure II 2: Country Coverage of 2016G Project Evaluations



With respect to mode of financing used in evaluated OCR projects, loans accounted for the majority, or 52 percent, of evaluated projects.

As shown in Figure II-3 below, other financing modes, in descending order, were Istisna'a (31 percent), leasing (14 percent) and instalment sale (3 percent).

Figure II 1: Number of OCR Project Evaluations during 1433H-1437H/2016G

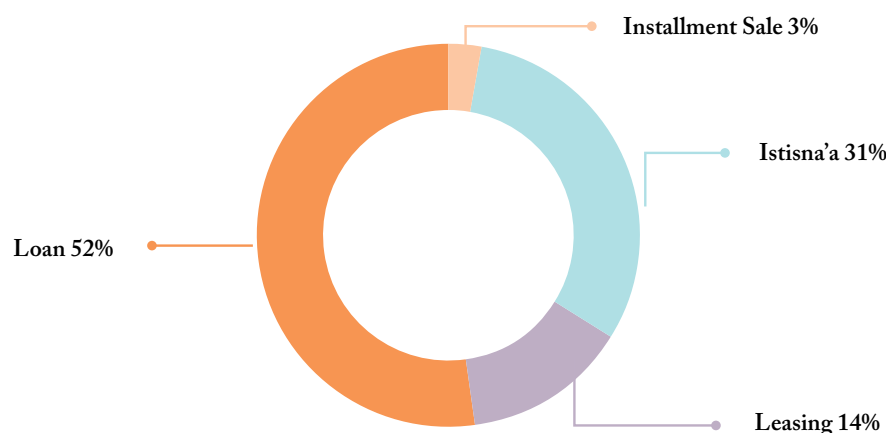
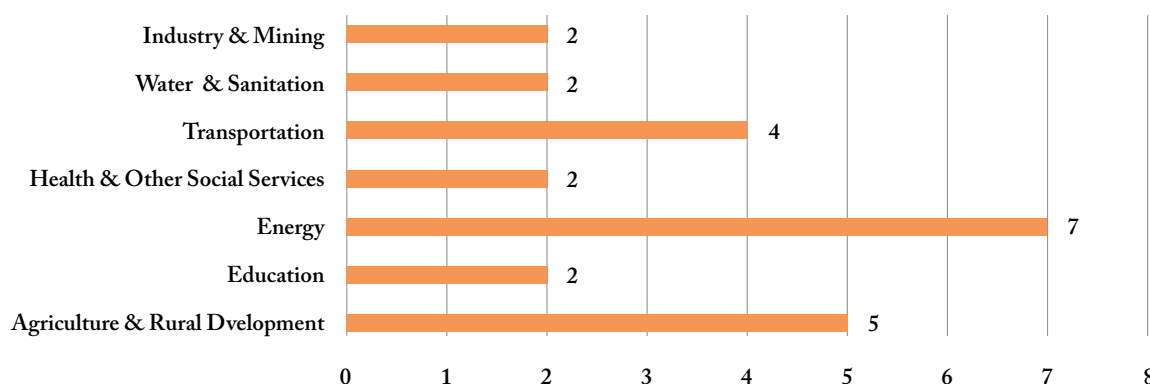


Figure II 2: Country Coverage of 2016G Project Evaluations



With respect to sector distribution of projects evaluated in 2016G, projects within the Energy sector accounted for the largest segment with seven projects constituting 29 percent of all post-evaluations as shown in Figure II-4. Other sector counts, in descending order, were five projects (21 percent) in the Agriculture and Rural Development sector and four projects (17 percent) in the Transportation sector.

The Water & Sanitation, Industry & Mining, Health & Other Social Services, and Education sectors each had an 8 percent share of post-evaluations with two projects evaluated for each. Details on the main indicators for 2016G's post-evaluated projects are given in Annex-A.

In addition to the twenty-four OCR project evaluations, the GOE Department conducted the evaluations shown in Table II-1:

Table II 1: Other Evaluations Undertaken during 2016G

Type of Evaluation	Number Undertaken
Program Evaluation	2
MCPS Implementation Reviews	3
Private Sector Projects Evaluation (ICD)	1
Sector Evaluation Synthesis Report (Health, Water & Sanitation, Transportation)	3
Evaluation of Special Assistance Operations	6
Post-evaluation of APIF's Operations	3
Special Evaluation of Projects upon Management Request	1
Project Completion Report Validation	21

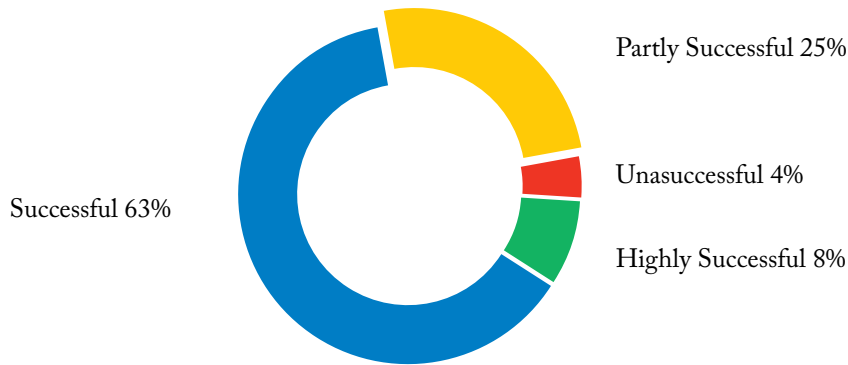
The PCREN increased from twelve during the last year to twenty-one in 2016G. A new product was introduced during the 2016G work program, the MCPS Implementation Review (MCPS IR).

ii. Overall Assessment

Performance assessment of the evaluated projects financed under OCR was based on a four-point rating scale comprised of the following rating descriptions: Highly Successful, Successful, Partly Successful, and Unsuccessful. Among the twenty-four OCR projects evaluated, two projects (8 percent) were rated Highly Successful, fifteen

projects (63 percent) were rated Successful, six projects (25 percent) were rated Partly Successful and one project was rated as Unsuccessful (4 percent). Thus, overall, 71 percent of the OCR projects post-evaluated in 2016G were rated as either Successful or Highly Successful, which is almost at the same level as the last two years' ratings.

Figure II 5: Performance Ratings of 2016G-Evaluated OCR Projects



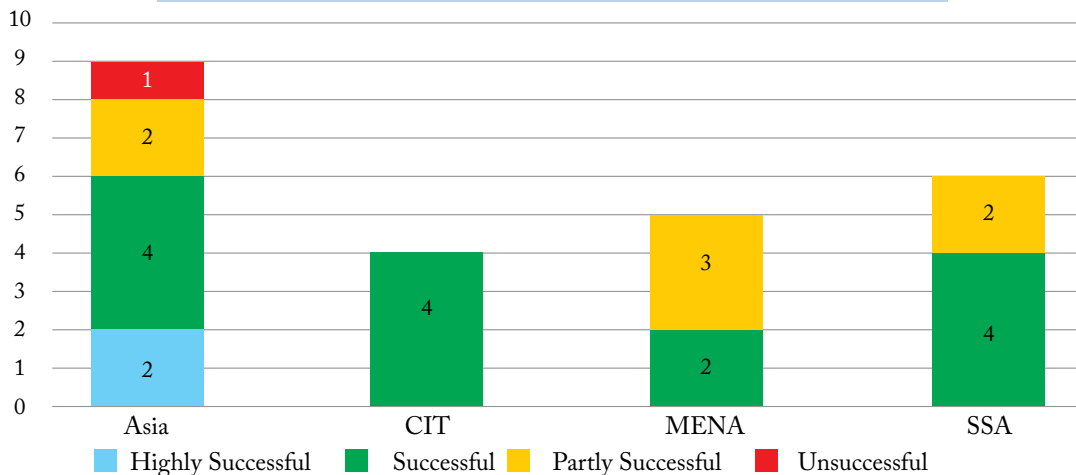
The GOE Department employs the following four-point scale as its criteria to measure a project's overall development outcome: Highly Successful: Score $\geq 85\%$; Successful: $60\% \leq \text{Score} < 85\%$, Partly Successful $30\% \leq \text{Score} < 60\%$; and Unsuccessful: Score $< 30\%$.

Overall, the projects evaluated in 2016G have been, on average, Relevant and Effective. However, there is room for

improvement with respect to efficiency and sustainability, as the evaluated projects have, on average, been assessed as Less Efficient and Less Likely to be sustainable.

Further details on each criterion are given in section (iii) Criteria Based Analysis. Figure II-6 shows the success rate of evaluated project during 2016G per region:

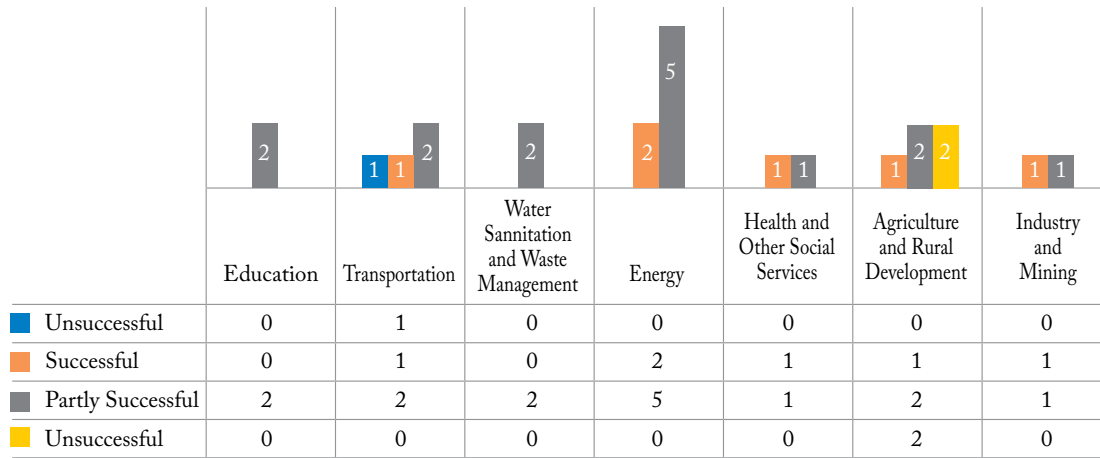
Figure II 6: Success Rate of Evaluated Projects across Regions



The CIT region projects were overall rated as successful, and on average projects located in the Middle East and North Africa (MENA) region contained more partly successful

projects than completely successful ones. The only project rated Unsuccessful was located in Asia, as shown in Figure II-6 above.

Figure II 7: Sector Performance Ratings of 2016G-Evaluated OCR Projects



The criteria-based ratings of all post-evaluated OCR projects are shown in Annex-D. The Transportation and Energy sector represents the majority of partly successful projects (see Figure II-7) due to efficiency issues (cost overruns due to additional work needed and/or high implementation delays) and sustainability issues.

The combined Highly Successful and Successful performance levels of evaluated OCR projects decreased slightly in comparison with each of the last five years. Whereas 2016G's combined success rating was 71%, those of the preceding

four years were as follows: 1436H (78 percent), 1435H (74 percent), 1434H (78 percent), and 1433H (75 percent). The average rating for the last five years, including 2016G, stands at 75.2 percent. A year-on-year ratings comparison should be performed with the caveat that projects evaluated in different years do not have comparable approval and completion dates.

The project with the highest overall success rating was in the Agriculture and Rural Development sector—the Integrated Community-Driven Development (ICDD) Project in Indonesia—with an overall score of 85 percent. Box II-1 provides a detailed description of the project.

Box II 1 The Integrated Community-Driven Development Program, Phase-I, Indonesia

The main objective of the ICDD Project was to alleviate poverty in Indonesia by financing a community-driven development program. The main vehicle of the ICDD Project is Block Finance (BF), which provides an open-menu system where community participation is encouraged to identify activities aligned with the community's needs and priorities. The overarching goal of the program goal was to improve the socio-economic conditions in fourteen selected provinces by: (a) improving the community infrastructure; (b) implementing social activities for vulnerable segments of the communities; and (c) facilitating economic growth and livelihood development. In addition to Block Finance, four other components were implemented: (i) capacity building and institutional development; (ii) communication and advocacy; (iii) monitoring and evaluation; and (iv) consultancy services. In Phase I, the Revolving Fund (RF) was introduced to provide seed capital for self-help groups (SHGs) to expand their income generating activities. As a result of the project, 4,866 villages (compared to 4,811 villages targeted) were provided with necessary infrastructure, including construction of 6,800 kilometers of small access roads and paths, 1,500 kilometers of drainage, and 84 bridges. These infrastructure additions have improved the living conditions of the target communities, ensuring better access to markets and basic social services such as water supply and sanitation, schools, and health centers, and have led to the creation of 3.8 million direct jobs (50 percent women) and 5.8 million indirect jobs (48 percent women) during implementation.

The EA/PMU rated the Bank's performance highly satisfactory in providing adequate and quality management oversight and supervision in the form of mixture of skills and practical solutions as well as feedback to the beneficiary. The Bank's missions proved to be very effective in making sure that the projects attained their expected outputs and outcomes/objectives.



iii. Criteria-Based Analysis

Projects were assessed based on the following internationally accepted evaluation criteria: (i) Relevance; (ii) Effectiveness; (iii) Efficiency; and (iv) Sustainability.

In addition, stakeholder performance in the implementation of these projects was assessed separately. The lessons drawn from these assessments are analysed in Chapter IV.

Relevance

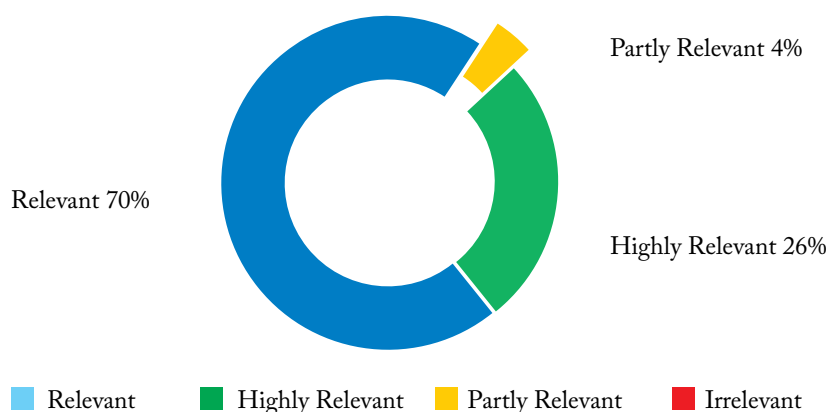
> Relevance is defined as the extent to which development intervention objectives are consistent with beneficiaries' requirements, the country's needs, global priorities, and

partner and donor policies. It also incorporates an assessment of the relevance of the technical options and solutions adapted to the beneficiaries' needs.

As illustrated in Figure II-8, the vast majority of the projects evaluated were found to be relevant to member countries' strategic priorities, with 96 percent of projects rated Highly Relevant or Relevant (the same percentile as in 1436H).

The portion of projects rated highly relevant increased from 13 percent in 1436H to 26 percent in 1437H/2016G. Overall, the evaluated projects were aligned with the IDB Group's strategic agenda with respect to poverty reduction, education, and infrastructure development.

Figure II 7: Sector Performance Ratings of 2016G-Evaluated OCR Projects



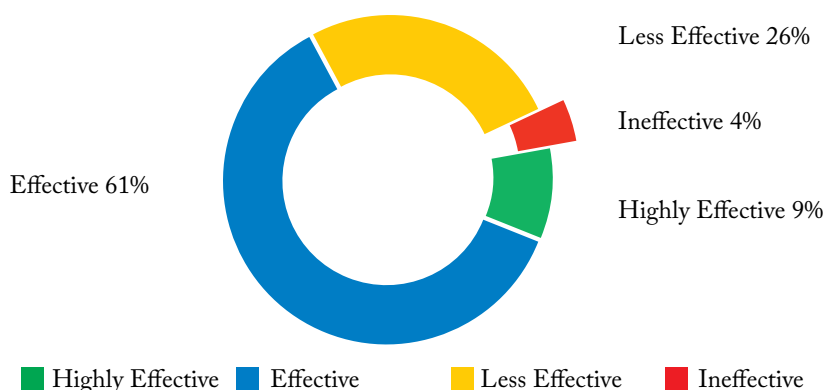
Effectiveness

> Effectiveness is defined as the extent to which the development interventions' objectives have been achieved, or are expected to be achieved, with these objectives' importance relative to one another taken into account. In terms of effectiveness, most of the post-evaluated projects contributed to achieving their related outcomes, and Chapter III provides developmental results achieved by the evaluated projects in

terms of outputs, outcomes, and potential socio-economic impacts.

The overall distribution of effectiveness assessments for post-evaluated projects, as shown in Figure II-9, revealed 70 percent of the evaluated projects to be rated either Effective or Highly Effective (as compared to 87 percent in 1436H), 26 percent to be Less Effective, and 4 percent to be Ineffective.

Figure II 9: Distribution of Effectiveness Assessment in 2016G



The project with the lowest effectiveness rating was in the Transport sector—the Nieuw Nickerie Port Upgrading Project in Suriname—with an effectiveness score of the project 15 percent since the project did not achieve most of the outputs envisaged at appraisal due to unavailability of counterpart funding from the Suriname government. A detailed description of the project is provided in Box II-2. On the

other hand, the project with the highest effectiveness rating, also in the Transportation sector, was the Reconstruction of Osh-irkeshdam Road in the Kyrgyz Republic, where, in addition to completed outputs, the project had other very positive and tangible outcomes, as the improved road condition created wider access to regional goods and services markets and allowed shorter travel times and increased transit potential of the country.

Box II 2 Nieuw Nickerie Port Upgrading Project in Suriname



The main objective of the Nieuw Nickerie Port Upgrading Project was to remove constraints to developing trade and exports and to promote regional integration. The project's scope included improving the physical infrastructure in the port of Nieuw Nickerie and navigation conditions on the Nickerie River by (a) rebuilding the port infrastructure and renovating buildings, (b) acquiring basic equipment for port operation, and (c) dredging the Nickerie River. While IDB has fully disbursed its committed funds for the project, which enabled wharf construction, the government of Suriname was not able to allocate sufficient funds for its committed share of the major components, and so they remain not implemented. As a consequence, among expected outputs, only the wharf construction was finished, and all other onshore basic facilities and river dredging were not completed. This situation led to limited project impact as the port has remained almost non-operational for four years with a very low level of utilization.

Efficiency

> Efficiency measures how economically resources/ inputs (i.e., funds, expertise, time, etc.) are converted into developmental results.

Implementation Duration

Three of the projects evaluated in 2016G were completed within the specified schedule. As shown in Figure II-10, ten (42 percent) of the delayed projects were completed with an implementation delay of more than three years, and six of these experienced delays exceeding four years.

Figure II 11: Implementation Delays of Evaluated Projects in 2016G

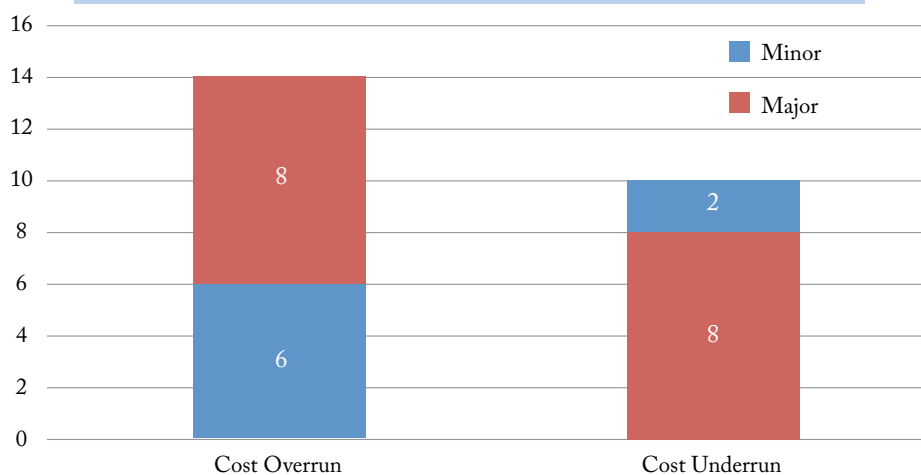


Figure II-12 displays the overall distribution of efficiency assessments for post-evaluated projects. As can be observed, 35 percent of 2016G's projects are rated Highly Efficient and Efficient, 52 percent are rated Less Efficient, and 13 percent

are rated Inefficient. By way of contrast, in 1436G, 52 percent of projects were rated Highly Efficient and Efficient, 35 percent Less Efficient, and 13 percent Inefficient.

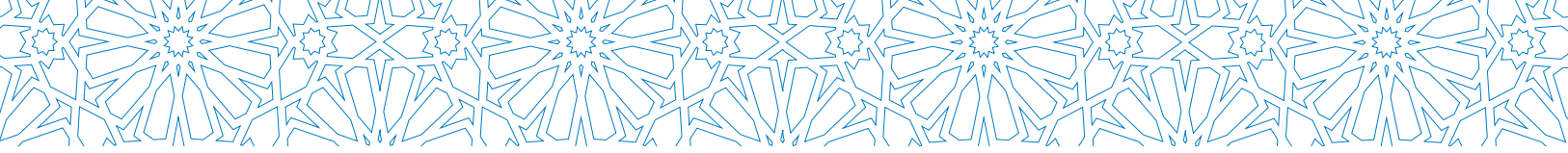
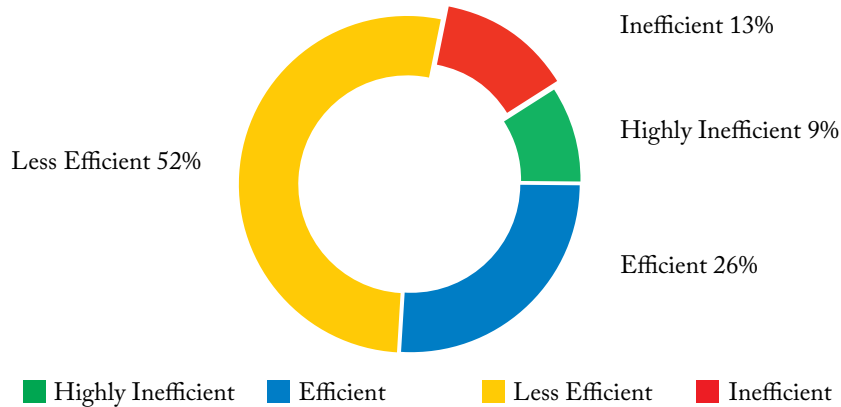


Figure II 12: Distribution of Efficiency Assessment in 2016G



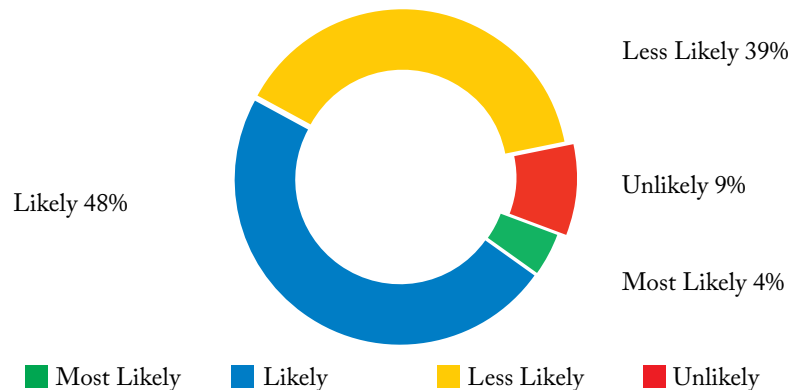
Sustainability

> Sustainability represents the continuation of benefits from a developmental intervention after the intervention's completion. The concept encompasses the likelihood of continued long-term benefits and resilience to risk associated with future benefit flows resulting from the intervention. 52 percent of 2016G's evaluated OCR projects was found to be Most Likely or Likely to be sustainable (in contrast to 78 percent in 1436H), 39 percent of these projects were considered Less Likely to be sustainable, and 9 percent (two projects) were Unlikely to be sustainable. The project having the highest sustainability rating (86 percent) was the Integrated Community-Driven Development (ICDD) Project in Indonesia, primarily due to the collaborative working relationships that developed between the communities and their respective local governments;

the project's increased community ownership through participatory decision-making and implementation; and local governments' commitment to implementing the project as evidenced by their co-financing of community development projects and the support of the Village Community Committees.

Figure II-13 displays the overall sustainability-assessment distribution for the 2016G OCR projects evaluated. In summary, issues reducing the likelihood of OCR project sustainability related to the following: lack of budget allocation by government to EAs and insufficient technical training of operational and maintenance staff. An example of this latter issue occurred in the project Upgrading of the Air Navigation System in Suriname, in which personnel lacked the ability to properly operate the radar systems, necessitating that separation of planes in the air be done manually and thus decreasing flight security.

Figure II 13: Distribution of Sustainability Assessment for Evaluated OCR Projects in 2016G



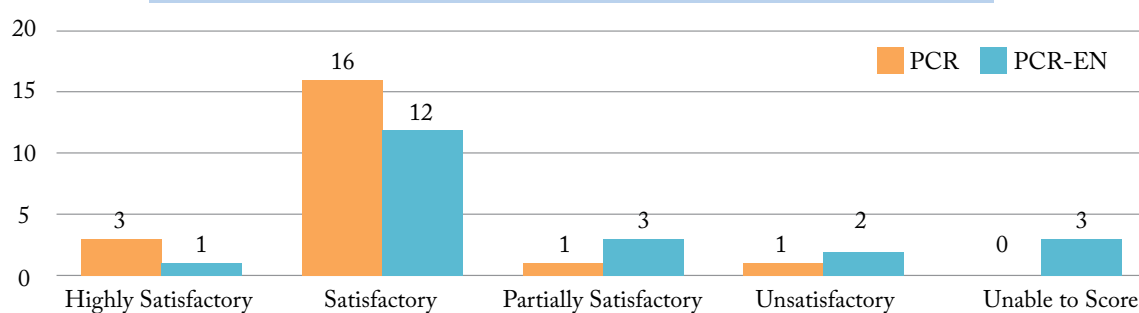
iv. Project Completion Report Evaluation Notes

In 2016G, the GOE Department finalized validation of twenty-one Project Completion Reports. Among these, one project (5 percent) was rated Highly Satisfactory, twelve projects (57 percent) were rated Satisfactory, three projects (14 percent) were rated Partially Satisfactory, and two

projects (10 percent) were rated as Unsatisfactory. Three of the PCRs were not rated (Unable to Score). Thus, overall, 62 percent of the PCRs validated in 2016G were rated as either Successful or Highly Successful. Figure II-15 below depicts a comparison of project rating distributions based on PCRs and PCR-ENs.



Figure II 14: Comparison of Rating Distributions Based on PCRs and PCR-ENs



B. Higher Level Evaluations

Member Country Partnership Strategy (MCPS) Reviews
The GOE Department conducted three Member Country Partnership Strategy (MCPS) Implementation Reviews, respectively, for Turkey, Senegal, and Uganda for their respective MCPS periods during the year 2016G. The objective of assessing the IDB Group's performance at the country level was to derive useful lessons and recommendations to improve the new generation of MCPSs.

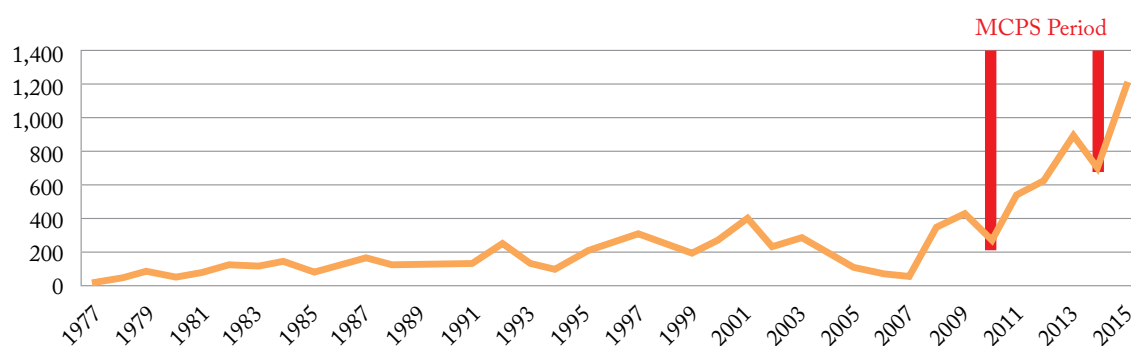
MCPS Implementation Review - Turkey

Approved in June 2010 and covering the period 2010-2013, the MCPS Turkey was the first MCPS to be formulated and approved by the IDB Group. The MCPS Turkey was anchored in the country's Ninth Development Plan. The MCPS Turkey identified three main pillars: (i) Infrastructure Development; (ii) Human Development through Education; and (iii) Private Sector Development.

A crosscutting theme, the Reverse Linkage Initiative, was identified to leverage Turkey's technical experiences in developing capacities in other member countries. Since its inception, the IDB Group has approved US\$4.2 billion for Turkey prior to the start of MCPS program. During the MCPS period 2010-2013, the IDB Group committed a further US\$2.2 billion to support sovereign-guaranteed operations, trade financing, and private sector operations. In addition, US\$954 million was committed as insurance coverage from ICIEC.

Most of the major sectors of the Turkish economy benefitted from IDB Group financing, with the Energy sector receiving the largest share, 45 percent, of the total approved amount, followed by 23 percent to the Finance sector, 10 percent to Transport and Health sectors, respectively, and the rest to Education, Agriculture, etc. As of March 2016G, the disbursement rate for total IDB Ordinary Capital Resources (OCR) reached 45.8 percent of the total approved amount, a significant achievement given the young age of the portfolio.

Figure II 15 IDB Group Yearly Approval Trend for Turkey (1977-2015) in US million



With regards to effectiveness, developmental results have emerged as the disbursement rate reaches a cumulative 55 percent for all IDBG. Under Pillar 1 of the MCPS ("Supporting Growth through Infrastructure Development"), the renewable energy program has already contributed 860 GWh/year to the national grid using renewable energy sources and has reduced CO2 emissions by 2.7 million tons annually. In the Transport sector, only one project—procurement of six high-speed train sets—was approved. The project experienced start-up delays at the project design stage, and hence, only one high-speed train set

has been procured so far. Also, under the Pillar 1 ("Disaster Management") sub-sector, one project was approved—the Reconstruction and Upgrading of Okmeydani Training Hospital (OTH), which is currently under implementation. Under Pillar 2 of the MCPS ("Enhancing Human Development through Education"), the reconstruction of twenty-one earthquake-resistant vocational schools is on track (eleven completed and ten ongoing).

Under Pillar 3 ("Employment Generation through Private Sector Development"), ICD approved US\$15 million for

two Turkish firms and US\$80 million as a Global Line of Financing facility for Turkey. Eleven medium-sized SMEs benefitted from the line of financing to Albaraka Bank, which generally operates in the construction, pharmaceuticals and textiles industries. ITFC extended financing to SMEs totaling over US\$35 million disbursed to 106 end-users. By leveraging on ITFC networks and contacts, clients were able to expand their business opportunities in new international markets (Africa, CIS, and MENA regions).

With regard to insurance coverage, ICIEC provided investment insurance to clients in strategic industries such as energy, steel production, etc., to cover their investments in two member countries, Lebanon and Algeria. In addition, three reverse linkage operations in collaboration with the Turkish Cooperation and Coordination Agency (TIKA) were initiated benefiting The Gambia, Uganda, and Pakistan. Overall, although the IDB Group had already been quite active in Turkey, IDB group interventions increased sharply in that country during the MCPS period. However, there were some missed opportunities.

More investment opportunities could have been captured in the domestic transport, health, and agriculture sector, and several public-private partnerships could have been formed during MCPS initiation had the initial MCPS consultations been more comprehensive. Some projects have faced start-up delays and scope changes while others have experienced delays in disbursement. Private-sector intervention clients of the IDB Group have strongly indicated that IDB Group disbursement procedures need to be shortened, and paper work should be reduced. Despite the investment opportunities provided by the vibrant Turkish economy, the IDB Group's private sector members (particularly the ICD and PPP Divisions) have relatively small portfolios in Turkey.

MCPS Implementation Review - Senegal

The MCPS for Senegal was prepared to form the foundation

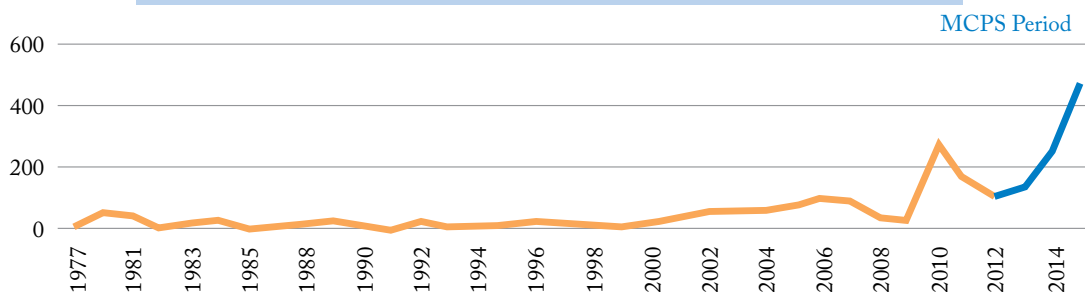
of the Islamic Development Bank (IDB) Group's support to Senegal over the period 2012-2015. It was to be based on both Senegal's own development strategy—DPES—and the IDB Group's strategic objectives and priorities as set forth in Vision 2020G. The MCPS for Senegal identified two pillars as priority areas for IDB Group interventions: (i) Enhancing Competitiveness and (ii) Increasing Agricultural Productivity and Value-Chain Enhancement. Two crosscutting themes were also identified: Reverse Linkage / Policy Analysis Studies and the Promotion of Islamic Finance.

Since joining the IDB Group in 1976, Senegal has received a total of US\$2.22 billion in terms of financing from all Group members. As of January 2016, IDB has financed 127 operations in Senegal worth US\$1.72 billion, including seven special assistance operations amounting to US\$14.2 million. ITFC approved twenty-eight operations worth 271.64 million. ITFC has financed five trade operations to the tune of \$195 million, ICIEC has provided insurance for investments worth US\$5.08 million, and ICD has funded operations worth US\$23.6 million. Fig II-18 depicts the trend in IDBG approvals.

During the MCPS period (2012-2015), the IDB Group approved US\$944.03 million and insured businesses totaling EUR 85 million while the earmarked envelope at the MCPS design was of US\$804.4 million in favor of Senegal during the MCPS period. IDB approved twenty-two projects worth US\$834 million (209 percent of the planned amount of US\$400 million).

ITFC approved three operations (two in the Agribusiness sector and one in the Energy sector) to the tune of US\$100 million, while ICD approved one operation worth US\$20 million and played a key role in the country's first Sukuk issuance. ICIEC provided insurance for investments worth Euro 85 million (213 percent of the planned amount of Euro40 million). IRTI organized six training sessions in Islamic Banking and Finance, Microfinance, Sukuk Issuance, and Waqf.

Figure II 16 IDBG Yearly Approval Trend for Senegal (1977-2015) in US\$ million



Regarding the Pillar 1 (“Enhancing Competitiveness”), IDB interventions in energy and transport were in line with the country's needs. Senegal has experienced electricity shortages in recent years, and the Transportation sector has had a positive impact in improving Senegal's productivity and competitiveness. Along the same lines, for the IDB Group's private entities, operations of ITFC, ICIEC, and

training sessions organized by IRTI were also aligned with Pillar 1 of MCPS. The Sukuk issued by ICD was timely, given the country's need to diversify its financing. Several projects approved under Pillar 2 were highly relevant as they addressed key challenges such as women's empowerment through entrepreneurship, rural development, rural water supply, and food security. Regarding the IDB Group's

private entities interventions, all are aligned with either the first or second pillar. A full-scale in-depth assessment of implementation effectiveness could not be performed during the review of the MCPS for Senegal as most approved projects are still at the early stage of implementation. The MCPS portfolio is relatively young, with most operations having been approved within the last two years. This partly explains the low disbursement rate of 6 percent for those projects declared effective. Key successes have been identified in private sector interventions under Pillars 1 and 2, especially in Islamic finance, trade financing, and risk insurance. ITFC approved a US\$30 million facility for the 2014-2015 groundnut campaign of SUNEOR.

The operation was successful, resulting in 54,825 tons of groundnuts collected, processed locally into groundnut oil (19,000 tons), and exported. ICIEC was efficient in providing insurance to the companies that invested in the construction of a 125-MW coal-fired power plant in Sendou and construction of the Dakar new airport project. ICD was very efficient in the co-arrangement of Senegal's first Sukuk. Islamic finance practitioners heralded this operation as the "Africa Deal of the Year" for 2014.

A third pillar, centered on Water Sanitation and Urban Services and Disaster Risk Management, emerged during the MCPS implementation period, and approvals under this unforeseen pillar represented 28 percent of IDB Group approvals. This emphasizes the flexibility of the IDB Group in supporting the country's shifting development priorities. The capital city Dakar was hit by a flood in 2012, leading the government to request financing to address the emergency situation.

In terms of Islamic Finance promotion, the IDB Group assisted Senegal in its plan to make the country a center of Islamic finance in West Africa. IDB, for instance, supported the elaboration and adoption of the Waqf Law in Senegal (first in the region). Similarly, IDB is working to create a full-fledged Islamic microfinance institution. A business plan was elaborated and agreement being prepared. Moreover, some projects approved during the MCPS included an Islamic Finance component. ICD has also committed to support the creation of an Islamic Finance Academy in partnership with CESAG.

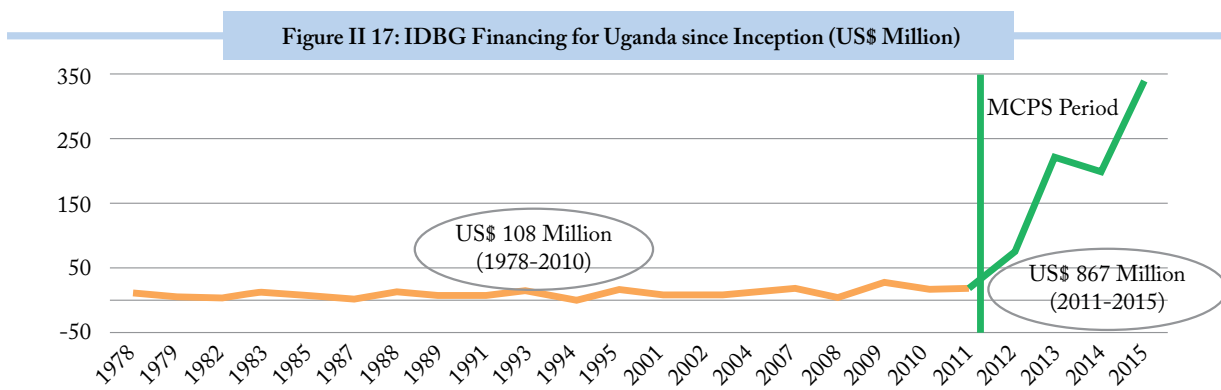
Overall the efficiency of IDB's intervention is low. In general, the IDB project preparation phase was fast in comparison to that of peer institutions, a cause of implementation delays for at least three projects. Moreover, changes in scope negatively affected performance of some projects, and limited knowledge of IDB's procedures has also derailed the smooth implementation of other projects. Several EAs are still awaiting familiarization visits and start-up workshops to take place. Implementation delays were also explained by unavailability of feasibility studies (or their low quality); slow responsiveness from executing agencies; and cross effectiveness for co-financed projects. However, some exceptions were found in the IDB portfolio. The Support to National Malaria Prevention and Control Project and, to some extent, the Upgrading of Dakar Expressway Section II Project are performing well.

MCPS Implementation Review - Uganda

Within the framework of its Annual Work Program for 2016G, the GOE Department conducted the Uganda Member Country Partnership Strategy (MCPS) implementation review for the period 2011-2015. As a partnership strategy, the MCPS was instrumental in intensifying the dialogue and active engagement between the IDB Group and the Ugandan government. Since joining the IDB Group, Uganda has received a total of US\$974.01 million in terms of financing from all Group members.

As of the end of 2015, IDB had financed forty-four operations in Uganda worth US\$933.76 million, including two Waqf-APIF operations amounting to US\$27.33 million, and ICD has approved a global line of financing worth US\$40 million. Figure II-16 below depicts the trend in IDBG approvals.

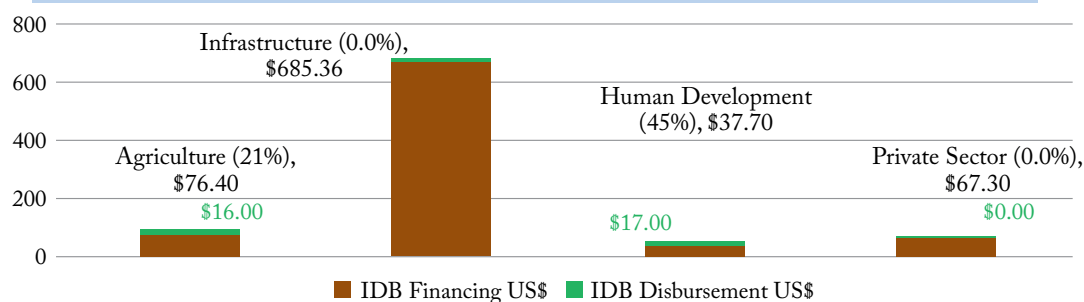
In total, IDBG financing in Uganda has amounted to US\$974 million from 1978 to 2015. The IDBG financing portfolio from 1978 to 2010 was low and steady, but approvals increased drastically between 2011 and 2015 during the MCPS implementation period.



Approvals during the MCPS period covered 93 percent of the cumulative approved amount for Uganda. All approved projects have been aligned with the country's development plan. However, this increase in financing has not kept pace with implementation. Considering the fact that US\$519 million (60 percent) of the portfolio was approved more than two years ago, the amount disbursed as of the end of 2016G stands at an alarmingly low level of US\$35 million (4 percent of the commitment).

The reasons for the low disbursement rate and sluggish implementation are the following: (i) On average, the Ugandan government requires at least two years for its internal process to issue a declaration of effectiveness for the financing agreement; (ii) Six big-ticket infrastructure projects (worth over US\$675 million or 77 percent of the MCPS financing) are being implemented by EAs having little prior experience working with IDB; and (iii) There is a lack of IDBG field presence in the country to increase communication speed and assist the agencies in procurement processes.

Figure II 18: IDBG Approvals and Disbursement in Uganda by Sector under the MCPS (in US\$ million)



Under Pillar 1 (“Infrastructure Development”), while the Uganda MCPS planned to support power generation projects, only transmission projects with a distribution component were approved by IDB. Huge delays have affected implementation of the energy-related projects.

Specifically, a lack of counterpart funding for resettlement of affected communities, slow responsiveness from IDB, lack of familiarity with IDB procurement procedures and guidelines on the part of government, and lack of capacity by EAs have slowed the projects start-up phase. In the Transport sector, IDB approved US\$440 million to finance three road projects. Similarly, whereas these projects contribute half of the IDB financing and have huge potential, the lengthy governmental approval process for the declaration of effectiveness and the lack of familiarity with IDB procurement procedures and guidelines have caused major start-up delays. None of these projects are disbursing at the moment.

Under Pillar 2 (“Enhancing Agricultural Productivity and Value-Addition”), the IDB approved a total of US\$76 million to finance four projects primarily in irrigation and integrated rural development. Two projects have already produced outputs: (i) rehabilitation of 3,215 km of community access roads and 230 km of district feeder roads representing 95 percent of the target; (ii) supply and installation of ninety-five agro-processing facilities; and (iii) connection of fifty-seven sites of agro-processing facilities to the electricity grid. As a result, some outcomes are emerging: (i) increased farm gate prices; (ii) increased connectivity and ease of access; (iii) reduction in travel times between areas of production and markets; (iv) reduction in post-harvest losses and a 50 percent reduction in transportations costs; and (v) improved post-harvest handling through the construction

of storage facilities. So far, US\$15.95 million (21 percent of the approved MCPS amount) has been disbursed for three of the four projects with only one project yet to record disbursement due to major delays in the selection of the PMU.

Under Pillar 3 (“Promoting Private Sector Development”), it was expected that ITFC, PPP, ICD, and ICIEC would have at least a US\$200 million portfolio. At the end of the MCPS period, only ICD and PPP were able to approve lines of finance and instalment sale facility projects worth US\$40 million and US\$10 million, respectively. However, implementation has not yet taken place for either projects. For the ICD global line, none of the banks originally selected to receive the line have been able to fulfill the minimum requirements. The PPP project is still awaiting government clearance for its declaration of effectiveness. Moreover, IDB did not conduct a proper due diligence (no site visit prior to approval) and did not adequately educate its client on either the structure or the mechanism of the instalment sale facility. ITFC, on its part, did not invest in the country during the MCPS period as none of the financial institutions in the country met its requirements.

Under Pillar 4 (“Human Resources Development and Capacity Building”), due to the many donors supporting the education sector at the secondary and primary levels, the MCPS was expected to focus on vocational and technical training, institutional capacity building, and science and technology. Three projects were financed under the current MCPS for an amount of US\$41.55 million to provide improved access to quality vocational/technical education. One of the projects (the Uganda National Education Support Project) is disbursing at 40.2 percent and is on

course to be completed by December 2017. The project has so far delivered the following outputs: (i) two workshops (mechanical and metal fabrication); (ii) one male dormitory (twenty-eight rooms) with a capacity of 112 beds; (iii) six lecture theaters; (iv) one staff room; (v) two libraries; and (vi) one computer laboratory. The other two Waqf projects, which were approved in 2015, are yet to be signed. With respect to the Health sector, due to the presence of many development partners, IDB did not plan to fund any project under the MCPS. However, during the MCPS period, two projects were approved within this sector: (i) rehabilitation of a maternity hospital and (ii) obstetric fistula prevention, treatment, and rehabilitation of women. However, neither has as yet been completed. The fistula project (grant), on the other hand, has been fully completed and has facilitated obstetric and fistula treatment for 200 women in the North East region.

ii. Sector Evaluations Synthesis

As part the GOE Department's efforts to provide the IDB Group with sector-specific lessons learned to steer the Group's future investment, the department prepared two synthesis reports for the Transportation and Health sectors. A third synthesis of evaluations in the Water and Sanitation sector has been initiated in 2016G and will be completed in 2017G. The objectives of the synthesis studies are the following: (i) to assess the project quality of design and implementation; (ii) to capture the results achieved by the projects, viz., outputs delivered, the projects' contributions to and impacts on medium- and long-term outcomes, and the sustainability of project results; (iii) to strengthen the accountability for development results and stakeholders' performances (including the Bank and the projects' beneficiaries); and (iv) to provide lessons learned for improving quality of project design, implementation, and sustainability and to enhance the development results of future projects within the sector.

Synthesis of Post-Evaluated Health Sector Projects

During the year 2016G, the GOE Department prepared a study synthesizing the findings of evaluations of the Bank's interventions in the Health sector in its member countries. The study covered forty-eight projects evaluated during the period 1995-2015G. In terms of performance, 48 percent of the evaluated Health sector projects were rated as either Successful or Highly Successful, 40 percent were rated as Partly Successful, and only two projects, 4 percent, were rated Unsuccessful. The partially successful projects were mainly affected by sustainability challenges. Projects were rated partly successful or unsuccessful primarily for the following reasons: (i) inadequate monitoring and supervision; (ii) lack of clarity on the final deliverables; (iii) poor performance of contractors resulting in long delays in implementation; and (iv) poor quality of outputs.

Relevance:

IDB Health sector interventions were relevant and highly consistent with government priorities and IDB strategy.

In cases of countries that did not have an MCPS, projects were still determined to be based on the countries' needs as per appraisal documents. The relevance of project design to the country and sector needs was ensured by the quality feasibility studies of the financed project. However, in some cases, detailed feasibility reports were missing, resulting in poor implementation of projects and their adherence to the cost and schedule targets set at appraisal.

Efficiency:

In terms of efficiency, almost 43 percent of the implemented health projects evaluated were rated as inefficient or less efficient. Implementation delay has been identified as a major issue for health projects. Average project implementation duration is 6.5 years with an average of 3.5 years in delay. Only 33 percent of projects were implemented without any delays. Major causes of implementation delays were found to be: (i) poor performance by contractors; (ii) lack of familiarity with IDB procedures, resulting in procurement delays; and (iii) lack of risk analysis component in feasibility plans with no mitigation strategies in place to address expected risks. Major reasons for cost variations included the following: (i) changes in design and scope of project (increase in project capital costs); (ii) depreciation of the local currency against the US dollar; (iii) inaccurate estimation of project cost at the appraisal stage; and (iv) effect of implementation delay on project cost.

Effectiveness:

Based on a review of the post-evaluated projects in the Health sector, delivery of the tangible outputs has been generally achieved. At project delivery, the quality of work performed and equipment installed was of good quality. The evaluated projects under the Health sector supported over seventy-five hospitals with establishment or renovation of more than 30,000 beds, resulting in increased occupancy rates in all locations within twenty-seven MCs. Where IDB is a project's lead-financier and contributes substantially to the project (i.e., supplies more than 50 percent of the total project cost), IDB was found to be in a better position to exercise control in steering project implementation and thus achieving the project's envisaged targets.

Sustainability:

Though the socio-economic impact of IDB-financed health projects was generally positive, operational and financial sustainability was a real issue in 45 percent of the evaluated projects that were rated as Unlikely or Less Likely to remain sustainable. Sustainability challenges facing IDB health sector projects can be summarized under three main points: (i) dependence on government funds for their operation; (ii) operations and maintenance of health investment; and (iii) lack of institutional capacity including human resources.

Synthesis of Post-Evaluated Transportation Sector Projects

In 2016G, the GOE Department initiated a study synthesizing findings of the evaluations of the Bank's interventions in the Transport sector within its member

countries during the period 2006–2016 based on forty-four project evaluations. In terms of performance 7 percent of the projects were deemed to be Highly Successful, 82 percent Successful, 11 percent Partly Successful, and none Unsuccessful. Criteria-based synthesis of evaluations is given below.

Relevance:

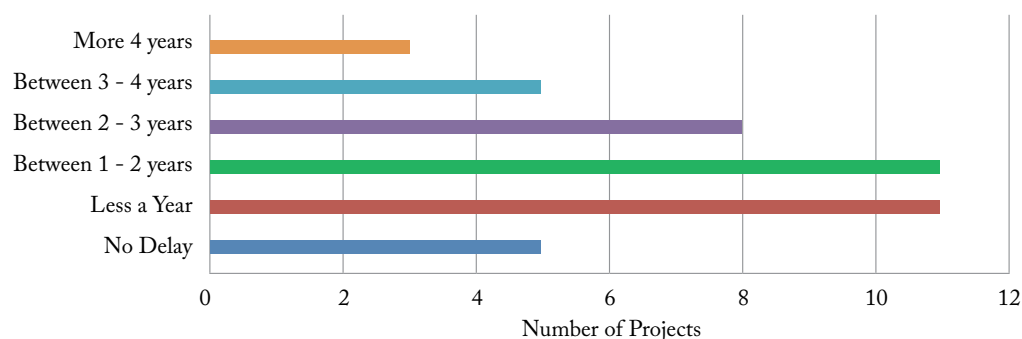
The average relevance score with respect to both the Bank and the beneficiary in post-evaluated projects was about 90 percent. The PPERs reveal that projects implemented in Central Asia and MENA were more aligned with both Bank and government development objectives. Relevance issues

were experienced in the railway project in Pakistan and a road project in Gabon.

Efficiency:

Up to 88 percent of all projects reviewed faced major issues with respect to delay. The average delay for a Transport sector project was calculated to be twenty-two months. The key issues affecting the efficiency of the projects are: (i) late effectiveness of financing agreements, calculated to be 28.5 months on average; (ii) lengthy time to establish PMU; (iii) late release of counterpart funds; (iv) delayed recruitment of consultants; (v) poor quality at entry; (vi) unfamiliarity with IDB procedures, and weak capacity of EAs/PMUs; (vii) poor or inadequate performance by the contractors.

Figure II 19: Implementation Delay by Number of Evaluated Projects in the Transportation Sector (2006–2016)



In relation to cost, 66 percent of the evaluated projects accurately forecasted cost to within +/-15 percent, and 14 percent of the projects had cost over-runs between 15 percent and 25 percent of appraisal costs. Finally, 20 percent of the projects had a cost over-run exceeding 25 percent. The following are the key reasons for increases in total project costs: (i) expansion in project scope; (ii) delays in implementation that led to cost escalation; (iii) variation in the exchange rate of the beneficiary country's currency; and (iv) inaccurate cost estimations at appraisal.

Effectiveness:

Based on a review of the forty-four projects, a summary of achieved outputs and outcomes is as follows: (i) about 5,000 km of roads; (ii) about twenty-five bridges having an average length of 600 m; (iii) a 414-km long railway; (iv) a new port to accommodate vessels up to 80,000 DWT, with annual capacity of 2,000 vessels per year; and (v) various units of road construction and maintenance equipment. Most IDBG interventions in the road sub-sector helped the beneficiary member countries improve their road networks by: (i) reducing travel times; (ii) increasing traffic flows; (iii) reducing vehicle operating costs (VOC); (iv) increasing regional and national trade; (v) improving road conditions; and (vi) improving regional connectivity and freight transport.

Sustainability:

The average score of sustainability for the evaluated projects was 60 percent. The key issues affecting project sustainability

are the following: (i) lack of income generation; (ii) slow sectorial reform, as manifested by lack of axle load control; (iii) weak institutional capacity of the project operating agency; and (iv) lack of budget support for meeting the O&M needs of the completed project.

C. Other Evaluations

Evaluation of the Investment Technical Assistance Program (ITAP)

The GOE Department evaluated the IDB Group's Investment Promotion Technical Assistance Programme (ITAP) established in 2005 and managed by the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). The ITAP has been instrumental in helping unlock the developmental potential of IDB Group member countries (MCs) through an integrated foreign investment promotion technical assistance programme, which includes (i) sector and project identification studies; (ii) capacity building of national investment promotion agencies (IPAs); (iii) reverse linkage; and (iv) matchmaking investor conferences. The programme has been working on a tripartite basis with Turkey and Malaysia to organise and host training events.

Since its inception, the programme has organized thirty-four capacity-building activities (81 percent), prepared five project and sector identification studies (12 percent), and organized two matchmaking conferences (4 percent) and one reverse linkage (3 percent). The vast majority of

ITAP resources have been allocated for capacity building. The number of ITAP activities in Malaysia was ten (24 percent), followed by Turkey with eight (19 percent), and Morocco with six (14.5 percent). The other activities were distributed over twelve IDB MCs (42.5 percent). For project and sector identification studies, matchmaking conferences, and reverse linkages, the major programme beneficiaries were the national investment agencies of Sierra Leone, The Gambia, Djibouti, and Uganda. From 2006 to 2016, more than twenty countries have benefited from the programme's capacity-building activities, including Nigeria, Algeria, Maldives, Uzbekistan, Morocco, Palestine, Jordan, Tajikistan, Tunisia, Kuwait, Turkey, Kyrgyz Republic, Uganda, Syria, The Gambia, Sudan, Sierra Leone, Bangladesh, Mozambique, Djibouti, Egypt, Comoros, and Kazakhstan. Around 400 participants (i.e., 5,600 person-days) from investment promotion agencies and/or government officials benefitted from the training sessions. Overall, the aforementioned capacity-building and training activities financed by ITAP produced their intended outputs by providing public servants with basic skills and knowledge.

However, the program is not without its shortcomings. For instance, little evidence supports any effect of the training on the institutions of beneficiary countries, particularly the development of the investment promotion agencies' structures, organisations, plans and programmes. In addition, the other types of operations of the programme (i.e., sector and project identification, matchmaking conferences, and reverse linkages) have achieved limited results, due primarily to the small number of these operations performed, the limited number of beneficiary countries (Uganda, The Gambia, Sierra Leone, and Djibouti), and the lack of follow up. Moreover, there is a wide gap between the ITAP programme's limited resources and its ambitious objectives. Due to its small scale of activities, high administrative costs, and declining grant-based operational budget, programme efficiency has been limited. Furthermore, the programme has neither achieved its target objectives nor is it expected to do so in the near future. Indeed, the programme lacks a holistic strategy and an integrated approach in addressing member countries' needs.

Evaluation of Awqaf Properties Investment Fund (APIF) Projects

The Construction of the Nama Commercial and Residential Building (NCRB) Project in Fujairah, United Arab Emirates:

This operation was financed by IDB at the cost of US\$9 million (US\$3 million from APIF and US\$6 million from APIF Line of Financing) by way of leasing. Prior to the project, the beneficiary, Fujairah Welfare Association (FWA) was running a Family Development and Rehabilitation Program providing training and capacity building to needy women. It had only six offices, two of which were converted into Mosques for men and women. The new NCRB is 23-storey residential and office building

located in the middle of the business district of the city of Fujairah. It comprises ninety-one residential apartments, forty offices on Floors 1-5 and the mezzanine, and eight shops in the ground floor. There are also two basement floors with thirty-six car-parking slots.

The project was rated Successful in making FWA self-sustaining in financing its social programs. Since completion, FWA has generated US\$6.4 million and US\$7.6 million in 2013 and 2014 respectively, from its investments (assets). The social programmes financed include orphan and family sponsorship, financial support to poor families, education scholarships, and training to productive families. The Development and Rehabilitation of Productive Families Program is having a real impact by training and building the capabilities of needy families. For example, FWA operates three orphanages (two for boys and one for girls) in Bangladesh. In addition, FWA also sponsors seasonal programmes, particularly during Ramadan and the two Eids. The number of beneficiaries from these programs in 2014 included 15,260 orphans, 3,752 students, and 1,018 trainees. In addition, 26,287 families received financial aid and 5,212 families received in-kind assistance. According to FWA's balance sheet, about US\$18.50 million were spent in social and charitable programs in 2013, and this amount increased by 4 percent to US\$19.28 million in 2014.

Bandar Abbas - Residential and Commercial Complex Project in Iran:

The project was rated Successful in achieving the construction of 268 housing units and sixty-seven shops consisting of fourteen blocks arranged in seven interlocking towers and a 120-automobile parking area. The complex was built using energy-efficient materials and technology that can resist the strongest earthquake that has occurred in the region. The Complex, including the common area, is properly maintained at an affordable cost. The residential complex has been fully occupied since completion of the project and provides housing for 268 families consisting of four persons on average. Thus, about 1,070 people have directly benefited from the construction of the residential complex. The commercial spaces are also now fully rented. Since, on average, three shopkeepers are employed per shop, about 200 permanent jobs have been created as a consequence of this project. The project was implemented efficiently with respect to cost and time, with a slight cost under-run of 4 percent and a delay of six months. The project has generated sufficient revenue for the Foundation to repay the bank in a timely manner and to support its charitable and humanitarian activities, despite the depreciation of the Iranian Rial.

The Construction of the Shariah Courthouses Project in Malaysia:

This project was originally expected to be under APIF but was ultimately financed directly from the IDB treasury. The project was rated Partly Successful primarily due to the project's low efficiency. Project completion was delayed around fifty-eight months due to issues related to approval

of the right to use the land by the State of Selangor as well as design approval by the local authorities. Change in location of some project sites as well as poor contractor performance also contributed to the delay.

Nine of the Shariah Courthouses were delivered as required with the exception of that located in Gombak district, which is still under construction. Quality of the outputs was poor due to poor contractor, architect, and supervising consultant performance. In terms of outcomes, the number of cases registered in year 2015 has increased by around 4,000 relative to year 2010, with the number of cases cleared in 2015 also higher by around 5,000 cases. The users and staff of the courthouses seem content with the larger facilities and space provided by the new courthouses.

Special Evaluation of Islamic Financial Engineering (IFE) Laboratory Project in Morocco

The establishment of the Islamic Financial Engineering (IFE) Lab is rated Highly Relevant to the country because it coincided with Morocco's ambitious move towards implementing Islamic finance. The establishment of the IFE Lab complements the establishment of the Financial Product Development Centre (FPDC) of IRTI and supports IDB's objectives of expanding and leading the world-wide Islamic finance industry. In particular, IFE Lab is consistent with IDB's strategies "Developing Islamic Finance" and "Promoting Human Development".

The IFE Lab project was rated Effective because it achieved its intended objective, launching a doctoral program in Financial Engineering to build capacities and enhance human resource development in the field of Islamic finance. Since the start of the IFE Lab in 2013, twenty-one students (including ten females) have enrolled in this doctoral program, with three earning their doctorates and two expected to do so by March 2017. In terms of outcomes, the students applied agent-based simulation (ABS) models to conduct research in various fields of Islamic finance.

To date, these students have published sixteen articles in refereed journals, with three more accepted for publication. In addition, they have presented eight papers in national and international conferences. The three students who obtained their doctorates found jobs immediately after graduation in such institutions as the Moroccan Investment Promotion Agency and Rabat International University.

More importantly, IFE Lab is building capacities and creating awareness among professionals in financial institutions, government agencies, students, and researchers from other colleges and universities. So far, IFE Lab's professors and students have organized more than twenty seminars in Islamic finance and participated in seven national and international conferences.

To stimulate innovation and creativity in using ABS, IFE Lab created the "Award for the Best Application of Agent-Based Simulation in Islamic Finance" in collaboration with

the SABIC Chair in Islamic Finance, Imam Mohamed University in Riyadh, FPDC in IDB, and UM5.

The IFE project was rated Efficient. Most of the IDB grant was utilized for the targeted outputs. More importantly, however, the planned deliverables were implemented on time, within cost estimates, and at a high level of efficiency except for the website, which is due to be launched in 2017.

The sustainability of the IFE Lab was rated Likely despite limited resources (particularly scholarships for needy students). The IFE Lab receives strong support from the Mohammedia School of Engineering's management (in terms of logistic and human resources), and there is determination to continue the program.



WATER SUPPLY PROJECT, TOGO





Chapter - III Development Results

- A. Agriculture and Rural Development
- B. Water and Sanitation Sector
- C. Transport Sector
- D. Energy Sector
- E. Education Sector
- F. Health Sector

Whereas Chapter II provided an overall performance assessment of evaluated operations by sector through their corresponding performance ratings, this chapter summarizes results achieved by the post-evaluated funded IDB operations in all sectors, including development results of interventions funded by the Bank's entities. Some illustrative development results for evaluated projects for the period under review are as follows:

A. Agriculture and Rural Development



The GOE Department post evaluated four Agriculture and Rural Development (ARD) sector projects in four countries Bangladesh, Indonesia, Iran, and the Maldives. The four projects evaluated were the Integrated Village Infrastructure Development

Project, the Integrated Community-Driven Development (ICDD) - Phases 1 & 2, the Dasht-E-Abbas Irrigation Project, and the Reconstruction of Housing Units for the Tsunami Victims Project. In terms of output results, the Integrated Village Infrastructure Development Project in Bangladesh rehabilitated 264 km of union and village roads; constructed a total of 410 m of bridges and culverts on union and village roads; constructed fifty-one growth centers and rural markets; established 378 km of road-side tree plantations; formed 100 Village Development Cooperative Societies; and implemented 2,797 Village Infrastructure Development Schemes. These outputs have resulted in improved access to such social services as potable water, health centers, educational facilities, and growth centers.

This also contributed to reduced travel times (by about 70 percent) and reduced post-harvest losses, thereby increasing incomes of farmers. In addition, the income generation of beneficiaries has improved, benefitting 1,412 women through the micro-credit scheme. Moreover, along with 5,913 permanent jobs, about 62,000 temporary jobs for rural inhabitants, particularly destitute and poor women, were generated through the construction of rural roads/bridges and markets. Environmental conditions have improved as a result of the tree plantations, and the number of households experiencing annual flooding has reduced from 47 percent (before the project's initiation in 2005) to 37.5 percent (after project completion in 2012) due to improvements in the drainage system.

Phase I of the Integrated Community-Driven Development (ICDD) Project in Indonesia trained and recruited 2,918 facilitators, comprising 2,420 village facilitators and 498 city coordinators; constructed 6,777 km of rural road, 1,479 km of drainage, 83 km of bridges, and 31,578 meters of tertiary irrigation canals; and renovated 10,337 houses. Phase II delivered a total of 8,320 km of rural roads, 2,463 km of drainage, 83 km of bridges, and 10 km of tertiary irrigation canals and renovated 8,155 houses. In addition, the Livelihood Component, which was implemented in

596 villages, received US\$7 million for economic livelihood activities.

Producing the Phase I outputs listed above resulted in substantial improvement to infrastructure of the beneficiary communities. Overall, the number of poor villages have declined from 1,482 to 290. Hence, the project attained its expected outcomes of graduating at least 1/3 of urban villages from the list of 'less developed areas'. In addition, real income level of the fourteen provinces exhibited an 18.6 percent increase (based on real gross income levels) during 2010-2013, thus surpassing the targeted impact of a 5 percent to 10 percent increase in the real gross income level of the fourteen provinces five years after project completion. In Iran, the Dasht-E-Abbas Irrigation Project included construction of the Eynkhosh main canal of 15.3 km with a discharge capacity of 7.8 m³/sec in addition to the Fakeh Main canal of 39 km with a discharge capacity of 14.3 m³/sec. Other project outputs included 88 km of main, primary, and secondary drainage channels, 270 km of access roads, a network of 290 km of main and distribution pipelines to the field plots of Eyn Khosh and Fakeh, and development of irrigated lands. The project has created 400 employment opportunities during its implementation while 2,750 people are directly benefiting from the two development units in Eyn Khosh Plain; even though some components of the project have yet to be completed, it is expected to directly benefit about 8,000 farmers when completed.

The completion of the two development units in Eyn Khosh Plain has increased irrigated land from 5,757 ha before the project to 11,270 ha out of the targeted 32,750 ha. Wheat productivity (a strategic commodity for the project area) has also increased from 800 kg/ha to 3,500 kg/ha in the first season. As a result, the income that an average farm (20 ha) generates has increased by more than four times. Lastly, the Reconstruction of Housing Units for the Tsunami Victims Project in the Maldives delivered a total of 123 new housing units comprising 45 houses on Maabaidhoo Island and 78 houses on Madifushi Island (Please see Box III-1 for details).

B. Water and Sanitation Sector



In 2016, the GOE Department evaluated two Water and Sanitation sector projects in the Republic of Togo and the Republic of Senegal. The projects included the Rural Water Supply in Kara and Savanes Regions, Togo, and the Ndiosmone-Palmarin

Water Supply in Senegal. The Rural Water Supply Region Kara and Savanes in Togo aimed at increasing access to a quality water-supply and sanitation infrastructure. The project outputs included 403 new boreholes drilled, one-hundred existing boreholes rehabilitated, 500 new hand pumps installed, and nine mini-water supply systems constructed, ninety-six standpipes installed, fifty-three

Box III 1 Reconstruction of Housing Units for the Tsunami Victims Project, Maldives



A tsunami struck the Maldives on December 2004, destroying lives and livelihoods of nearly a third of the population, necessitating the total evacuation of thirteen islands, displacing over 15,000 people, and destroying much of the country's physical asset base, including homes. IDB, alongside the international community, assisted the population of the Maldives in recovering.

- The project was successful in fully achieving its revised scope of constructing 123 units in the targeted islands instead of 208 units initially planned.
- The number of people directly benefited from the project housing units in Maabaidhoo and Madifushi, was 270 persons (27% of the population) and 470 persons (41% of the population) respectively.
- The project housing units are in good condition with support from the institutional setup of the island counsels and the financial capacity of family households, particularly with regard to preventive and corrective maintenance.

private connections constructed, as well as five elevated water tanks with a total capacity of 1000 m³ and a distribution network with a length of 35 km for the nine mini-water supply systems. In addition, 503 water-management committees for borehole management were established, and nine water-user associations for the management of the mini-water supply systems were created. The project also trained fifty artisans in the mechanics and repair of pumps and equipped them with toolboxes. The project contributed to increasing access to potable drinking water from 52 percent in 2006 to 60 percent in 2011 in the Kara Region and from 35 percent in 2006 to 56 percent in 2011 in the Savanes Region. The project currently benefits 170,000 rural inhabitants, exceeding the target of 123,000 set at appraisal.

The Ndiosmone-Palmarin Water Supply Project in Senegal aimed at increasing access to pipe-borne water in the Thies and Fatick Regions of Senegal. Upon completion, the project recorded the following outputs: two new boreholes drilled, two reservoirs of 2500 cubic-meters constructed, 720 km of pipes laid, 567 standpipes installed, and 6,745 private houses connected to the water supply. The project has increased access to safe drinking water to 136 villages (350,000 people) in the Thies and Fatick Regions compared to the 116 villages planned at appraisal. In addition, it has contributed to improved health conditions and reduced waterborne diseases in the project areas. For instance, the cases of diarrhea have declined from 189 in 2009 (before the project) to 116 in 2012 (with the project) in the District of Diofor (Source: Palmarin Health Center Records). Moreover, rural-to-urban migration has decreased due to jobs and ancillary activities supported by the water supply project.

A. Transport Sector



Four projects were post-evaluated across Africa, Asia, and Latin America in the transport sector during 2016. Two of the projects relate to road transportation (Burkina Faso and Kyrgyz Republic), while the others relate to port upgrade and the air navigation system in

Suriname. The post-evaluated road projects contributed significantly to enhancing accessibility, improving road safety, and boosting the economic activities in the projects' areas. In Burkina Faso, the Ouagadougou Access Roads project aimed at enhancing accessibility and improving economic activities in the project area. The project plan was to construct two road sections RN1 (5 km) and RN4 (6.6km). However, only the urban section, RN1, was constructed with a total length of 7.3 km as a two-lane dual carriageway road with a total width of 24.5 m consisting of a 2x7m wearing course, 2.5-m median barrier, 2x3m two-wheel vehicles path, and 2x1m sidewalks. The project has enhanced accessibility significantly compared to the level prior to the project's completion. In addition, the project created 390 temporary jobs during the construction of the RN1 section.

The post-evaluated project in the Kyrgyz Republic focused on the reconstruction of Osh-Irkeshtam Road. At completion, the project reconstructed a 42.7 km long dual-lane road with a 2.5-m shoulder on each side and a proper drainage system. In addition, the project rehabilitated eight bridges, extended two bridges, and constructed seventy-five concrete pipes and box culverts. The improved road conditions have created wider access to regional goods and services markets, shorter travel times, lower net costs of goods, and increased transit potential of the country as a whole. In the Republic of Suriname, the Nieuw Nickerie Port Upgrading Project was aimed at re-building the port infrastructure and renovating associated buildings, acquiring basic equipment for port operation, and dredging the Nickerie River. The project did not achieve most of the outputs envisaged at appraisal due to unavailability of counterpart funding from the Suriname government. The only output achieved was construction of the concrete wharf 250 m long with a deck surface of 6,848 m². Port utilization has been limited since completion of the wharf in June 2012, because of failure to dredge the Nickerie River to a draught of 6 meters and a length of 12.5 km with 50 meters' width as planned at appraisal to enable vessels of 6000 deadweight tonnage (DWT) to berth at port. Not implementing the dredging limited the impact of the project on development of trade and exports. The port currently accommodates six to

seven vessels per year having less than 4,000 DWT, and the river's draught is still 2.1 meter at low tide and 3.7 meter at high tide compared to the 6 meters at low tide envisaged at appraisal. In 2015, actual vessel traffic has been 33,579 tons compared to an expected minimum traffic at 180,000 tons/year (for rice and bananas only), representing around 18 percent of the utilization capacity anticipated at appraisal. Hence, the project was not able to achieve the cost savings projected at appraisal. Major commodities such as bananas and rice are still being transported along a 229-km road to Paramaribo port without any decrease in transport cost due to the failure of the project to serve as a cheaper alternative transport source for these commodities.

Only limited amounts of rice are exported from the port of Nickerie (2,572 tons in 2012, 22,670 tons in 2013, and 15,690 tons in 2014). In addition, imports of cement and fertilizers are limited, i.e., 7,000 tons of fertilizer up to 2014 and 13,000 tons of cement in same period. Lastly, the only aviation project evaluated was the Upgrading of Air Navigation System (UANS) Project in the Republic of Suriname. Upon completion, the project provided a suitable room for air-navigation equipment, proper conditions for equipment operation, and an access road to the radar site. In addition, radar and communication equipment were procured and factory training conducted for maintenance staff.

However, a technically qualified (and certified) staff is lacking to operate the radar and communications equipment. Therefore, overall, the operation of the procured equipment has not been effective. None of the procured equipment have been fully and properly utilized, and the radar has been idle with the Suriname government. The only output achieved was construction of the concrete wharf 250 m long with a deck surface of 6,848 m². Port utilization has been limited since completion of the wharf in June 2012, because of failure to dredge the Nickerie River to a draught of 6 meters and a length of 12.5 km with 50 meters' width as planned at appraisal to enable vessels of 6000 deadweight tonnage (DWT) to berth at port. Not implementing the dredging limited the impact of the project on development of trade and exports. The port currently accommodates six to seven vessels per year having less than 4,000 DWT, and the river's draught is still 2.1 meter at low tide and 3.7 meter at high tide compared to the 6 meters at low tide envisaged at appraisal. In 2015, actual vessel traffic has been 33,579 tons compared to an expected minimum traffic at 180,000 tons/year (for rice and bananas only), representing around 18 percent of the utilization capacity anticipated at appraisal.

D. Energy Sector



In 2016, the GOE Department post-evaluated seven projects in the Energy sector, including the Rural Electrification Project, Cameroon; the Abu Qier Power Project, Egypt; the Aigul Tash to Samat 110-

KV Transmission Line Substation, Kyrgyz Republic; the Nouakchott Power Plant, Mauritania; the Mohammedia Thermal Power Plant Upgrade Project, Morocco; the Khwar Hydropower Plant, Pakistan; and New Bong Escape Hydropower, Pakistan. The post-evaluated projects consisted of two hydropower projects, two electricity transmission projects, one steam power plant project, and two thermal power plant construction and upgrade projects. In total, the evaluated projects contributed 1,743 MW of new installed capacity, rehabilitated 300 MW of a power plant in these countries, and added around 274 km of transmission lines to the countries' electricity networks.

The Rural Electrification Project in Cameroon achieved installation of more than 247 km of distribution lines and substations for an aggregate capacity of 2.85 MVA. As at 2016, some 3,238 new electricity connections (46 percent of target) were made for households, health centres, and schools. The project currently benefits an estimated population of 75,400, or 94 percent of the 80,000 beneficiaries targeted. The project has led to increased electricity coverage in rural areas. In addition, the living conditions of the inhabitants have significantly improved, while productive economic activities such as money transfer services, printing, carpentry, have been revitalised. In total, the project has provided electricity to forty-eight schools (primary and secondary), forty-seven health centres, and two small farms. Furthermore, access to electricity is leading to increased revenues, as shops are now able to stay open for extended hours.

Abu Qier Power Project, Egypt, constructed a new steam turbine power plant having 1,300 MW installed capacity with two 650-MW steam turbine generator units, two dual-fired steam generators (boilers), power transformers, heat exchangers, and desalination and water treatment plants. The project has led to increased energy-generation capacity by adding 1,300 MW installed capacity to the system, thereby accounting for 3.7 percent of the country's total installed capacity of 35,223 MW in 2014. On average, the plant has generated around 7,567 GWh of electricity per year over the period 2013-2014 (about 4.2 percent of the total generation within the country) compared to 8,326 GWh expected at appraisal (90 percent of planned generation target). The project's direct beneficiaries reached up to 1.3 million households as of 2014 based on the share of the electricity exported to the national grid by the project (4.2 percent). The project also created about 475 permanent jobs.

The Tash to Samat 110-KV Aigul Transmission Line and Substation Project (Kyrgyz Republic) was aimed at increasing electricity accessibility in the project areas. The project achieved a 142.05-km increase in transmission lines and procurement of a slightly-used 25-MW transformer in Samat SS instead of the planned new 36-MW transformer. The project contributed to decreased dependency on electricity transmitted through neighbouring countries and improved the reliability of electricity transmitted. At completion, 69 percent of the electricity to the target region

was transmitted through the project facilities. The project has provided reliable electricity to about 90,000 inhabitants in the project area, and, in 2015, around 129 GWh of electricity were transmitted to the end beneficiaries. The decreased payment (around US\$100,000 reduction in 2015) to Tajikistan for electricity transmission comprises a direct economic benefit to Kyrgyz Republic of the project.

Nouakchott Power Plant (Mauritania) was aimed at enhancing Mauritania's installed thermal capacity. In contrast to the planned activities, the project procured nine sets of diesel generators of 4 MW each instead of two sets of diesel generators of 7 MW each and involved construction of a 33/15-kV substation and installation of a distribution power cable (with associated civil works). The project has enhanced the installed thermal capacity of the country as the new power plant capacity (36 MW) accounted for 32 percent of Mauritania's total thermal capacity at the time of commissioning and currently accounts for 12 percent of this capacity. Moreover, thirty direct employments were created under this project. The project contributed towards relieving the load on the nation's existing power plants, which were overloaded, and contributed to meeting growing energy demand (an average of 9 percent from 2000 to 2014) by producing a total of 704 GWh since 2011 (29 percent of the SOMELEC's power production), supplied to 128,400 clients in Nouakchott in 2015.

The Mohammedia Thermal Power Plant Upgrade Project (Morocco) achieved the planned upgrade of two coal-fired generation units with installed capacities of 150 MW each and related equipment as planned at appraisal with the exception of rehabilitating new coal stockyards and a water treatment system, which are planned to be implemented in the future. The main development outcome is extending the technical life of the two coal-fired units by fifteen years. However, there was no significant improvement in the availability and performance of the upgraded units in comparison to what was targeted at appraisal. Over the last three years, the average availabilities of the two upgraded coal-fired generation units were recorded as 69.3 percent (Unit 3) and 68.3 percent (Unit 4) compared to 85 percent targeted at appraisal, while the availability for each unit prior to the project was around 70 percent. However, major improvement was observed in the facility's environmental impact with significant reduction in emission of NO_x from 1,866 Mg/Nm³ to 350–450 Mg/Nm³ levels as targeted at appraisal. In addition, the project contributed to reducing the environmental impact of the facility on the city of Mohammedia.

Upon completion, the Khwar Hydropower Plant Project in Pakistan achieved the outputs envisaged at appraisal including construction of the dam, water intake, pressure tunnel, and powerhouse. The project added 323 MW installed capacity accounting for 4.54 percent of the country's total hydroelectric installed capacity of 7,115 MW and 1.39 percent of the country's total installed capacity of 24,906 MW in 2015. On average, the project generated around 1,369 GWh electricity in 2015 (about 4.34 percent

of the country's total hydroelectric power generation and 1.2 percent of its total power generation) compared to 1,464 GWh expected at appraisal (i.e., 93.5 percent of planned generation target). As per power system statistics for 2014–2015 of the National Distribution and Transmission Company (NTDC), the total number of consumers was 25.67 million, out of which, 85 percent were residential (22 million households). It is estimated that the project's direct beneficiaries reached around 1.6 million people. However, the KKHPP plant, which stopped power production due to damage to the turbines by sediments transported by the water flow, is currently out of order and idle.

The New Bong Escape Hydropower Project in Pakistan provided an 84-MW hydropower plant and interconnection with a 132-KV transmission line. The project achieved the construction of a run-of-the-river, low-head, 79-MW hydroelectric power-generating complex at the New Bong Escape resulting in the addition of 84 MW of installed capacity to the system, accounting for 1.18 percent of the country's total hydro installed capacity of 7,115 MW and 0.337 percent of the country's total installed capacity of 24,906 MW in 2015. The project generated around 530 GWh of electricity in 2016G (about 1.68 percent of the country's total hydro generation and 0.464 percent of its total generation) compared to 426 GWh expected at appraisal. As per NTDC, the total number of consumers was 25.67 million, out of which 85 percent were residential (22 million households). It is estimated that the number of the project's direct beneficiaries reached 100 thousand households.

E. Education Sector



During 2016, two projects, the Secondary Education Expansion Project in Mozambique and the Reconstruction of Secondary Schools Project in Tajikistan, were evaluated in the education sector. A cluster of education projects under Special Assistance in the

USA was also evaluated. All education sector projects have the overarching objective of increasing access to secondary education and improving learning students' environments and outcomes.

In Mozambique, the Secondary Education Expansion Project delivered three (3) upgraded secondary schools at Dondo, Maxixe, and Nacala with the following facilities: rehabilitated dormitory buildings, additional classrooms, laboratories, libraries, sanitary buildings, furniture, equipment, and staff training. It also delivered two new secondary schools at Chiure and Marrupa with classrooms, administration blocks, laboratories, sanitary blocks, sports arenas, furniture, boreholes/water storage tanks, pavements/walkways, and teacher and administrator training. The upgraded and newly constructed schools have expanded access to secondary education in the five provinces (Cabo Delgado, Inhambane, Nampula, Niassa, and Sofala). The three rehabilitated schools have benefitted 32,585 students

during 2012-2016, while the two newly constructed schools have benefitted 7,851 students over the same period. The project has a total reach of 40,250 students, including 17,109 (43 percent) female students, and has directly contributed to enhancing the teaching and learning environment, thereby resulting in improved student performance from an average pass rate of 55 percent (2010) to an average pass rate of 80 percent (2015) in the five beneficiary schools. The enhanced teaching and learning environment has also resulted in more teachers accepting postings to these schools, resulting in significant improvement in number of students per class in these schools (from seventy-five students per class in 2010 to fifty students per class in 2016).

Also, the Reconstruction of Secondary Schools Project in Tajikistan provided 166 classrooms, furniture, laboratory equipment, libraries, and sanitary facilities. This increase in the educational infrastructure has provided access to more than 4,800 students with a corresponding 1,000 teaching and non-teaching job opportunities.

Cluster of Six Education Projects under Special Assistance An evaluation of a cluster of six Special Assistance Operations in the USA was also undertaken by the GOE Department in 2016. The operations were mainly intended for purchasing, constructing, and/or rehabilitating education facilities to provide education within Muslim communities. The six projects comprised the purchase of a building for the Islamic School of Rhode Island; renovation of Al-Noor Academy in Mansfield, Massachusetts; construction of the Boston Cultural Centre Building; construction of the Islamic School and Community Centre in Connecticut; construction of the Islamic School of Greater New Orleans; and construction of Brighter Horizon Academy in Dallas, Texas. While all six projects are currently operational, two projects; Brighter Horizons Academy in Dallas and the Islamic School of Connecticut are yet to be completed. The latter projects experienced a change in scope and design and, hence, registered cost variations during implementation.

The six projects availed fifty classrooms and provided such ancillary facilities as libraries, science laboratories, computer laboratories, offices (for teaching and administrative staff), and sports facilities (gymnasiums, soccer fields). Sanitary facilities, cafeterias, prayer halls, and multi-purpose rooms were also provided. In addition, the institutions have increased the stocks of furniture, teaching and learning aids (smart boards and ICT equipment), and reading materials. The provision of the above outputs has led to increased enrolment of students and employment of teaching and non-teaching staff. The student enrolment in the six beneficiary schools increased from less than 800 students (before 2012) to 1,371 students (2016). The increase in enrolment is complemented by continuous staff development and provision of educational resources/materials for all subjects. All schools follow government (national and state) approved curricula in addition to including Arabic and Islamic studies. Blending the public-school curricula with Islamic

norms and ethics has made these institutions attractive to the local Muslim community. Moreover, the constructed facilities serve as centres for community and social activities. In total, more than 989 families are benefiting from the aforementioned facilities.

F. Health Sector



In 2016, under the Health sector, the GOE Department conducted post-evaluations of the Kavaja General Hospital Project in Albania and the Establishment of Union Health Centers Project in Bangladesh.

These projects have all contributed to the expansion of medical facilities, while simultaneously providing medical equipment to improve delivery of health services. The Establishment of Union Health Centers Project in Bangladesh constructed ninety-three family welfare centers, supplied and installed medical equipment in these centers, and supplied furniture for them, together with minimal supplies of drugs and medicines.

The project resulted in increased access to quality primary health care services to the un-served and underserved rural population (estimated to be around 4 million people living in the catchment areas) at the union level. Approximately 1 million patients per year visit the project's constructed family health centers, with attendance to an average of 120,000 deliveries per year. The Kavaja General Hospital Project in Albania included construction of a new medical building of holding eighty-six beds and including a total surface area of 5,900 square meters. In addition, new medical equipment, medical accessories, tables, chairs, counters, four ambulances, a medical waste incinerator, and information systems were also provided.

As an outcome, total consultations in the hospital increased from 18,011 (2011) to 28,308 (2014) while the number of patients treated in the hospital increased from 17,675 to 18,007 over the same period. Radiology examinations have increased from 1,231 to 3,505 and the number of laboratory tests increased from 34,411 to 91,211 over this same period. The project generated employment opportunities by creating around 400 jobs during implementation and 154 permanent jobs. Notwithstanding all of the above, the hospital is still highly under-utilized. Although its utilization rate has exhibited an increasing trend since the hospital began operation (from 29 percent in 2011 to 37 percent in 2014), this rate is nonetheless very low. For example, out of the eighty-six available beds, only an average of thirty-three beds were occupied during 2015.



Chapter - IV

Lessons Learned

- A. Importance of Recognizing and Maintaining a Stakeholder Focus
- B. Need for Environmental and Social Safeguards
- C. Involving the Private Sector to Improve Development Effectiveness
- D. Capacity of the Executing Agency

Lessons learned are the critical element of development evaluations, and this chapter provides examples of the lessons learned from both project and higher level evaluations carried out by the GOE Department during 2016. These lessons are categorized under four themes: (a) a focus on stakeholders, (b) the need for environmental and social safeguards, (c) involving the private sector to improve development effectiveness, and (d) the capacity of the executing agency.

A. Importance of Recognizing and Maintaining a Stakeholder Focus

Lessons from evaluations conducted by the GOE Department repeatedly stress the need for active management, participation of all stakeholders, and cultivating a sense of ownership on the parts of the beneficiaries. In this respect, adhering to a people-centered development approach is essential. The examples below illustrate sub-themes of the overarching theme stakeholder focus:

i. Active Participation of Stakeholders and Beneficiary Ownership:

A people-centered approach leads to successful project implementation and sustainability of benefits. For example, in the Integrated Village Infrastructure Development Project (Bangladesh), including beneficiary-implemented components created a sense of ownership in project outputs (facilities) in the project's beneficiaries.

In addition, the involvement of community members in identifying and implementing local development schemes created an awareness of the operations and maintenance of the project's facilities. Similarly, the Phase I socialization activities of the PNPM-Integrated Community Driven Development (ICDD) Project (Indonesia) were among the key factors in not only the success of the project's implementation but also maintaining the sustainability of its benefits (see Box IV-1). Transparency and accountability are essential to engage beneficiaries in contributing to the success of projects. This was achieved in Phase I of the PNPM-Integrated Community-Driven Development (ICDD) Project (Indonesia), where a number of



transparency measures were implemented during the project, including periodic meetings (to disseminate information during all stages of the project), an information board (used to inform the village community of budget utilization and

project-related activities), book keeping that was accessible to the village community, and an independent audit.

A strong sense of ownership by the beneficiaries is critical to sustaining developmental results, especially in cases where budget support is limited. For example, Phase II of the Reconstruction of Secondary School Project gained visibility from the government of the Republic of Tajikistan when the Republic's president publicly inaugurated the schools upon their completion. The schools were then handed over to local district education authorities to be administered.

However, since the school funding formula did not include an item for maintenance and repairs, the school authorities relied on parent committees to raise funds for this purpose. So far, attracting parents to serve on committees, not a practice under Soviet rule, has been a challenge. In addition, rural communities are typically poor and their fundraising potential limited, rendering local ownership of schools weak and sustainability of project outcomes uncertain.

Alignment of the Member Country Partnership Strategy (MCPS) with the country's National Development Plans (NDPs) enhances country ownership. The MCPS for Uganda clearly aligned its objectives and pillars with the country's 2040 NDP and, hence, fostered strong country ownership. Close coordination with key stakeholders throughout the consultation process identified niche areas for IDBG interventions. The MCPS review for Turkey revealed a different aspect of stakeholder participation. Specifically, limited MCPS stakeholder consultation during the preparation of MCPS Turkey led to missed opportunities that would have been fully aligned with both government priorities and IDBG strategies.

ii. Importance of Stakeholder Analysis and Coordination:

Greater development results require project designs that meet the needs of beneficiaries. Specifications for roads and bridges to be constructed as part of the Integrated Village Infrastructure Development Project (Bangladesh) are becoming increasingly obsolete with respect to meeting beneficiary needs. The current roads at the union and village levels are not sufficient to accommodate increasing traffic (two-way). Therefore, using the roads and bridges in their current state is becoming difficult and dangerous. If beneficiary needs with respect to this project had been accurately identified during the appraisal phase, the current scope of the project would now be adequate to meet these needs. Inadequate stakeholder analysis coupled with lack of effective coordination seriously affects project performance and causes implementation delays. This was the case for Dasht-e-Abbas Irrigation Project (Iran). Construction, operation, and maintenance of primary and secondary irrigation networks is the mandate of Iran's Ministry of Energy, while construction, operation, and maintenance of tertiary and on-farm irrigation networks is the responsibility of the Ministry of Agriculture. At the design stage of the project, comprehensive stakeholder analysis was not done, and, as a result, one key implementation partner (the

Box IV 1 Impact of Socialization Activities on Sustainability of the ICDD Concept in Indonesia



Pak Ahmed Syafii, shown in the photo, is a 43-year-old resident of East Jurangmangu Village. He always dreamt of contributing to the social and economic development of his village but institutions that could support him in realizing his dream were lacking. This changed after he attended a social mobilization meeting organized in his village as part of the Integrated Community-Driven Development (ICDD) Project. The inspiration he received from the Self-Help Groups of the ICDD led him to establish a women-only social group in 2012.

The main purpose of the group is to increase the income of its members. The group began by collecting waste materials for recycling, which were then sold on the local market. Later, in 2013, the group added a saving and credit scheme to its activities. Every group member is expected to save 5,000 Indonesian Rupiah (IDR) for three consecutive months before she can apply for a loan. Currently, the capital of the group is 40 million IDR, and the group's membership has increased from 60 to 85. Members can borrow up to 100,000 IDR at a time. A committee similar to the Village Community Committees associated with the ICCD Project manages the group.

Again receiving inspiration from ICDD's social activities, Pak Ahmed then constructed two small classrooms with a washroom in his house and donated them to the community for use as a pre-school kindergarten. Currently, the pre-school serves forty-one children from the village, including the children of the poor. Other community members volunteer their services as teachers and school supervisor.

“Everyone has a role to play in improving the living standard of his/her community.”

Ministry of Agriculture, which mandates implementation of the tertiary irrigation network) was not consulted, resulting in implementation delays in construction of the project's tertiary irrigation canals. Lack of close coordination between relevant government agencies and financiers is a contributing factor in causing issues during project implementation. In the Establishment of Union Health Centers Project (Bangladesh), after the project was approved, the failure to ensure a comprehensive project start-up workshop and to conduct a familiarization visit by the Project Management Unit meant that the necessary training on management of an IDB project and on its procurement process was not conducted. This failure led to a protracted delay in recruitment of contractors.

As a result of this delay, during implementation, the health centers' land prices and other cost estimates created during project appraisal were no longer applicable. In addition, a lack of clarity regarding the functions of the Directorate of Health and the Directorate of Family Planning and Welfare also marginally contributed to the challenges suffered by the project during implementation.

B. Need for Environmental and Social Safeguards

The post-evaluations of some projects have revealed the need for IDB to have social and environmental safeguards embedded in its projects. Such safeguards would serve, in an institutionalized manner, to identify, avoid, and minimize harm to people and the environment. Two examples are provided below:

For cross-border projects, prior official agreement between the two countries is essential to avoid possible conflicts

in the future. In the case of the 110-kV Aigul Tash to Samat Transmission Line and Substation Project (Kyrgyz Republic), which included passage through Republic of Tajikistan territory, the appraisal mentioned only an informal approval from the Tajik government regarding the passage of a transmission line through a Tajik enclave without a prior official agreement. However, during the project's implementation, Tajikistan rejected the request, necessitating a shift in the project's route and hence a delay in the project, cost over-runs, and unnecessary tension between the two countries.

Conducting social analysis in addition to financial and economic analysis helps identify and mitigate social challenges for countries in emergency situations. For the Tunisian Indian Fertilizers (TIFERT Sa) Project (Tunisia), lack of IDB involvement with higher authorities in Tunisia and a laissez-faire attitude did not provide guidance for the



client on what needed to be done to calm the unrest, thus adversely impacting project implementation. It is clear that, a “Social and Conflict Analysis”, which would be a condition for such projects in the presence of an adequate safeguard

in the Bank, should have been made before the approval or during implementation of similar projects.

Including an adequate environmental management plan with proper monitoring indicators from the beginning enhances supervision, thereby leading to better management of possible emerging health and safety issues during project implementation and operation. For the TIFERT Project (Tunisia), submitting environmental supervision reports to the Bank was incorporated in a clause in the agreement with IDB. Doing so can be viewed as a good step in building awareness of the need to minimise environmental impacts of IDB projects.

However, the project company, TIFERT, did not comply with this term of the agreement, thus leading the staff and the surrounding population to be exposed to health hazards and pollution and contributing to protests held by local residents at TIFERT premises. These protests had a negative impact on the project's ability to achieve its intended outcomes. These risks would have been identified and avoided more effectively, if IDB had instituted the needed environmental and social safeguards.

C. Involving the Private Sector to Improve Development Effectiveness

Several post-evaluations in 2016G pointed out the positive impact of and the need for private sector involvement in several stages of the project, particularly the operation phase. Hence, the lessons learned stresses the likelihood of increased project effectiveness with a private-sector company participation at the appropriate stages. Insufficient participation of the private sector in the provision of secondary education overburdens the government. For example, in Secondary Education Expansion Project (Mozambique), private-sector involvement was identified as complementing government efforts in increasing access to education, thereby reducing the incidence of the shift system, which has a negative impact on the quality of learning.



A similar need for private-sector involvement was also visible in the Rural Water Supply Project in the Region of Kara and Savanes (Togo). After completion, water-management committees have been effective in managing boreholes, where this management consists of a simple distribution network at the village level.

However, in the context of a more sophisticated water supply

system such as the mini-water supply systems (Togo), user associations have been found to not be adequately equipped to handle all the tasks required for efficient management of the distribution network. Hence, the government is launching recruitment efforts for private sector operators. Under this scheme, recruited companies will operate the systems and be remunerated from beneficiaries' payments for water based on a tariff set by the government.

To ensure a strong foundation for renewable energy projects financed and operated by the private sector, an enabling environment, including incentives and adequate facilitation for the private partners, is crucial. The New Bong Escape Hydropower Project (Pakistan) established a model so as to increase participation of the private sector in Energy sector projects, particularly those in renewable energy. As each hydropower project differs significantly from others, the project company successfully managed to negotiate with the government to change its power pricing policy from a single feed-in tariff for all types of hydropower projects to a negotiated tariff, paving the way for the New Bong Hydro and other hydro IPP projects in Pakistan. The project was a success given the effectiveness of its operation and its precursor role for the development of other hydro IPPs in Pakistan.

D. Capacity of the Executing Agency

From the 2016G post-evaluations, one of the key factors identified for successful implementation and operation of project facilities is the capacity of the executing agency. A number of sub-lessons have been identified to assess, improve, and incorporate the capacity of the executing agency as part of the design of interventions.

i. Learning Curve

Taking into account the learning curve of an executing agency is necessary to ensure effective development results. Projects associated with an executing agency with minimal experience in implementing projects financed by IDB or



other MDBs and for whom multiple projects were approved tend to suffer implementation setbacks. The reason is that insufficient time has been allocated for learning lessons associated with implementation processes and procedures between projects. For example, under the Uganda MCPS, in the Transport sector, three projects (totaling US\$440 million and with an average of US\$145 million) were approved within a period of two years (2014-2015); the

implementing agency had minimal experience in managing IDB-financed projects. As a result, the executing agency went through a shallow learning curve in the early years of the project's implementation. Not surprisingly, three years later, the executing agency was still operating on a shallow learning curve because it had been tasked to handle many more projects than it could comfortably implement. The three transport projects were approved and implementation commenced at about the same time. There were no sufficient



lessons from any preceding intervention(s) in the same sector financed by IDB Group. The same goes for projects in the Energy sector in Uganda.

To the contrary, the executing agency that handled successively three education projects and learnt gradually from their implementations, through a steep learning curve, is now a model in terms of efficient delivery, which can inspire other executing agencies in Uganda. In order to address shallow learning curves in project implementation under MCPSs, there is a need to incorporate lessons learned from carry-over projects in subsequent MCPS formulations by providing sufficient time for lessons to be absorbed before embarking on multiple projects in a sector under an implementing agency or adopting a horizontal distribution approach for projects across sectors.

ii. Lack of Financial and Human Resources

Lack of appropriate financial and human resources devoted to projects' operation and maintenance functions undermines a project's effectiveness. For the Reconstruction of Osh-Irkeshtam Road Project (Kyrgyz Republic), the budget allocation for the Ministry of Transport and Communication (MOTC) for maintenance work in 2009 was about US\$1,000 per kilometer per year or about 50 percent of the requirement. The revenue from road user charges was only about US\$10 million to US\$12 million in 2009, amounting to about US\$500 to US\$600 per kilometer. This deficit year-on-year is unsustainable.

At the same time, a rising age structure and a low-paying job structure (especially in far-flung areas) of the executing agency turns away potential recruitment of technically qualified new employees. Another example of the limited capacity of the executing agency was the Secondary Education Expansion Project (Mozambique). Here, weak contract management was identified as the cause of delays in project implementation, especially in preparation of certificates for payment to contractors. This situation

accounted for the inability of the contractors to follow their work schedules due to lack of funds.

iii. Specific Training for Hi-Tech Projects

Technical factory training is a vital sub-component, especially in high-tech projects, to ensure both project effectiveness and sustainability. For the Upgrading of Air Navigation System Project (Suriname), although training was rightly included in the design under the procurement of equipment component, this sub-component was not properly



implemented. For the communication equipment, only on-the-job training was conducted, with no factory training (by Intelcan in Canada) carried out. Consequently, technically qualified (and certified) staff are not available to operate the radar and communication equipment. Therefore, overall, the operation of the procured equipment has not been as effective as it was planned to be. None of the procured equipment has been fully utilized, and the radar has been idle since mid-2014. Distances of planes in the air are still being calculated manually. This last point means that the project outputs cannot lead to the achievement of the intended outcomes.

The sustainability aspect of this same situation stems from the fact that the maintenance people also lack sufficient skill sets and competencies, as they also received no factory training on the communication equipment. Even the maintenance officer who took the factory training on the radar (in the Czech Republic) noted that he would not want to change out any spare part of the radar, because this capability was not covered in the training, thus indicating that even the part of the training that was conducted was not undertaken properly. Overall, this ten-million-dollar project



would have been successful by means of proper factory training, including the needed maintenance.

iv. Adapting to the EA's Capacity

Conducting a capacity assessment of the executing agency to ensure the ability to implement a project is a must for proper project implementation and to safeguard the investments financed by the Bank. For the Shariah Courthouse Project (Malaysia), IDB did not assess the ability of the executing agency, Amanah Raya Berhad, to supervise, implement, and monitor the project. As a result, there was no supervision of the construction work, and the buildings were not insured after completion.

For cases in which the executing agency has limited capacity, improving the level of IDB's involvement in all stages of the project is a key success factor to compensate for the EA's limited capacity. For Phase II of the Reconstruction of Secondary School Project, government officials as well as project implementation unit staff repeatedly expressed their satisfaction with the Bank staff's technical advice, responsiveness, knowledge, and professionalism.

They indicated that the ability of Bank staff to devote more time to helping the EA and PMUs in designing and implementing the project was a major factor leading to the success of the project.



AN IDB SUPPORTED SCHOOL IN CHIURE, MOZAMBIQUE



Chapter - V
Recommendations,
Management
Response, And Action
A. Synthesis of Recommendations

A. Synthesis of Recommendations

Aligned with its mandate to generate and share knowledge that contributes to continuous improvement in performance, efficiency, and effectiveness of IDBG interventions, the GOE Department has formulated recommendations from the evaluations carried out in 2016G.

The recommendations formulated in the GOE Department's 2016G evaluation reports aimed at improvement with respect to the following themes related to IDB Group Member and Complex interventions: (a) quality at entry – project design; (b) quality of implementation, and monitoring and self-evaluation; (c) opportunities for reverse linkage; (d) improving IDBG visibility as a client-centered world-class institution; and (e) improved coordination and communication both within IDBG and with member countries with the overall objective of optimizing IDBG's resources and improving intervention effectiveness and efficiency. These recommendations, supported by fact-based evidence emanating from evaluations, suggest courses of both strategic and operational actions to be taken by IDB Group Departments and entities. (See Annex-E for the full list of recommendations.) Some recommendations require immediate action while others necessitate medium- to long-term implementation plans. The GOE Department solicited feedback on implementation status of recommendations from IDB group members and complexes and prepared a table capturing the progress made so far.

Quality at Entry – Project Design:

As far as this theme is concerned, the Department's 2016G evaluations included a number of recommendations aimed at improving the quality at entry of IDB Group interventions and addressed primarily to the IDB Sector Operations Complex (SOC) and associated entities (see further details in Annex-E). The key recommendations included are as follows: rigorous cost estimates and realistic implementation schedules, thorough risk assessment and ensuring availability of sound and updated feasibility studies.

Quality during Implementation, and Monitoring and Self-Evaluation:

Quality implementation of a project determines, to a large extent, the project's ability to produce the expected outputs and outcomes. The GOE Department's recommendations with respect to this theme include adequate procurement

arrangements, improved and closer project follow-up mechanism, and self-evaluation during project implementation.

Opportunities for Reverse Linkage:

IDBG's successful projects can be shared among member countries that face similar challenges. The reverse linkage mechanism offers each and every country the opportunity to give and receive every other member country's knowledge regarding project success and to adapt this knowledge to address its own development challenges.

Improving IDBG Visibility as a Client-Centered World-Class Institution:

During 2016G, a number of recommendations were raised during the GOE Department's evaluations that aimed to improve IDBG visibility as a client-centered world-class institution. The main recommendations include provision for high-quality services and expert advisory services, especially in Islamic finance. It also includes capitalizing on experiences to improve implementation of on-going operations.

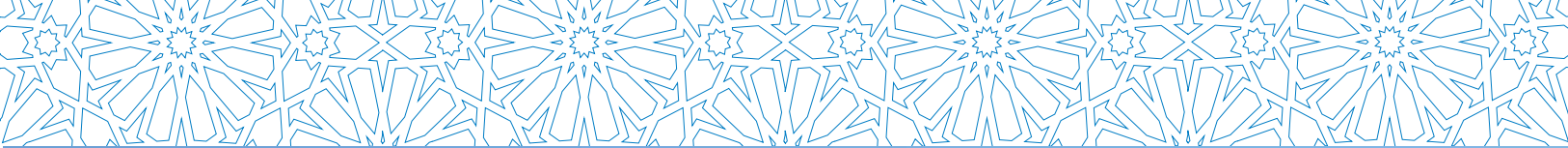
Improving Coordination and Communication:

The GOE Department's evaluations undertaken in 2016G identified opportunities to be grasped during future programming activities of the IDB Group, which in some cases consist of identifying further phases of the same project or another project of a similar type that is needed elsewhere. These recommendations will prove useful as a new generation of Member Country Partnership Strategies (MCPS) are being drafted and implemented. The successful implementation of the MCPS will require better communication and coordination among IDB departments and IDBG's entities.

Implementation of Recommendations

The GOE Department has followed up with all concerned IDB Group Members and IDB Departments regarding the status of implementing recommendations emerging from evaluation activities and progress made to date. The recommendations and responses provided by IDB Group Members and Departments are given in Annex-E. Overall, management responses show progress, indicating commitment of IDB Group Members and Complexes to implementing the recommendations emerging from the evaluations.





PHYSICAL EDUCATION IN SCHOOL, TAJIKISTAN







ANNEXES

ANNEX-A: Main Indicators for Operations Evaluated in 2016G

ANNEX-B: Evaluated Projects with Implementation Delays in 2016G

ANNEX-C: Cost Variations in Evaluated Projects in 2016G

ANNEX-D: Criteria-Based Rating for Evaluated Projects in 2016G

ANNEX-E: Recommendations from 2016G Evaluations

ANNEX A: MAIN INDICATORS FOR PROJECTS EVALUATED IN 2016G (ORDINARY PROJECT LEVEL EVALUATION)

	Country	Code	Title	Sector	Overall rating	Disb Approved (Mn ID)	Disb Actual (Mn ID)	% Disb	Change in Design	Change in Scope	Implementation Delay (months)
1	ALBANIA	2ALB0019	KAVAJA GENERAL HOSPITAL	Health	Successful	3.85	3.56	92%	No	Yes	40
2	B. FASO	2UV0086 2UV0087	OUAGADOUGOU ACCESS ROADS	Transport	Partly Successful	6	6	100%	Yes	Yes	58
3	BANGLADESH	2BD0136	ESTABLISHMENT OF UNION HEALTH CENTERS	Health	Partly Successful	7	5.3	76%	No	Yes	52
4	BANGLADESH	2BD0140	INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT	Agriculture & rural Development	Successful	10.37	10.32	100%	Yes	Yes	0
5	CAMEROON	2CM0049	RURAL ELECTRIFICATION PROJECT		Partly Successful	6.54	6.53	100%	Yes	Yes	57
6	EGYPT	2EGT0085	ABU QIER POWER PROJECT	Energy cost in Euro	Successful	100.88	101.715	101%	No	No	20
7	INDONESIA	2IND0131 2IND0132	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE I	Agriculture and Rural Development	Highly Successful	83	77.9	94%	No	Yes	1
8	INDONESIA	2IND0147 2IND0148 2IND0149 2IND0150	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE II	Agriculture and Rural Development	Highly Successful	159.5	152.5	96%	No	No	0
9	IRAN	2IRN0044	DASHT-E-ABBAS IRRIGATION	Agriculture and Rural Development	Partly Successful	32.03	30.42	95%	Yes	Yes	74
10	KYRGYZ REPUBLIC	2KYR0022	RECONSTRUCTION OF OSH-IRKESH-TAM ROAD	Transportation	Successful	12	9.24	77%	No	No	13
11	KYRGYZ REPUBLIC	2KYR0023	110 KV AIGUL TASH TO SAMAT TRANSMISSION LINE SUBSTATION	Energy	Successful	8	7.62	95%	Yes	Yes	18
12	MALDIVES	2MAL0037	RECONSTRUCTION OF HOUSING UNITS FOR THETSUNAMI VICTIMS	ARD	Successful	8.4	4.234	50%	No	Yes	40

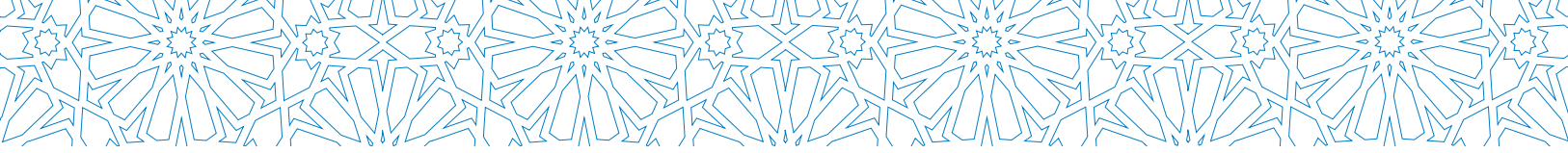
	Country	Code	Title	Sector	Overall rating	Disb Approved (Mn ID)	Disb Actual (Mn ID)	% Disb	Change in Design	Change in Scope	Implementation Delay (months)
13	MAURITANIA	2MAU0106	NOUAKCHOTT POWER PLANT	Energy	Successful	5.03	5.026	99.9%	Yes	Yes	48
		2MAU0107				€ 12.60	€ 12.44	99%			
14	MOROCCO	2MOR0101	MOHAMMEDIA THERMAL POWER PLANT UPGRADE PROJECT	Energy	Partly Successful	43	42.7	99%	Yes	Yes	74
		2MOR0106				18	17.94	100%			
15	MOZAMBIQUE	2MOZ0024	SECONDARY EDUCATION EXPANSION PROJECT	Education	Successful	10.29	10.95	106%	No	No	31
16	PAKISTAN	2PAK0117	KHWAR HYDROPOWER PLANT	Energy	Successful	101.892	95.838	94%	Yes	No	25
17	PAKISTAN	2PAK0111	NEW BONG ESCAPE HYDROPOWER	Energy	Successful	\$37.3	\$37.3	100%	Yes	Yes	0
18	SAUDI ARABIA	0SAU7001	SABIC-YANSAB PETRICHEMICAL PROJECT	Petrochemical	Successful	84.912	84.912	100%		No	8
19	SENEGAL	2SE0087	NDIOS-MONE-PALMARIN WATER SUPPLY PROJECT	Water & Sanitation	Successful	7	4.61	66%	Yes	No	15
20	SURINAME	2SUR0009	NIEUW NICKERIE PORT UPGRADE PROJECT	Transport	Unsuccessful	10.8	9.726	90%	Yes	Yes	56
		2SUR0012									
21	SURINAME	2SUR0010	UPGRADING OF AIR NAVIGATION SYSTEM (UANS)	Transport	Partly Successful	5.96	5.96	100%	Yes	Yes	40
22	TAJIKISTAN	2TAD0027	RECONSTRUCTION OF SECONDARY SCHOOL PROJECT-PHASE II	Education	Successful	ID 7.00	ID 7.00	100%	No	No	19
23	TOGO	2TO0017	RURAL WATER SUPPLY REGION KARA AND SAVANES	Water, Sanitation & Waste Management	Successful	7	5.87	84%	Yes	No	12
24	TUNISIA	2TUN0098	TUNISIAN INDIAN FERTILIZERS (TIFERTSA)	Industry and Mining	Partly Successful	100	100	100%	No	No	30

ANNEX B: EVALUATED OCR PROJECTS WITH IMPLEMENTATION DELAYS IN 2016G

	Country	Code	Title	Sector	Implementation Delay (months)	Reasons for Delay
1	ALBANIA	2ALB0019	KAVAJA GENERAL HOSPITAL	Health	40	The project was to be implemented over 15 months starting from June 2006 and to be completed in August 2007. However it was completed in December 2010, with a delay of 40 months for the following main reasons: (i) Change of the project site location due to the outcome of the geological investigation report (soil with very high underground water); (ii) the time taken for land expropriation from private owners (iii) the time taken to connect the hospital's power, communication, drinking water and sewage disposal to the public network system for waste water system; (iv) some additional civil works.
2	B. FASO	2UV0086 2UV0087	OUAGADOUGOU ACCESS ROADS	Transport	58	(i) Poor performance of the contractor (poor planning, delay in the supply of equipment and construction materials); (ii) Frequent change (8 times) of the works coordinator; and (iii) Additional works as described. The first handing over of the RN1 section occurred in June 2012, but the final one, expected a year later, did not yet take place because of non-conformity of road lighting equipment with the norms of the national electricity company. It is expected to occur during the next 6 months.
3	BANGLADESH	2BD0136	ESTABLISHMENT OF UNION HEALTH CENTERS	Health	52	(i) About 4 years of start-up delay owing partly to the EA being unfamiliar with the IDB rules and procurement procedures (also exacerbated by lack of planning a familiarization visit and project start-up workshop); (ii) the difficulty in acquiring the land needed to construct the Health Centres; (iii) during construction, there were some unfavorable weather conditions due to heavy flooding; and (iv) cancellation of the work of two contractors due to their poor performance.
4	BANGLADESH	2BD0140	INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT	Agriculture & rural Development	0	NA
5	CAMEROON	2CM0049	RURAL ELECTRIFICATION PROJECT		57	(i) the long delay (2 years 6 months) between effectiveness of the Financing Agreement (20/01/2007) and the award of contract (07/08/2009) to the consultant (several unsuccessful call to tender and lengthy administrative procedures), (ii) the time (1 year 10 months) between the date of awarding the contract to the consultant and the date of awarding the contract to the first contractor (07/06/2011) for the physical implementation of the project; (iii) delay in counterpart fund disbursement; (iv) the delay (4 months) in the physical implementation of works in the North region due to change in technical specifications from wooden to steel poles as a result of the soil conditions in the region; (v) delay (4 months) due to flooding in the North in October 2012; (vi) the delay in the physical implementation of work in the Center region due to ENEO reluctance to interrupt electricity supply as needed.
6	EGYPT	2EGT0085	ABU QIER POWER PROJECT	Energy cost in Euro	20	The main reasons for delay were: (i) longer time than expected for the procurement of steam turbines due to the fact that there was only a single bid, which was approved by the Bank, for the largest procurement package (two steam turbine generators); (ii) the schedule offered for the supply and installation by the single bidder was longer than initially estimated; (iii) high number of contracts (19) which caused coordination issues leading to implementation delays mainly for pipes and pumps works sub-contractors.

	Country	Code	Title	Sector	Implementation Delay (months)	Reasons for Delay
7	INDONESIA	2IND0131 2IND0132	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE I	Agriculture and Rural Development	1	NA
8	INDONESIA	2IND0147 2IND0148 2IND0149 2IND0150	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE II	Agriculture and Rural Development	0	NA
9	IRAN	2IRN0044	DASHT-E-AB-BAS IRRIGATION	Agriculture and Rural Development	74	Main reasons for implementation delay include: (i) the project site was a previous war zone with landmines. Although the landmines were cleared, some landmines were discovered during implementation; (ii) bad weather conditions in the project site. Dust storms normally happen 5-6 months a year while flood affected the project area in 2008 and 2009; (iii) delay in IDB disbursement due to sanctions. IDB disbursement could not be transferred to Iran because of the sanctions; (iv) delay in supply of GRP pipes during the beginning of the project; (v) delay in advance payment to the contractor by the government because of budget constraints; (vi) delay in implementation of tertiary irrigation canals due to the lack of timely budgetary allocations by the government; and (vii) removal of government subsidy on energy resulting in increased operational cost for the contractor.
10	KYRGYZ REPUBLIC	2KYR0022	RECONSTRUCTION OF OSH-IRKESH-TAM ROAD	Transportation	13	Cold climatic conditions in the Southern part of Kyrgyz Republic and civil and political crisis along the Kyrgyz Republic-Uzbekistan border region in summer 2010. The border was closed during April-June 2010 and the project contractor was unable to get supply of bitumen for asphalt pavement from Uzbekistan.
11	KYRGYZ REPUBLIC	2KYR0023	KV AIGUL 110 TASH TO SAMAT TRANSMISSION LINE SUBSTATION	Energy	18	(i) lengthy negotiations between the Governments of Tajikistan and Kyrgyz Republic regarding the passage of the transmission line through Tajik territory; (ii) late mobilization of counterpart funding; (iii) 2010 civil disturbance in the southern region of Kyrgyz Republic; and (iv) prolonged construction due to mountainous terrain after change in the route of the transmission line.
12	MALDIVES	2MAL0037	RECONSTRUCTION OF HOUSING UNITS FOR THE TSUNAMI VICTIMS	ARD	40	(i) the difficulty in transporting the construction materials to the project sites due to bad weather conditions during the year, the unavailability of skilled workers, the cancellation of the Housing and Infrastructure Redevelopment Unit (HIRU) under the National Disaster Management Centre (NDMC) in 2008 and the re-assigning of its responsibilities to the Executive Secretariat Department of the Ministry of Housing and Infrastructure.
13	MAURITANIA	2MAU0106 2MAU0107	NOUAKCHOTT POWER PLANT	Energy	48	(i) the amendment of the initial loan and leasing agreement ; (ii) the issues related to the tendering process for the leasing operation, indeed, two attempts in completing the procurement process of the Diesel Generators were unsuccessful (in 2008 and 2009) due to high bid prices (2008 tender) and unsatisfactory offers regarding the time schedule required by SOMELEC (2009 tender); (iii) the performance of EM Power subcontractors; (iv) the time needed to handle some pending issues by EM Power after the provisional handing-over.

	Country	Code	Title	Sector	Implementation Delay (months)	Reasons for Delay
14	MOROCCO	2MOR0101	MOHAMMEDIA THERMAL POWER PLANT UPGRADE PROJECT	Energy	74	The main reasons for the implementation delay were: (i) additional works unforeseen before the implementation due to outdated feasibility report prepared in 2001; (ii) malfunctioning of some old equipment that was not substituted but was only rehabilitated by ONEE; (iii) various incidents affecting unit 3 after the installation of new equipment such as short circuit effecting the newly installed safety relays, explosion of the roof tubes of the boiler and the excessive vibrations of the turbo alternator (iv) delayed testing due to lack of coordination among contractors and to constraints in timing of the tests caused by the schedule imposed by the central dispatching center.
15	MOZAMBIQUE	2MOZ0024	SECONDARY EDUCATION EXPANSION PROJECT	Education	31	The main contributing factors for the delay include: (i) delays in site possessions particularly for Lot 3 of civil works; (ii) Non responsiveness to one of the Lots for the supply of equipment, which had to be retendered; and (iii) the slow processing of certificates of works by supervision consultant, resulting in slow disbursement to contractors.
16	PAKISTAN	2PAK0117	KHWAR HYDROPOWER PLANT	Energy	25	Unforeseen and unfavorable geological conditions at KKHPP plant site and weak technical design at appraisal, thus resulting in additional civil works, unstable excavation slopes for reservoir impounding structures requiring extensive additional supporting measures, enlargement of powerhouse shaft & machine hall to accommodate equipment.
17	PAKISTAN	2PAK0111	NEW BONG ESCAPE HYDROPOWER	Energy	0	NA
18	SAUDI ARABIA	0SAU7001	SABIC-YANSAB PETROCHEMICAL PROJECT	Petrochemical	8	Due to the poor performance of some local subcontractors in completing on time their related tasks because of their engagement in multiple projects following the construction boom in the kingdom during the period 2006-2009.
19	SENEGAL	2SE0087	NDIOS-MONE-PALMARIN WATER SUPPLY PROJECT	Water & Sanitation	15	Mainly due to the time taken by the PMU for clearance of price adjustment for the civil works financed by BADEA and the Saudi Funds (SF), and the complexities of the marine works for the network distribution for the islands situated in the project areas.
20	SURINAME	2SUR0009 2SUR0012	NIEUW NICKERIE PORT UPGRADING PROJECT	Transport	56	The delay was due to a longer time taken for mobilization because most of the construction material and equipment were imported. In addition, some "change orders" and additional works which required additional time for completion contributed to implementation delays.
21	SURINAME	2SUR0010	UPGRADING OF AIR NAVIGATION SYSTEM (UANS)	Transport	40	The reasons behind the delay were reported by the DCAS staff as: i) Pre site survey and elaboration of detailed technical specifications (1 ½ months), ii) Bidding process delay of 12 months iii) Contractor's engineering design, delay of 8 months, iv) Site Acceptance Test and the preparation of the List of Reservations, delay of 9 months. These findings are also written in the PCR. iv) During installation, a delay of 10 months occurred due to weather conditions, i.e. the water level was too high to avoid any construction of the basements for the equipment and the antenna (tower construction). Especially in Brownsberg transportation was another issue besides heavy rain. This finding was reported by DCAS. Confirming the first three of the listed reasons, note that there is excessive delay (21 months) between approval (March 2005) of the project and the first disbursement (December 2006).



	Country	Code	Title	Sector	Implementation Delay (months)	Reasons for Delay
22	TAJIKISTAN	2TAD0027	RECONSTRUCTION OF SECONDARY SCHOOL PROJECT-PHASE II	Education	19	delays in procurement of consultant, delay in establishing PMU, resignation of project director, and suspension of disbursement due to country's overdue issue.
23	TOGO	2TO0017	RURAL WATER SUPPLY REGION KARA AND SAVANES	Water	12	Delay in procurement of pumps launched in December 2008 and concluded only in September 2010 and poor performance of the contractor assigned for the works in the Savanes Region.
24	TUNISIA	2TUN0098	TUNISIAN INDIAN FERTILIZERS ((TIFERT SA	INDUSTRY AND MINING	30	The political instability in Tunisia that led to stops in the construction, and poor planning and implementation.



AN IDB SUPPORTED SCHOOL IN FAIZABAD, TAJIKISTAN

ANNEX C: COST VARIATIONS IN OCR PROJECTS EVALUATED IN 2016G

	Country	Code	Title	Sector	Appraisal (Mn US\$)	Completion (Mn US\$)	Var. (%)	Reasons for Variation
1	ALBANIA	2ALB0019	KAVAJA GENERAL HOSPITAL	Health	\$8.76	\$8.57	-2%	good management of the PMU which had a good experience in managing such project from previous experience.
2	B. FASO	2UV0086 2UV0087	OUAGADOUGOU ACCESS ROADS	Transport	\$8.68	\$38.13	339%	The cost overrun was mainly attributed to additional works undertaken to improve the quality and safety of the road, namely: (i) Constructing a new bridge at the Boulmiougou dam instead of the rehabilitation of the existing one; (ii) increased length of the road from 5 km to 7.3 km; (iii) replacing the planned sand asphalt pavement by bituminous concrete; (iv) implementing of new sewerage facilities as well as constructing a 5m-width of bituminized track along the road for the local traffic to ensure traffic safety, and (v) acquisition and installation of road lightening.
3	BANGLADESH	2BD0136	ESTABLISHMENT OF UNION HEALTH CENTERS	Health	\$11.71	\$10.89	-7%	i) inaccurate estimate for cost of land acquisition at the time of appraisal leading to reduced scope; (ii) non-utilization and non-implementation of some of the project components such as familiarization visit, Project Management Unit support, project audit, etc.; and (iii) longer period of project delay also led to the significant variation in the prices of raw materials and labour costs.
4	BANGLADESH	2BD0140	INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT	Agriculture & rural Development	\$14.78	\$13.20	-11%	Reduction in scope of some components relating particularly to the number of village markets and local infrastructure development schemes. In addition, exchange rate gains as a result of the appreciation of the Bangladesh Takha against the US Dollar contributed to the cash gains.
5	CAMEROON	2CM0049	RURAL ELECTRIFICATION PROJECT		\$10.62	\$11.99	13%	the change in technical specification in the North Region (from wooden poles to steel poles).
6	EGYPT	2EGT0085	ABU QIER POWER PROJECT	Energy cost in Euro	\$951.50	\$1,129.46	19%	The primary reasons for cost over-run included: (i) There were several variation orders for the civil works; (ii) The offer made by the single bidder for the steam turbine generators was more than what was estimated at appraisal and eventually was accepted by EEHC due to the fact that no other supplier was interested in the bidding at that time; (iii) Some materials' costs increased during the implementation; (iv) Appreciation of Egyptian Pound and Euro against US\$.

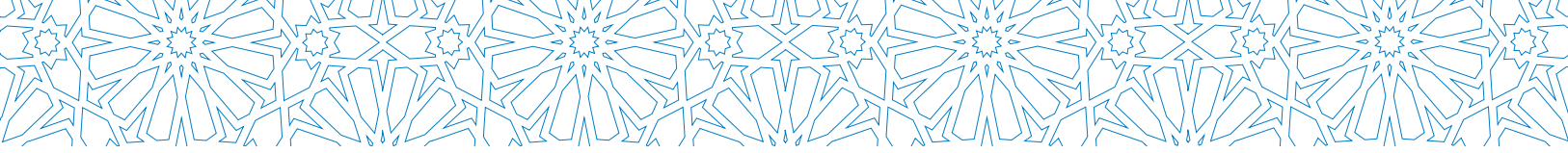
	Country	Code	Title	Sector	Appraisal (Mn US\$)	Completion (Mn US\$)	Var. (%)	Reasons for Variation
7	INDONESIA	2IND0131 2IND0132	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE I	Agriculture and Rural Development	\$127.00	\$145.30	14%	The high variation of actual cost of the project was due to the fact that the GOI had allocated the fund much higher for this activity before the IDB Loan was approved (10 January 2009). This has resulted in a much higher contribution of the GOI from USD 32.0 (million) to USD67.5 (million), an increase of around 210%. Also, the increase in GOI spending was due to the fact that most of Block Finance was funded by the GOI to meet its stated target in poverty alleviation program as the release of IDB's Block Finance was delayed due to ramification from the parliament of Indonesia.
8	INDONESIA	2IND0147 2IND0148 2IND0149 2IND0150	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE II	Agriculture and Rural Development	\$212.00	\$174.00	-18%	The reduction in cost was as a result of the change in government's rule on government share in co-financing activity. In addition, the cost of implementing the ICDD infrastructure activities (such as roads and drainages) were at about 20 to 30% less than the cost of similar activities implemented by the local government. This occurred mostly due to the community contribution to the activities (such as labor and land). It indicates the efficiency of the project in obtaining its targeted outputs (low input/output ratio).
9	IRAN	2IRN0044	DASHT-E-AB-BAS IRRIGATION	Agriculture and Rural Development	\$65.79	\$104.63	59%	The significant increase in cost was due to: (i) change of pipe material from Asbestos and Concrete cement to Glass-fiber Reinforced Plastics and Polyethylene Pipes (this resulted in cost increase from Euro 32.24 million to Euro 68.25 million which the GOI agreed to finance the difference (Euro 36.01 million)), (ii) implementation delay, during which commodity prices drastically increased, and (iii) additional civil works due to the revision of the project design.
10	KYRGYZ REPUBLIC	2KYR0022	RECONSTRUCTION OF OSH-IRKESH-TAM ROAD	Transportation	\$19.80	\$16.57	-16%	Savings in the civil work component and none utilization of the contingency component.
11	KYRGYZ REPUBLIC	2KYR0023	110 KV AIGUL TASH TO SAMAT TRANSMISSION LINE SUBSTATION	Energy	\$13.72	\$17.62	28%	(i) Re-routing the transmission line to mountainous Kyrgyz area to avoid the passage in and around Tajik border; and (ii) Poor feasibility study, which underestimated the project cost, at appraisal.

	Country	Code	Title	Sector	Appraisal (Mn US\$)	Completion (Mn US\$)	Var. (%)	Reasons for Variation
12	MALDIVES	2MAL0037	RECONSTRUCTION OF HOUSING UNITS FOR THETSUNAMI VICTIMS	ARD	\$17.03	\$7.30	-57%	In May 2008, the Government of Maldives decided to reduce the number of housing units from 208 units in five islands to only 123 in two islands (Madifushi and Maibaadhoo). In April 2013, the GOM requested IDB to financially close the project and to reallocate the remaining undisbursed amount of the loan to the newly approved Harbor project phase II in the capital city of Male. This request was approved by IDB in May 2013. The reduction of the scope to be covered by IDB was because other funding agencies had agreed with GOM to allocate grant funds (after IDB approval) to cover the remaining scope. Indeed, the British Red Cross financed 54 housing units in Madifushi and 69 housing units in Maabaidhoo. Japan and Germany provided also significant aid to these islands.
13	MAURITANIA	2MAU0106 2MAU0107	NOUAK-CHOTT POWER PLANT	Energy	\$20.36	\$69.05	209%	The amendment of the initial loan and leasing agreement Change in scope.
14	MOROCCO	2MOR0101	MOHAMMEDIA THERMAL POWER PLANT UPGRADE PROJECT	Energy	Euro 92	Euro 126.24	37.2%%	The primary reason for major cost over-run was the additional works that were found indispensable during the project implementation.
15	MOZAMBIQUE	2MOZ0024	SECONDARY EDUCATION EXPANSION PROJECT	Education	\$11.40	\$14.70	29%	The cost overrun came about because of the additional civil works in respect of dormitories at Dondo secondary school. However, this funding gap was financed through additional allocation from the government budget.
16	PAKISTAN	2PAK0117	KHWAR HYDROPOWER PLANT	Energy	\$477.20	\$632.30	33%	(i) The devastating floods that hit the project sites in July 2010, (ii) Changes in design due to unforeseen geographical conditions at the project sites, (iii) The earthquakes that have occurred in (2005, 2010 and 2013), (iv) The security situation due to local insurgencies at project sites during 2009-2010; and (v) The appreciation of Pakistan Rupee against US\$ during 2008-2014.
17	PAKISTAN	2PAK0111	NEW BONG ESCAPE HYDROPOWER	Energy	\$149.20	\$229.80	54%	(i) Exchange rate variation resulting in escalation in market prices; (ii) Increase of equipment prices; and (iii) Additional works (lengthening the tailrace channel) to increase the installed capacity by 5 MW.

	Country	Code	Title	Sector	Appraisal (Mn US\$)	Completion (Mn US\$)	Var. (%)	Reasons for Variation
18	SAUDI ARABIA	0SAU7001	SABIC-YANS-AB PET-RICHEMICAL PROJECT	Petrochemical	\$5,000.00	\$5,760.00	15%	Due to some additional works. The additional cost was totally covered by SABIC.
19	SENEGAL	2SE0087	NDIOS-MONE-PAL-MARIN WATER SUPPLY PROJECT	Water & Sanitation	\$35.22	\$33.00	-6%	The appreciation of the US\$ against the currencies of disbursements.
20	SURINAME	2SUR0009 2SUR0012	NIEUW NICKERIE PORT UPGRADING PROJECT	Transport	\$21.71	\$15.61	-28%	The local currency has lost 20% of its value against the US dollar during the period between 6/12/2006 and 5/7/2013 (between the first and the last disbursements) which resulted in the non-implementation of the dredging works of river Nickerie due to the unavailability of government counterpart funds.
21	SURINAME	2SUR0010	UPGRADING OF AIR NAVIGATION SYSTEM (UANS)	Transport	\$10.81	\$10.02	-7%	The cost-underrun in the civil works component.
22	TAJIKISTAN	2TAD0027	RECONSTRUCTION OF SECONDARY SCHOOL PROJECT-PHASE II	Education	\$10.55	\$10.85	3%	The project experienced a lengthy implementation delays, including the hiring of the consultant. During the lengthy delays, the prices of raw materials increased. In addition, the counterpart funds provided by the Government were lower than expected.
23	TOGO	2TO0017	RURAL WATER SUPPLY REGION KARA AND SAVANES	Water	\$11.80	\$10.89	-8%	The depreciation of the US\$ during project implementation relative to CFAF, the local currency in which most of the disbursements were made.
24	TUNISIA	2TUN0098	TUNISIAN INDIAN FERTILIZERS (TIFERT SA)	INDUSTRY AND MINING	\$483.90	\$493.40	2%	The cost differentials have been due to exchange rate changes over the construction period and compensation costs paid to contractors for work interruptions.

ANNEX D: CRITERIA-BASED RATING FOR EVALUATION IN 2016G

	Country	Code	Title	Sector	Relevance	Effectiveness	Efficiency	Sustainability	Overall
1	ALBANIA	2ALB0019	KAVAJA GENERAL HOSPITAL	Health And Other Social Services	Relevant	Effective	Less Efficient	Likely	Successful
2	B. FASO	2UV0086 2UV0087	OUAGADOUGOU ACCESS ROADS	Transportation	Relevant	Effective	Less Efficient	Less Likely	Partly Successful
3	BANGLADESH	2BD0136	ESTABLISHMENT OF UNION HEALTH CENTERS	Health And Other Social Services	Relevant	Effective	Less Efficient	Less Likely	Partly Successful
4	BANGLADESH	2BD0140	INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT	Agriculture and Rural Development	Relevant	Effective	Efficient	Likely	Successful
5	CAMEROON	2CM0049	RURAL ELECTRIFICATION PROJECT	Energy	Relevant	Less Effective	Inefficient	Less Likely	Partly Successful
6	EGYPT	2EGT0085	ABU QIER POWER PROJECT	Energy	Relevant	Effective	Less Efficient	Likely	Successful
7	INDONESIA	2IND0131 2IND0132	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE I	Agriculture and Rural Development	Highly Relevant	Effective	Highly Efficient	Most Likely	Highly Successful
8	INDONESIA	2IND0147 2IND0148 2IND0149 2IND0150	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE II	Agriculture and Rural Development	Highly Relevant	Effective	Highly Efficient	Likely	Highly Successful
9	IRAN	2IRN0044	DASHT-E-ABBAS IRRIGATION	Agriculture and Rural Development	Highly Relevant	Less Effective	Inefficient	Likely	Partly Successful
10	KYRGYZ REPUBLIC	2KYR0022	RECONSTRUCTION OF OSH-IRKESHTAM ROAD	Transportation	Highly Relevant	Highly Effective	Efficient	Less Likely	Successful
11	KYRGYZ REPUBLIC	2KYR0023	110 KV AIGUL TASH TO SAMAT TRANSMISSION LINE SUBSTATION	Energy	Relevant	Effective	Less Efficient	Likely	Successful
12	MALDIVES	2MAL0037	RECONSTRUCTION OF HOUSING UNITS FOR THETSUNAMI VICTIMS	Agriculture and Rural Development	Relevant	Less Effective	Less Efficient	Likely	Successful
13	MAURITANIA	2MAU0106 2MAU0107	NOUAKCHOTT POWER PLANT	Energy	Relevant	Effective	Less Efficient	Less Likely	Successful
14	MOROCCO	2MOR0101	MOHAMMEDIA THERMAL POWER PLANT UPGRADE PROJECT	Energy	Relevant	Less Effective	Less Efficient	Likely	Partly Successful
15	MOZAMBIQUE	2MOZ0024	SECONDARY EDUCATION EXPANSION PROJECT	Education	Relevant	Effective	Less Efficient	Likely	Successful
16	PAKISTAN	2PAK0117	KHWAR HYDRO-POWER PLANT	Energy	Relevant	Effective	Less Efficient	Likely	Successful



	Country	Code	Title	Sector	Relevance	Effectiveness	Efficiency	Sustainability	Overall
17	PAKISTAN	2PAK0111	NEW BONG ESCAPE HYDRO-POWER	Energy	Highly Relevant	Effective	Efficient	Likely	Successful
18	SAUDI ARABIA	0SAU7001	SABIC-YANSAB PETRICHEMICAL PROJECT	Industry And Mining	#N/A*	#N/A*	#N/A*	#N/A*	Successful
19	SENEGAL	2SE0087	NDIOSMONE-PALMARIN WATER SUPPLY PROJECT	Water, Sanitation, And Waste Management	Relevant	Effective	Efficient	Less Likely	Successful
20	SURINAME	2SUR0009 2SUR0012	NIEUW NICKERIE PORT UPGRADING PROJECT	Transportation	Relevant	Ineffective	Inefficient	Unlikely	Unsuccessful
21	SURINAME	2SUR0010	UPGRADING OF AIR NAVIGATION SYSTEM (UANS)	Transportation	Relevant	Less Effective	Less Efficient	Unlikely	Partly Successful
22	TAJIKISTAN	2TAD0027	RECONSTRUCTION OF SECONDARY SCHOOL PROJECT-PHASE II	Education	Highly Relevant	Effective	Efficient	Less Likely	Successful
23	TOGO	2TO0017	RURAL WATER SUPPLY REGION KARA AND SAVANES	Water, Sanitation, And Waste Management	Relevant	Highly Effective	Efficient	Less Likely	Successful
24	TUNISIA	2TUN0098	TUNISIAN INDIAN FERTILIZERS (TIFERT SA)	INDUSTRY AND MINING	Partly Relevant	Less Effective	Less Efficient	Less Likely	Partly Successful

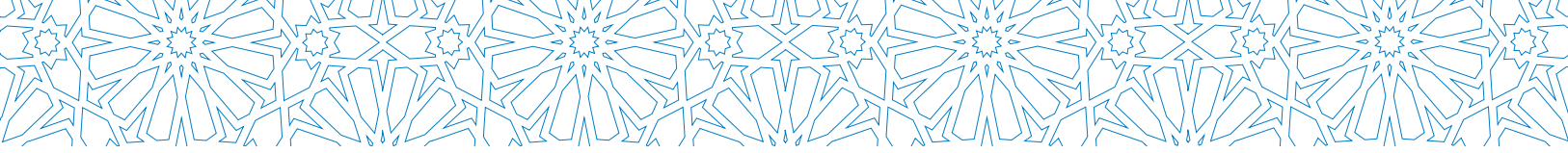


A SECONDARY SCHOOL IN DONDO, MOZAMBIQUE



ANNEX E: RECOMMENDATION FROM 2016G EVALUATIONS

Recommendations from 2016G Evaluations to Agriculture and Rural Development Department					
Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
BANGLA- DESH/ 2BD0140	INTE- GRATED VILLAGE INFRA- STRUC- TURE DEVELOP- MENT	Agriculture and Rural Development	Increase supervision missions for the on-going IDB-funded projects in the country to provide on-site technical support particularly on procurement and reduce delays in project implementation.	ARD	Due to limited resources (mission admin budget and staff time) AGR Department will have to prioritize supervision to more problematic project. In addition, AGR has adopted approach of reverse supervision where Project Team will come to IDB for reporting and solve issues, particularly on procurement whereby support from PPR is more feasible in the HQ.
		Agriculture and Rural Development	Extend further support to the Government of Bangladesh to build on the initial success through next phase, but with focus on limited locations.	ARD	Similar project has been implemented following the same model i.e. BGD0145, BGD0176, and the Rangpur Phase-II.
INDO- NESIA/ 2IND0131 & 2IND0132 & 2IND0147 & 2IND0148 & 2IND0149 & 7IND0150	PNPM-IN- TEGRATED COMMUNI- TY DRIVEN DEVEL- OPMENT (ICDD) - PHASE I & II	Agriculture and Rural Development	Continue supporting the new Government's poverty alleviation program in urban areas implemented by the Ministry of Public Works called a Neighborhood Slum Upgrading Program - City Without Slum.	ARD	Done. IDB has approved USD 329.76 million for the National Slum Upgrading Project (NSUP). The said project is currently under implementation and has made its first disbursement.
		Agriculture and Rural Development	Consider adopting this Integrated Community Driven Development approach in other Member Countries and facilitating cross-country partnerships (reverse-linkage) among IDB Member Countries to bring mutual benefits through exchange programs.	ARD	Noted. ICDD has been promoted and the model is currently being replicated in Sierra Leone and Gambia. AGRD has facilitated a 3 day - ICDD workshop for five African countries including Sudan, Gambia, Sierra Leone, Cote d'Ivoire and Uganda during the IDB Annual Meeting in Jakarta 2016.
IRAN/ 2IRN0044	DASHT-E- ABBAS IRRI- GATION	Agriculture and Rural Development	Interact with the concerned authorities in Iran in order to ensure the payment of the retention money to the contractor.	ARD	At the time of provisional hand over, the Executing Agency was requesting to transfer the retention money to their account. However, the retention amount can only be disbursed by IDB to the contractor against a bank guarantee or after end of defects liability period. The project was closed based on the information that the EA will pay the retention money to the contractor through government resources. The IDB Field Representative in Iran has been advised to continuously follow up on the matter until a clear response is received from the EA.
		Agriculture and Rural Development	Prepare systematically project completion reports at the end of each project to be able to assess the results achieved.	ARD	Recommendation well noted and is under implementation for all, completed projects now. The subject project was completed, in 2013 and at the time based on resource availability, OC focus was on Supervision and preparation of PIASRs in addition to processing of new projects. Moreover, a detailed project completion report was prepared by the Executing Agency that was provided to GOED for conducting its post evaluation.



Recommendations from 2016G Evaluations to Agriculture and Rural Development Department					
Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
TOGO/ 2TO0017	RURAL WATER SUPPLY REGION KARA AND SAVANES	Agriculture and Rural Development	Require sound studies for this kind of projects before committing its financing, with a view to implement boreholes in water tables having enough water.	ARD	<p>The Executive Summary of the GOED PPER indicates following positive results for the subject Successful project: The project achieved most of its planned outputs and even surpassed the targets for some components. Indeed the achievements are the followings: 403 new boreholes were drilled, 100 existing boreholes were rehabilitated, 500 new hand pumps were installed and 9 mini water supply systems are constructed.</p> <p>The GOED recommendation for the need of sound studies for future projects is well noted and ensured by the team during the processing of Rural Water Supply projects by AGR.</p>
BENIN/ 2BEN0063 & 7BEN0064 & 3BEN0065	ISFD'S MICRO FINANCE SUPPORT PROGRAM	Finance	Develop Islamic microfinance management toolbox including a MIS with smartphone application and make it available to the National Microfinance Fund and the microfinance institutions.	ARD	The GOED recommendation will be considered for future projects although such recommendation is very costly to implement. IDB would require allocating more concessional/grant resources to support implementation.
			Limit the procurement of the literacy component to national suppliers as it entails understanding of local cultures and languages.	ARD	Will be done for the next phase.



ABU QUIR POWER PROJECT, EGYPT

Recommendations from 2016G Evaluations to Capacity Development Department

Country/Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/ENTITY	Status of Implementation
INDONESIA/ 2IND& 0131 2IND& 0132 2IND& 0147 2IND& 0148 2IND& 0149 7IND0150	PNPM- INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE I & II	Agriculture and Rural Development	Consider adopting this Integrated Community Driven Development approach in other Member Countries and facilitating cross-country partnerships (reverse-linkage) among IDB Member Countries to bring mutual benefits through exchange programs.	CDD	ICDD was included as part of the RL MOU with Government of Indonesia (Gol) signed in April 2013. However, there was no opportunity to undertake a Reverse Linkage project in the area of ICDD. This is due to the absence of any specific RL request for this approach from member countries. Moreover, the ICDD technical stakeholders from Indonesia has not indicated to BAPPENAS (IDB current RL focal point in the Go I) of its readiness to share its knowledge and expertise under the Reverse Linkage.
SAUDI ARABIA/ 0SAU7001	SABIC-YANSAB PETRICHEMICAL PROJECT	Industry and Mining	Build upon the successful experience in financing the petrochemical sector in Saudi Arabia and develop a strategy for reverse linkages with other member countries, with similar opportunities.	CDD	Discussion on the status of the recommendation is underway.
BENIN/ 2BEN0063 & 7BEN0064 & 3BEN0065	ISFD'S MICRO FI- NANCE SUPPORT PROGRAM	Finance	Facilitate and support the sharing of experience of the development of micro-finance system and regulatory framework in Benin with other countries under the reverse linkages initiatives.	CDD	Discussion on the status of the recommendation is underway.
Senegal	MCPS IR	Country Evaluation	Strengthen the effectiveness of the current reverse linkage operations between Senegal on the one hand and Morocco and Indonesia on the other hand.	CDD	The RL project between Senegal and Indonesia in Disaster Risk Management has been cancelled and the RL project between Senegal and Morocco in Neurology will not be materialized.
			Organize relevant thematic workshops and networking events for the PMUs and EAs to share best practices.	CDD	In 2016, IDB through CAP in collaboration with the Office of Vocational Training and Labor Promotion (OFPPT) organized in Morocco a regional workshop on vocational training for the benefit of 14 African countries. Among these countries is Senegal. As an outcome of this event, OFPPT proposed to develop a Regional Alliance on vocational training for African Member countries including Senegal. This cooperation will be an opportunity for the Bank to support education projects in Africa with Morocco (OFPPT) as a provider of expertise through the Reverse Linkage modality and potential African countries including Senegal as recipient of this expertise.
TURKEY	MCPS IR	Country Evaluation	Support the Islamic financial market in Turkey via more reverse linkage projects and better showcase of IDB Group's new products through effective awareness campaigns.	CDD	Discussion on the status of the recommendation is underway.
			Explore the possibility of leveraging the experience and expertise of Turkish executing agencies in the areas of transport and energy to further technical cooperation between Turkey and other IDB Group Member Countries.	CDD	Discussion on the status of the recommendation is underway.



Recommendations from 2016G Evaluations to Country Programs Department (CPD- Arab Region)

Country/Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/ENTITY	Status of Implementation
SAUDI ARABIA/ 0SAU7001	SABIC-YANSAB PETRICHEMICAL PROJECT	Industry and Mining	Build upon the successful experience in financing the petrochemical sector and develop a strategy for reverse linkages with other member countries, with similar opportunities.	CPD/ Arab	Discussion on the status of the recommendation is underway.



POWER TRANSMISSION, KYRGYZSTAN PROJECT



Recommendations from 2016G Evaluations to Country Programs Department (CPD- Asia Region)

Country/Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/ENTITY	Status of Implementation
IRAN/ 2IRN0044	DASHT-E-ABBAS IRRIGATION	Agriculture and Rural Development	Interact with the concerned authorities in Iran in order to ensure the payment of the retention money to the contractor.	CPD/Asia	Discussion on the status of the recommendation is underway.
BANGLADESH/ 2BD0140	INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT	Agriculture and Rural Development	Extend further support to the Government of Bangladesh to build on the initial success through next phase, but with focus on limited locations.	CPD/Asia	Discussion on the status of the recommendation is underway.
INDONESIA/ 2IND0131 & 2IND0132 & 2IND0147 & 2IND0148 & 2IND0149 & 7IND0150	PNPM-INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (ICDD) - PHASE I & II	Agriculture and Rural Development	Continue supporting the new Government's poverty alleviation program in urban areas implemented by the Ministry of Public Works called a Neighborhood Slum Upgrading Program - City Without Slum.	CPD/Asia	Discussion on the status of the recommendation is underway.
TAJIKISTAN /2TAD0027	RECONSTRUCTION OF SECONDARY SCHOOL PROJECT-PHASE II	Education	Tajikistan is moving from a post-conflict situation to deal with transition economy issues, but it will be a difficult road to prosperity. An MCPS would be appropriate whereby the IDB assesses the country's developmental needs and provides the appropriate support.	CPD/Asia	Discussion on the status of the recommendation is underway.
			Intensifies the policy dialogue with the Tajikistan Government to identify areas for future support to the education sector.	CPD/Asia	Discussion on the status of the recommendation is underway.
KYRGYZ REPUBLIC/ 2KYR0023	110 KV AIGUL TASH TO SAMAT TRANSMISSION LINE SUBSTATION	Energy	In case of such projects passing through another country's territory, IDB should ensure that there is official acceptance from the concerned countries before the approval.	CPD/Asia	Discussion on the status of the recommendation is underway.
PAKISTAN/ 2PAK0111	NEW BONG ESCAPE HYDRO-POWER	Energy	Consider investing in other upcoming state and/or IPP hydropower projects contributing to alleviating the current severe supply shortage in the energy sector of Pakistan	CPD/Asia	Discussion on the status of the recommendation is underway.
TURKEY	MCPS IR	Country Evaluation	Improve quality of dialogue by conducting more comprehensive and detailed consultations with all stakeholders during MCPS planning.	CPD/Asia	Discussion on the status of the recommendation is underway.
			Enhance operational efficiency by reducing cumbersome procedures with regard to disbursements in private sector operations.	CPD/Asia	Discussion on the status of the recommendation is underway.
			Enhance group synergy by improving complementarity between all IDB Group members and Turkey's CGO.	CPD/Asia	Discussion on the status of the recommendation is underway.
TURKEY	MCPS IR	Country Evaluation	Make an assessment on the applicability of Islamic Products such as Murabaha, Ijarah etc. to the Turkish market to better understand implementation issues and discuss with the Government on the possibility of decreasing/eliminating some associated transaction costs.	CPD/Asia	Discussion on the status of the recommendation is underway.

Recommendations from 2016G Evaluations to Country Programs Department (CPD- Sub-Saharan Africa Region)

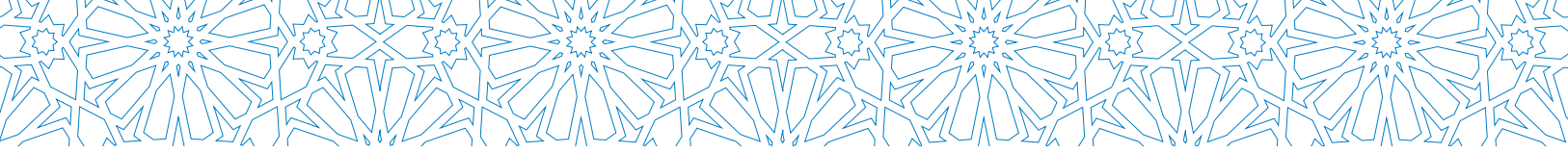
Country/Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN-TITY	Status of Implementation
BENIN/ 2BEN0063 & 7BEN0064 & 3BEN0065	ISFD'S MICRO FINANCE SUPPORT PROGRAM	Finance	Facilitate and support the sharing of experience of the development of microfinance system and regulatory framework in Benin with other countries under the reverse linkages initiatives.	CPD/SSA	To be taken care of in all new microfinance projects.
SENEGAL	MCPS IR	Country Evaluation	Undertake more frequent supervision missions to help identify emerging issues as they arise and take corrective measures as needed.	CPD/SSA	In progress.
			Conduct Country Portfolio Performance Reviews (CPPRs) yearly and a MCPS mid-Term assessment.	CPD/SSA	In progress.
			Establish and share with member countries a communication matrix to avoid unnecessary delays, which occur when requests are sent to the wrong department.	CPD/SSA	In progress.
			Capitalize on Senegal's rise as a regional hub to further promote Islamic finance and offer more Islamic Finance services to Senegal. In addition, IDB Group must be innovative and competitive, since the Islamic Finance Market is attracting more and more players.	CPD/SSA	To be taken care of in the next MCPS.
			Balance between pipeline development and results delivery through greater focus on implementation effectiveness. The MCPS should propose ways and means to expedite projects implementation.	CPD/SSA	To be taken care of in the next MCPS.
			Incorporate some flexibility in upcoming MCPS by allocating a percentage of the global financing envelope to address unexpected shifts in country priorities due to emergencies and disaster risk management.	CPD/SSA	To be taken care of in the next MCPS.
			Increase synergy among IDBG members, especially between IDB, ICD, ITFC, and ICIEC, in particular during deal sourcing.	CPD/SSA	In progress.
			Ensure that the MCPS, once formulated and agreed upon, governs all IDBG interactions (programming missions, work program, projects or programs' design, roundtable conferences, visiting delegations, etc.) with the country during its implementation period for greater selectivity and focus.	CPD/SSA	To be complied by all IDB Group entities.
			Organize relevant thematic workshops and networking events for the PMUs and EAs to share best practices.	CPD/SSA	In progress.
Uganda	MCPS IR	Country Evaluation	Include in the MCPS a strong component that focuses on delivering results from on-going projects besides new approvals.	CPD/SSA	To be taken care of in the next MCPS.
			Setting up a field presence that will contribute to resolving the current delays due to the slow responsiveness	CPD/SSA	In progress.
			Ensure that start-up activities are conducted timely, and organize frequent field missions to minimize start-up delays, as was done well in Education and Health sector projects.	CPD/SSA	To be complied in all projects.

Recommendations from 2016G Evaluations to Enterprise Development Department (EDD)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
SAUDI ARABIA/ 0SAU7001	SAB- IC-YANSAB PET- RICHEM- ICAL PROJECT	Industry and Mining	Consider the potential to scale-up the size of IDB contribution in PPP Projects with high economic and social development value.	EDD	<p>As per BED 315 approval, IDB has participated in Fadhili Combined Heat and Power Project (FCHPP) in Saudi Arabia. It is co-financing with NCB, KEXIM, 5MBC, MUFG, and KFW IPEX. The total project cost is USD 1.2 billion with USD 950 million debt financing. IDB participation amount is USD 105 million.</p> <p>FCHPP will be a gas-fired co-generation scheme with an installed capacity of 1509 MW of electric power (net) and 1447 tons per hour of steam. The power plant will produce the equivalent of the electricity consumption of 1.4 million people. In addition, it will process 768.8 metric tons of feed water per hour. The plant will be located in the eastern province of Saudi Arabia. Engie will build the plant in partnership with South Korean Doosan Heavy Industries & Construction for engineering, procurement and construction (EPC) and with German engineering group Siemens for the gas turbines supply.</p> <p>Electricity from the plant will be sold to Saudi Electricity Company (SEC) and steam and feed i water to the Saudi Arabian Oil Company (Saudi Aramco) under 20-year purchase agreements. Engie will own 40% of the project, while SEC and Saudi Aramco Power Holding Company will each hold 30% ownership.</p> <p>The financing agreements were signed on December 29, 2016G and the project reached Financial Close/Effectiveness on January 26, 2017.</p>
TUNISIA/ 2TUN0098	TUNISIAN INDIAN FERTIL- IZERS (TI- FERT SA)	Industry and Mining	Follow-up with TIFERT to urge them to implement appropriate environmental controls and adopt safety measures on the plant site and request the consultant (SOFRECO) to report regularly to IDB on this matter.	EDD	<p>A new consultant (TECI) was hired by TIFERT to help in the smooth running of the plant including implementing environmental controls and safety measures.</p>

Recommendations from 2016G Evaluations to Enterprise Development Department (EDD)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
TUNISIA/ 2TUN0098	TUNISIAN INDIAN FERTIL- IZERS (TI- FERT SA)	Industry and Mining	Follow up with TIFERT to make sure it has safety measures and adequate spare parts and that the CPG stands firm on its commitment to supply adequate phosphate for the year.	EDD	An annual budget of USD 10 million has been allocated by TIFERT for spare parts and a special purchase task force formed. Additional power delegated to technical committee for ordering critical spare parts. Both CPG and GCT reiterate their commitments to supply the rock phosphate and other services to TIFERT and differ their payments due to the Project (USD 130 million) until sustainable financial situation is achieved. As of March 23rd 2017, the current stock amounts to 80,287 tons.
TUNISIA/ 2TUN0098	TUNISIAN INDIAN FERTIL- IZERS (TI- FERT SA)	Industry and Mining	For such PPP projects, ensure that the management of the company is in place prior to the beginning of construction works.	EDD	To overcome the technical problems faced by the Project, TIFERT decided to hire 34 engineers and 145 technicians to reinforce the strength of plant operating team. Also, TECI has deployed 18 experienced engineers and a new deputy technical general manager has been appointed from GCT.
TURKEY	MCPS IR	Country Evaluation	Standardize supervision documentation reflecting the particularities of the Turkish context. The existing templates are not customized to Restricted Mudaraba facility.	EDD	Noted.
Uganda	MCPS IR	Country Evaluation	Ensure that start-up activities are conducted timely, organize frequent field missions to minimize start-up delays and put an emphasis on the Islamic Finance counselling to the clients at the early stage of implementation.	EDD	Noted.



Recommendations from 2016G Evaluations to Human Development Department (HDE)

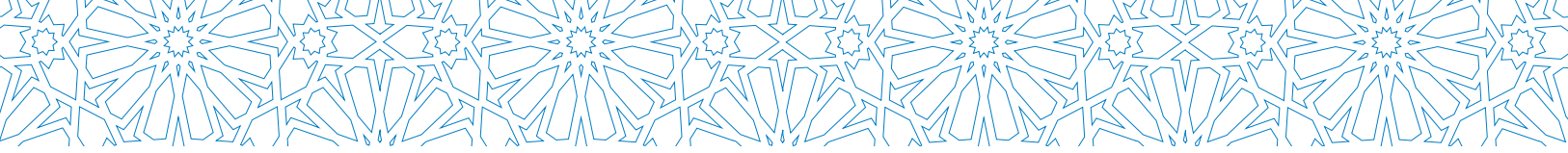
Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
TAJIKI- STAN/ 2TAD0027	RECON- STRUC- TION OF SEC- ONDARY SCHOOL PROJ- ECT-PHASE II	Education	Intensifies the policy dialogue with the Tajik- istan Government to identify areas for future support to the education sector.	HDE	There is an ongoing engagement led by the Regional Office.
ALBANIA/ 2ALB0019	KAVAJA GENERAL HOSPITAL	Health	For future projects, ensure carrying out proper site investigation & geological soil assessments during feasibility stage to avoid project delay.	HDE	No further projects on health were approved for Albania. Nonetheless, the recommendations are valid and perti- nent for consideration in future projects.
ALBANIA/ 2ALB0019	KAVAJA GENERAL HOSPITAL	Health	Ensure that supervision/follow up missions have the required staff in terms of number and skill mix so as to give an overall assessment on project status, provide timely and compre- hensive solutions for outstanding problems and help overcoming the issues faced by the project.	HDE	HDE/HLT will consider the recom- mendations in future projects.
ALBANIA/ 2ALB0019	KAVAJA GENERAL HOSPITAL	Health	Coordinate with the concerned authorities to ensure the availability of the required medical staff as well as some important equipment such as the Computed Tomography (CT- Scan) Equipment.	HDE	HDE/HLT will consider the recom- mendations in future projects.
ALBANIA/ 2ALB0019	KAVAJA GENERAL HOSPITAL	Health	Ensure that feasibility studies related to health projects include an in-depth analysis of the diseases epidemiology in the catchment area to enable the development of a facility that renders the critically required services by the population such as Cardiology and Neurology for the project under review.	HDE	HDE/HLT will consider the recom- mendations in future projects.
BANGLA- DESH/ 2BD0136	ESTAB- LISHMENT OF UNION HEALTH CENTERS	Health	Ensure that project start-up workshop and familiarization visits are conducted in order to reduce start-up delay.	HDE	The recommendations have been brought to the attention of the relevant government authorities in Bangladesh and have been considered in the design of the new health project.
BANGLA- DESH/ 2BD0136	ESTAB- LISHMENT OF UNION HEALTH CENTERS	Health	Change in project officers at the Bank should be done in a manner that ensures proper handover of the project, its peculiarities and the challenges facing it.	HDE	The recommendation have been con- sidered in the design of the new health project.
MOZAM- BIQUE/ 2MOZ0024	SECOND- ARY ED- UCATION EXPANSION PROJECT	Education	Undertake regular supervision missions for the on-going IDB funded project in the country to provide on-site technical support particularly on procurement to the EA and avoid delays in project implementation.	HDE	This was done and the project was recently closed and a PCR prepared by a consultant.





Recommendations from 2016G Evaluations to Islamic Corporation for the Development of the Private Sector (ICD)					
Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
AZERBAI- JAN	AZER- BAIJAN LEASING COMPANY (ANSAR) - ICD PROJ- ECT	Finance	Closely monitor the ALC operations on continuous basis.	ICD	The NBF Division receives monthly financials and reports from ALC.
AZERBAI- JAN	AZER- BAIJAN LEASING COMPANY (ANSAR) - ICD PROJ- ECT	Finance	Closely monitor ALC's repayment of the outstanding balance of USD 2.75 million from an ICD loan financing.	ICD	Ansar has paid USD 500k in Sep 2016, USD 350k in Feb 2017 and USD350k in April 2017.
AZERBAI- JAN	AZER- BAIJAN LEASING COMPANY (ANSAR) - ICD PROJ- ECT	Finance	Have a strictly prudent supervisory eye to ensure the setting up of and functioning of internal institutional frameworks (Credit Committee, Risk Committee, and Audit Committee) within ICD's similar investments in member and non-member countries.	ICD	In communication with ICD's Board representatives and investee companies on GOED's recommendation.
AZERBAI- JAN	AZER- BAIJAN LEASING COMPANY (ANSAR) - ICD PROJ- ECT	Finance	Have strict scrutiny on its similar investments to be able to proactively and effectively address such situation. Taking into account the macroeconomic downturn in the region, similar situation (high NPAs and losses) may arise with the similar investments of ICD.	ICD	Close monitoring of the performance of ICD's investment in the financial sector.
AZERBAI- JAN	AZER- BAIJAN LEASING COMPANY (ANSAR) - ICD PROJ- ECT	Finance	For ALC's recoverable in Standard Bank, continue following up with the Government of Azerbaijan to help ALC recover its assets (AZN 1.1 million).	ICD	A letter was sent to the liquidator of Bank Standard in Feb 2017 to response to its letter dated 23/12/2016 to IDB Governor of Azerbaijan. Ansar is following-up regularly with the liquidator.

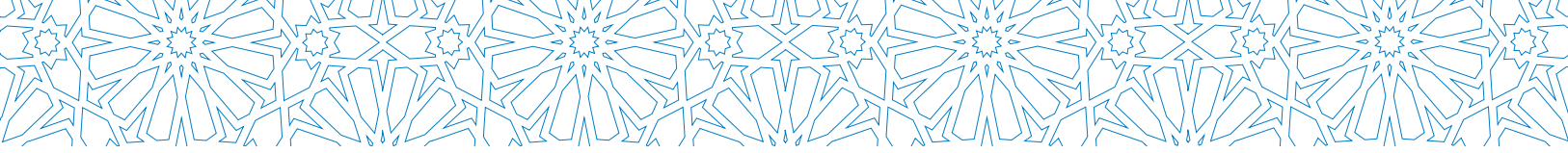




Recommendations from 2016G Evaluations to Islamic Corporation for the Development of the Private Sector (ICD)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
SENEGAL	MCPS IR	Country Evaluation	Strengthen ICD's due diligence process with regard to client liabilities assessment and hasten the approval process.	ICD	This report makes no reference to any instance wherein a weak due diligence process was witnessed. As such it is difficult to understand the basis of such comment and recommendation. That said, ICD follows a proper due diligence process to conduct in-depth assessment of the counterpart, which in line with the approved Credit Approval Process.
			Establish an investment fund to finance projects for which feasibility studies are financed by ICD's TA fund to avoid lost business opportunities.	ICD	Discussion on the status of the recommendation is underway. AMD
			Increase synergy among IDBG members, especially between IDB, ICD, ITFC, and ICIEC, in particular during deal sourcing.	ICD	Discussion on the status of the recommendation is underway.
			Ensure that the MCPS, once formulated and agreed upon, governs all IDBG interactions (programming missions, work program, projects or programs' design, roundtable conferences, visiting delegations, etc.) with the country during its implementation period for greater selectivity and focus.	ICD	Discussion on the status of the recommendation is underway.
			Expand ICD's advisory services both in Senegal and within the region, given the increasing interest for Sukuk issuance in the region.	ICD	W.R.T Senegal and the West Africa Region - ICD already is very active in Advisory services in the region as evidenced by ICD's role in all 5 Sukuk issuance done thus far, as well as its mandates to provide advisory services for establishment of Islamic windows to the likes to BOAD, BSIC, Coris Bank and Afriland. The recommendations may not well placed.

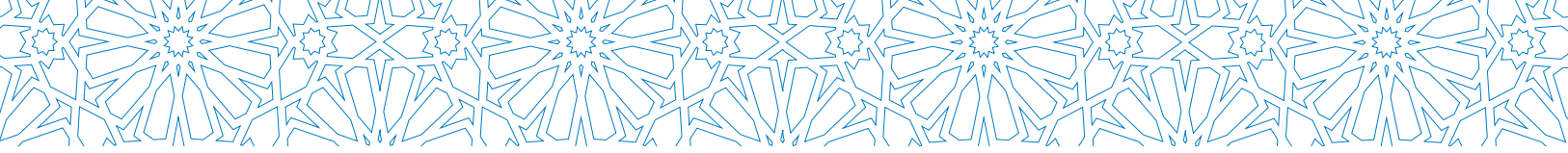




Recommendations from 2016G Evaluations to Islamic Corporation for the Development of the Private Sector (ICD)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
TURKEY	MCPS IR	Country Evaluation	Introduce a more competitive pricing model for the private sector and match the pricing with market needs and trends (taking into consideration the cost of funds and sector limits) and share it internally with the field representatives as appropriate.	ICD	Discussion on the status of the recommendation is underway. /DIFD/RMD FIDD: In pricing its lines of finance, FIDD tries to make it as close as possible to market rates and clients' expectations. However, the final pricing is subject to approval of the Investment Committee.
			Enhance group synergy by improving complementarity between all IDB Group members and Turkey's CGO.	ICD	Discussion on the status of the recommendation is underway.
			Monitor the implementation arrangements of Lines of Financing in Turkey and phase them out whenever necessary.	ICD	Total disbursement of lines of financing to financial institutions in Turkey amounted to USD108.4 million. The performance of these lines are monitored regularly.
			Make an assessment on the applicability of Islamic Products such as Murabaha, Ijarah etc. to the Turkish market to better understand implementation issues and discuss with the Government on the possibility of decreasing/eliminating some associated transaction costs.	ICD	ICD assesses all its products during Due Diligence based on the country, market, and regulations.
Uganda	MCPS IR	Country Evaluation	Ensure that start-up activities are conducted timely, organize frequent field missions to minimize start-up delays and put an emphasis on the Islamic Finance counselling to the clients at the early stage of implementation.	ICD	Discussion on the status of the recommendation is underway. DIFD FIDD: A mission to Uganda to assess the setting-up of an Islamic bank was held in the first quarter of 2017.





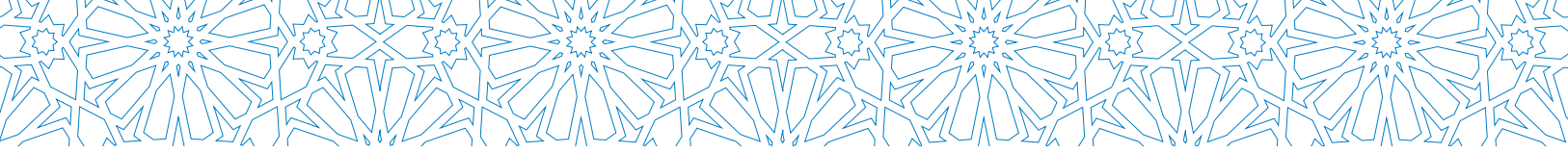
Recommendations from 2016G Evaluations to Islamic Financial Services Department

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
IRAN / 6IRN0096	BANDAR AB- BAS - RES- IDENTIAL AND COM- MERCIAL COMPLEX PROJECT	Services- APIF/ Real Estate	Maintain close relationship with beneficiaries during project implementation with regular follow up and supervision missions.	IFSD	<p>The IFS Department has reviewed the comments of the GOED as mentioned in the Draft Annual Evaluation Report. It is observed that the project is declared 'successful'. However, it was advised to maintain close relationship with the beneficiary, and regular follow up of project through supervision mission. It was also recommended to place a mechanism to mitigate currency rate risk.</p> <p>The IFS Department has noted the above recommendations. We are already implementing them and will continue to take them into account for future projects. It may also be noted the subject project is fully repaid.</p>
			Ensure that a mechanism is in place at the appraisal to mitigate the exchange rate risk.	IFSD	
MALASIA/ MA0106	SHARIAH COURT- HOUSE-MA- LAYSIA	Real Estate	Ensure that projects financed directly through Treasury are anchored and grounded in a logical framework, with a proper baseline, outputs, outcomes and indicators.	IFSD	<p>The subject project was declared 'Partly successful'. GOED has suggested that the implementation of the project was delayed due to lack of proper supervision of the executing agency.</p> <p>As you are aware, the Treasure Department implemented the subject project and IFS Department was not involved in the actual implementation of the project. Certainly, APIF will implement GOED's recommendations for the future projects.</p>



Recommendations from 2016G Evaluations to Infrastructure Department

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
CAMEROON/ 2CM0049	RURAL ELECTRIFICATION PROJECT	Energy	Ensure that projects are ready for implementation before approving financing. In this regard, the two steps financing mechanism may be considered for similar projects.	INF	Two Step Financing Mechanism is being considered for all projects which are deemed to require preparation for implementation.
EGYPT/ 2EGT0085	ABU QIER POWER PROJECT	Energy	Ensure appropriate appraisal of the cost of major components of the power plants (steam turbines) to avoid reduction in the scope to be financed by IDB.	INF	Cost estimates for future projects will be based on recent price trends in the Country as well as available market data.
EGYPT/ 2EGT0085	ABU QIER POWER PROJECT	Energy	Consider studying the natural gas supply sector of Egypt and/or liaising with Government to identify potential projects to be financed in order to increase natural gas supply in the country and to improve the power generation efficiency of such power plants.	INF	The Government of Egypt, as part of the ongoing MCPS preparation, has not prioritized the development of Gas Supply for IDB financing.
EGYPT/ 2EGT0085	ABU QIER POWER PROJECT	Energy	For the future projects, the number of contractors should be reduced by combining similar works under one package such as single contract for all civil works and single contract for water desalination and treatment.	INF	The country prefers to implement the project in several smaller packages to help enhance competition. The recommendation to implement using EPC (to minimize coordination risk) will be duly followed-up on and proposed for consideration of the Country.
KYRGYZ REPUBLIC/ 2KYR0023	110 KV AIGUL TASH TO SAMAT TRANSMISSION LINE SUBSTATION	Energy	Ensure that an up-to-date feasibility report is available before embarking on such projects to avoid deviations not only in estimated cost and financing arrangements but also in implementation period.	INF	Two Step Financing Mechanism will be considered for all projects which are deemed to require preparation for implementation.
MOROCCO/ 2MOR0101 & 2MOR0106	MOHAMMEDIA THERMAL POWER PLANT UPGRADE PROJECT	Energy	Ensure that there is an up-to-date and accurate feasibility study and reduce the time between the feasibility and the commencement of works in order to avoid deviations in scope and re-scheduling during implementation.	INF	The process for finalization of the Work Program takes into account the completeness of the Feasibility Study. Any remaining minor deficiencies in the Feasibility are duly addressed during Concept Clearance phase as an integral part of the Preparation mission.
PAKISTAN/ 2PAK0117	KHWAR HYDROPOWER PLANT	Energy	Conduct thorough technical due diligence for hydropower projects which include risk assessment and disaster management plans before endorsing the feasibility studies.	INF	The catastrophic floods and earthquake in the project area were unprecedented. Feasibility studies of future projects will be updated to take into account such risks.
PAKISTAN/ 2PAK0117	KHWAR HYDROPOWER PLANT	Energy	Conduct thorough technical review when appraising hydropower project and conduct continuous monitoring of project schedule as well as its execution updates and revisions.	INF	Monitoring is being facilitated through monthly Video Conferences as well as bi-annual Supervision missions.
PAKISTAN/ 2PAK0117	KHWAR HYDROPOWER PLANT	Energy	Ensure appropriate site investigation before project starts, to keep changes in scope and design to the minimum extent possible.	INF	Site investigations for underground works is always a challenge owing to cost as well as time requirements. The recommendation will be followed-up on for future projects.
PAKISTAN/ 2PAK0111	NEW BONG ESCAPE HYDROPOWER	Energy	Consider investing in other upcoming state and/or IPP hydropower projects contributing to alleviating the current severe supply shortage in the energy sector of Pakistan.	INF	Member Country Partnership Strategy prioritizes Energy Sector for IDB financing in the country.



Recommendations from 2016G Evaluations to Infrastructure Department

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
KYRGYZ REPUBLIC /2KYR0022	RECONSTRUC- TION OF OSH-IRKESH- TAM ROAD	Trans- portation	Explore the potential of supporting the Gov- ernment of Kyrgyz Republic through capacity building in transport sector and recruitment of industry experts and professionals to develop quality road feasibility studies.	INF	Capacity Building will be integral part of project financing for future projects, in case the implementation capacity of the Executing Agency is deemed to be weak.
KYRGYZ REPUBLIC /2KYR0022	RECONSTRUC- TION OF OSH-IRKESH- TAM ROAD	Trans- portation	Ensure regular field visits, like witnessed in this project for all other on-going projects.	INF	Regular field visits are essential for proj- ects, especially in case the implementa- tion capacity of the Executing Agency is deemed to be weak.
SURINA- ME/ 2SUR0009 & 2SUR0012	NIEUW NICK- ERIE PORT UPGRADING PROJECT	Trans- portation	Include major components such as dredging of river under IDB finance for similar projects.	INF	The recommendation will be taken into account for future projects.
SURINA- ME/ 2SUR0009 & 2SUR0012	NIEUW NICK- ERIE PORT UPGRADING PROJECT	Trans- portation	Conduct rigorous executing agency perfor- mance analysis including consultation with other MDBs for implementing similar proj- ects, to shed more light on the strengths and weaknesses of executing agencies in Suriname for similar future projects.	INF	Lessons Learned from the experience of other MDBs will be duly taken into consideration while designing and preparing IDB projects.
SURINA- ME/ 2SUR0010	UPGRADING OF AIR NAVIGA- TION SYSTEM (UANS)	Trans- portation	Closely follow-up the unmet needs of the air transportation sub-sector, to potentially con- sider financing a new comprehensive bankable project in the next programming cycle.	INF	The Country has been requested to prepare a Comprehensive Airport Development Program, for the Bank's consideration. The Bank is presently awaiting the receipt of the detailed Fea- sibility along with the Official Request.
SURINA- ME/ 2SUR0010	UPGRADING OF AIR NAVIGA- TION SYSTEM (UANS)	Trans- portation	Consider extending a TA Loan to Suriname, in the next programming cycle, to enable the Department of Civil Aviation of Suriname to extend the required technical training to its staff both on operations (and certification of air traffic controllers) and on maintenance.	INF	Technical Training is being provided as an integral part of the ongoing TVET (Technical Vocational Educational Training) through Reverse Linkage Mo- dality between Suriname and Turkey.
BURKINA FASO/ 2UV0086 & 2UV0087	OUAGADOU- GOU ACCESS ROADS	Trans- portation	At the project's design stage, IDB should ensure careful and rigorous estimation of costs (against market benchmarks), provision of footbridges in urban settings and set realistic implementation period.	INF	Cost estimates for future projects will be based on recent price trends in the Country, Detailed Engineering Design, as well as available market data to benchmark the estimates appropriately.

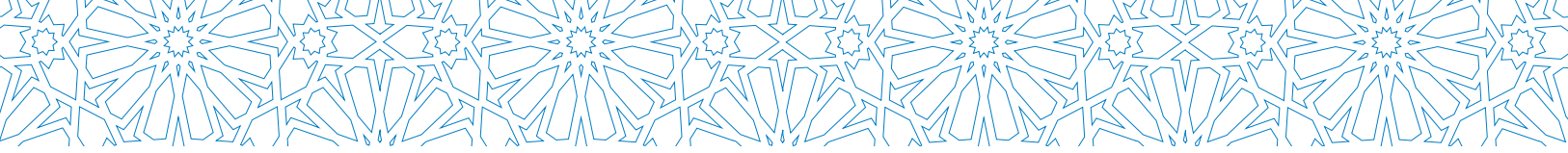




Recommendations from 2016G Evaluations to Islamic Research and Training Institute (IRTI)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
MO- ROCCO/ SPECIAL EVALUA- TION OF IFE LAB	SPECIAL EVALUA- TION OF IFE LAB	Education	Link the IFE Lab with reputable universities (e.g., International Islamic University in Malaysia, Islamic University Pakistan, Durham University in UK, etc.) and other centers of excellence to leverage on their expertise and benefit from their teaching faculties.	IRTI	IFE Lab is building links with these institutions through: <ul style="list-style-type: none"> • Internships • Visiting professors • Conferences and seminars The IFE Lab will continue to build and strengthen these relationships.
TURKEY	MCPS IR	Country Evaluation	Make an assessment on the applicability of Islamic Products such as Murabaha, Ijarah etc. to the Turkish market to better understand implementation issues and discuss with the Government on the possibility of decreasing/ eliminating some associated transaction costs.	IRTI	Discussion on the status of the recommendation is underway.
			Enhance group synergy by improving complementarity between all IDB Group members and Turkey's CGO.	IRTI	Discussion on the status of the recommendation is underway.
			Make an assessment on the applicability of Islamic Products such as Murabaha, Ijarah etc. to the Turkish market to better understand implementation issues and discuss with the Government on the possibility of decreasing/ eliminating some associated transaction costs.	IRTI	Discussion on the status of the recommendation is underway.
BENIN/ 2BEN0063 & 7BEN0064 & 3BEN0065	ISFD'S MICRO FINANCE SUPPORT PROGRAM	Finance	Develop Islamic microfinance management toolbox including a MIS with smartphone application and make it available to the National Microfinance Fund and the microfinance institutions.	IRTI	Discussion on the status of the recommendation is underway.
SENEGAL	MCPS IR	Country Evaluation	Ensure that the MCPS, once formulated and agreed upon, governs all IDBG interactions (programming missions, work program, projects or programs' design, roundtable conferences, visiting delegations, etc.) with the country during its implementation period for greater selectivity and focus.	IRTI	Discussion on the status of the recommendation is underway.
			Capitalize on Senegal's rise as a regional hub to further promote Islamic finance and offer more Islamic Finance services to Senegal. In addition, IDB Group must be innovative and competitive, since the Islamic Finance Market is attracting more and more players.	IRTI	Discussion on the status of the recommendation is underway.





Recommendations from 2016G Evaluations to Islamic Solidarity Fund for Development (ISFD)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
BENIN/ 2BEN0063 & 7BEN0064 & 3BEN0065	ISFD'S MICRO FINANCE SUPPORT PROGRAM	Finance	Ensure regular supervision of the phase II with a focus on the compliance with Islamic Finance rules.	ISFD	Discussion on the status of the recommendation is underway.
SENEGAL	MCPS IR	Country Evaluation	Capitalize on Senegal's rise as a regional hub to further promote Islamic finance and offer more Islamic Finance services to Senegal. In addition, IDB Group must be innovative and competitive, since the Islamic Finance Market is attracting more and more players.	ISFD	Discussion on the status of the recommendation is underway.
			Ensure that the MCPS, once formulated and agreed upon, governs all IDBG interactions (programming missions, work program, projects or programs' design, roundtable conferences, visiting delegations, etc.) with the country during its implementation period for greater selectivity and focus.	ISFD	Discussion on the status of the recommendation is underway.
TURKEY	MCPS IR	Country Evaluation	Enhance group synergy by improving complementarity between all IDB Group members and Turkey's CGO.	ISFD	Discussion on the status of the recommendation is underway.

Recommendations from 2016G Evaluations to International Islamic Trade Finance Corporation (ITFC)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Undertake detailed market research in potential countries (existing and new) to explore possibilities of diversifying its portfolio to minimize exposure to product-specific risks.	ITFC	ITFC recognizes the importance of local market intelligence to drive portfolio decisions and is in the process of integrating market intel into the MCPS being developed as part of the ITFCs critical success factor to Act in a Targeted Manner to enhance Market Impact.
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Provide advisory services to customers about the mechanism of Islamic modes of financing; explaining the terms and conditions; and providing support during the lifespan of the deal.	ITFC	Exploration of new potential services along the 'deal value chain' are to be considered as part of ITFCs 3 year strategic roadmap.
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Develop a communication and marketing strategy to help ITFC interconnect effectively with the market.	ITFC	Enhancing ITFC Visibility is a key Guiding Principle and a marketing campaign strategy to position ITFC as a thought-leader in Islamic trade finance is being considered.
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Strengthen the approval process to avoid situations where risks identified are not taken into proper consideration in the last stage of decision-making.	ITFC	ITFC risk policies are to be reviewed in accordance with the follow-up recommendation.
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Attempts should be taken to accelerate the approval and implementation of agreements with commercial banks especially for countries in Sub-Saharan Africa.	ITFC	The recommendation is being incorporated as a scorecard KPI to monitor and minimize approval and disbursement turnaround timescales where appropriate.



Recommendations from 2016G Evaluations to International Islamic Trade Finance Corporation (ITFC)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Put in place, a pricing model to limit the possibility of subjectivity and streamline the way risks and costs are assessed. In the same vein, ITFC needs to put in place financial analytical tools to better predict/gauge the returns of its operations.	ITFC	ITFC is working towards the development of a pricing model and analytical tools to facilitate effective decision making based on analytical rigour and sound judgement.
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Enhance ITFC client-centricity. More specifically: (i) explore the possibility of setting up a US\$ denominated account with reputable local banks; (ii) enhance field presence; and (iii) introduce e-banking solutions and information systems to allow clients to check the status and remaining credit limits.	ITFC	Client centricity strategic options are being explored as part of the ITFC 10 year strategy to enhance Market Impact.
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Undertake special efforts to develop export-financing activities beyond supporting the Exim bank and by relying more on in-house solutions such as partnering with ICIEC.	ITFC	Strategic options are being explored as part of the ITFC 10 year strategy to enhance Market Impact.
ITFC/ TRADE FINANCE EVALUA- TION	TRADE FINANCE EVALUA- TION	TRADE FINANCE	Formulate proper development targets and systems, based on best practice and aligned with ITFC's strategy to measure the socio-economic development outcomes of ITFC's operations.	ITFC	ITFC has designed a Development Impact Framework and launched the Inaugural Development Effectiveness Report 2016.
SENEGAL	MCPS IR	Country Evaluation	Adapt products to the local market needs, for greater business development opportunities. (Financing in Euro, financing in local currencies, etc.).	ITFC	ITFC recognizes the importance of local market needs to drive business decisions and will integrate market intel into the MCPS – to facilitate product adaptation to local market needs.
			Introduce a more competitive pricing model for the private sector and match the pricing with market needs and trends (taking into consideration the cost of funds and sector limits) and share it internally with the field representatives as appropriate.	ITFC	ITFC is working towards the development of a pricing model and analytical tools to facilitate effective decision making based on analytical rigour and sound judgement.
			Increase synergy among IDBG members, especially between IDB, ICD, ITFC, and ICIEC, in particular during deal sourcing.	ITFC	ITFC will aim to increase group synergy in line with the action recommendation.
			Ensure that the MCPS, once formulated and agreed upon, governs all IDBG interactions (programming missions, work program, projects or programs' design, roundtable conferences, visiting delegations, etc.) with the country during its implementation period for greater selectivity and focus.	ITFC	MCPS database to be designed as part of ITFC 3-year strategy roadmap initiative set.
TURKEY	MCPS IR	Country Evaluation	Monitor the implementation arrangements of Lines of Financing in Turkey and phase them out whenever necessary.	ITFC	ITFC is in the process of establishing a M&E unit, capable of conducting country level evaluations.
			Introduce new IT systems that allow clients to check their status and remaining credit limits in order to improve efficiency.	ITFC	Feasibility assessment to be conducted as part of ITFC 3-year strategy roadmap initiative set.
			Enhance group synergy by improving complementarity between all IDB Group members and Turkey's CGO.	ITFC	ITFC will aim to increase group synergy in line with the action recommendation.
			Make an assessment on the applicability of Islamic Products such as Murabaha, Ijarah etc. to the Turkish market to better understand implementation issues and discuss with the Government on the possibility of decreasing/eliminating some associated transaction costs.	ITFC	ITFC will explore the recommendation in line with the 10 year strategy to enhance Market Impact, by conducting product and market assessments.

Recommendations from 2016G Evaluations to Operations Policy and Services Department (OPSD)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
MAL- DIVES/ 2MAL0037	RECON- STRUC- TION OF HOUSING UNITS FOR THE TSUNAMI VICTIMS	Agriculture and Rural Development	Given the urgent nature of such projects, consider innovative procurement methods to avoid delays in implementation, including establishing special management unit, single source, direct contracting using some United Nations specialized agencies and other specialized NGOs and community participation.	OPSD	OPSD has embarked on a journey to revise its 2 Procurement Guidelines which are expected to be submitted to BED within the 1 st half of 2017. The New Guidelines will bring more: (i) professional judgment; (ii) Use of Beneficiaries procurement documents for NCB; (iii) Procurement from specialized agencies; (iv) Procurement under disaster and emergency assistance.
BANGLA- DESH/ 2BD0140	INTE- GRATED VILLAGE INFRA- STRUC- TURE DEVELOP- MENT	Agriculture and Rural Development	Increase supervision missions for the on-going IDB-funded projects in the country to provide on-site technical support particularly on procurement and reduce delays in project implementation.	OPSD	Missions to Bangladesh comprising Procurement Specialists systematically take the opportunity whenever seen fit to support the TTL in handling implementation issues.
IRAN/ 2IRN0044	DASHT-E- ABBAS IRRI- GATION	Agriculture and Rural Development	Prepare systematically project completion reports at the end of each project to be able to assess the results achieved.	OPSD	The Sector Department and Field Offices have been directed to prepare the PCRs within 6 months of the Project Completion. This has been made as part of the Departmental KPIs.
MOZAM- BIQUE/ 2MOZ0024	SECOND- ARY ED- UCATION EXPANSION PROJECT	Education	Undertake regular supervision missions for the on-going IDB funded project in the country to provide on-site technical support particularly on procurement and prevent delays.	OPSD	Missions to Mozambique comprising Procurement Specialists systematically take the opportunity whenever seen fit to support the TTL in handling implementation issues. In addition the New Procurement Guidelines, if approved, will change the definition of NCB to allow qualified foreign firms established in Mozambique to participate in bidding processes.
BENIN/ 2BEN0063 & 7BEN0064 & 3BEN0065	ISFD'S MICRO FINANCE SUPPORT PROGRAM	Finance	Limit the procurement of the literacy component to national suppliers as it entails understanding of local cultures and languages.	OPSD	The New Guidelines, if approved, will allow the Use of Beneficiaries procurement documents for NCB. Furthermore, there will be a requirement to establish a comprehensive Procurement Strategy and Plan during the preparation stages of future projects, in order to determine the appropriate procurement packages in a Fit-for-Purpose Approach.
SENEGAL	MCPS IR	Country Evaluation	Revise the delegation of authority with regard to procurement clearance and set a threshold (both for Goods and Works and for Consultancy) for RDA. This would allow the Regional Office Director to issue Non-Objection Letters directly after clearance of the procurement specialist.	OPSD	These changes will be considered as part of the new DoA to provide procurement clearance authorities and threshold (both for Goods and Works and for Consultancy) for all the Field Offices.
			Empower the Regional Office to clear procurement processes by locating a Senior Procurement Specialist in RDA to undertake the Bids Evaluation Reviews (BERs).	OPSD	These aspects are being considered as part of the planned decentralization of the Operations Business of the Bank.
			Organize relevant thematic workshops and networking events for the PMUs and EAs to share best practices.	OPSD	Agriculture Department in March 2017 has organized a Workshop which was participated by the officials from 18 PIUs/PMUs and EAs staff for networking and sharing of best practices.



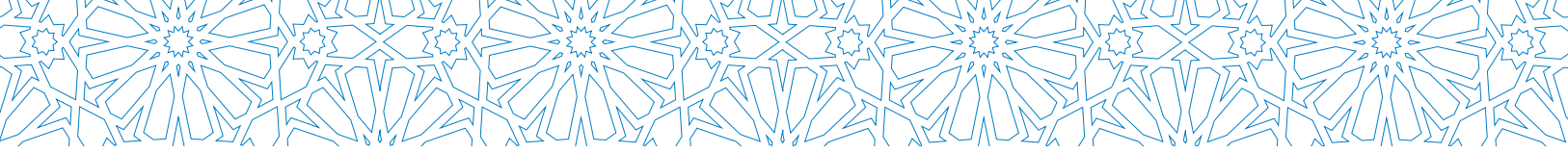
Recommendations from 2016G Evaluations to Operations Policy and Services Department (OPSD)

Country/ Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/EN- TITY	Status of Implementation
TURKEY	MCPS IR	Country Evaluation	Standardize supervision documentation reflecting the particularities of the Turkish context. The existing templates are not customized to Restricted Mudaraba facility.	OPSD	Standardizing supervision document based on Turkish context may not be practical. However, a new PIASR template for the PPP project is being developed which will take into consideration specificities of the Restricted Mudaraba Mode.
Uganda	MCPS IR	Country Evaluation	Revisit the procurement processes and develop an online procurement tracking to quicken and allow monitoring of progress by both parties as is the practice of other MDBs in Uganda.	OPSD	PPR was involved in the development stages of the OMS solution. This will be a precious tool to track procurement related processing, including putting an audit trail on bottlenecks.



POWER TRANSMISSION PROJECT, KYRGYZTAN





Recommendations from 2016G Evaluations to Treasury Department

Country/Project Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/ENTITY
MALASIA/MA0106	SHARIAH COURT-HOUSE-MALAYSIA	Real Estate	Ensure that projects financed directly through Treasury are anchored and grounded in a logical framework, with a proper baseline, outputs, outcomes and indicators.	Treasury
			Delegate project implementation to relevant sector department.	Treasury





	Status of Implementation
	<p>Treasury Department: The Project Performance Report (PPER) on the Shariah Courthouse Project shared with the Treasury Department vide GOED memo ref. no 19/6451, dated September 7, 2016, refers to APIF and not the Treasury Department in connection with this recommendation (“projects being implemented by APIF need to be anchored and grounded ...”).</p> <p>Furthermore, the implementation of such project financing operations has always been beyond the mandate of the IDB Treasury Department (in fact, any treasury for that matter); and with the creation of other dedicated investment departments within the Bank, project financing as an asset class is now beyond the scope of the IDB Treasury. In broader terms, the Treasury Department’s main focus is the efficient management of the Bank’s (e.g. OCR’s) liquidity and its liquid investments in the form of money market placements and Sukuk. (However, some legacy, non-mandate compliance investments such as this one continue to be managed by the IDB Treasury, as discussed below.)</p>
	<p>We appreciate the recommendation of GOED in this regard and would like to mention that the recommendation supports the concerns and efforts of the Treasury Department. The Shariah Courthouses Project, or any other project financing activity for that matter, is not part of the mandate / function of the IDB Treasury Department (or any other treasury). Under the current setup, the Treasury Department does not have the expertise / capacity to monitor, manage, and follow-up on these types of projects / assets.</p> <p>Concerns related to the capacity of the Treasury Department to manage project financing operations were also recorded in the minutes of the Asset Management Committee meeting, held on July 28, 2009. In light of these comments, the Treasury Department committed at that time only to oversee the collection of due installments, leaving the actual project management of the operation with Amana Raya (the mudarib), but internally (within the IDB) “orphaned”.</p> <p>In an effort to handover the project financing operations managed by the Treasury Department, namely Jubail Refineries (a PPP project) and Shariah Courthouses (an APIF project), the Treasury sought the guidance of H.E. The Vice President, Finance and CFO in August 2016, who advised that the Treasury meet with the concerned departments.</p> <p>Accordingly, the Treasury Department met with PPP and successfully handed-over the Jubail Refineries Project; the Treasury Department has since stopped reporting on this exposure. The Treasury Department also met with APIF to arrange for the handover of the Shariah Courthouses Project, however, no specific agreement was reached.</p> <p>During the meeting, which took place on September 4, 2016, APIF raised concerns about the MYR / USD currency fluctuations in their books arising from APIF’s participation in the same project. It was clarified to APIF that shifting the monitoring / follow up function will not involve any reallocation of the invested amount among the participating funds; it would simply mean that the organizational unit which has expertise in the areas of Awqaf and real estate development - i.e. APIF - will monitor the implementation of the project. In other words, APIF’s exposure to the project in monetary / risk terms will not increase. To address their concerns, APIF proposed during the meeting that OCR should consider taking over APIF’s participation in the project in an effort to prevent further loss to APIF arising from the MYR / USD currency fluctuations. However, considering and putting forth such a proposal is beyond the mandate of the Treasury Department; the main reason for this is that project finance is not an eligible asset class for the deployment of OCR’s liquidity by the Treasury Department. Any proposal for the reallocation of APIF’s participation in this project would need to be raised and processed through the appropriate channels by the concerned / operational department (and not Treasury).</p> <p>There has been no further action since this initial inconclusive meeting with APIF. However, the Treasury Department will initiate another round of discussions (perhaps with the support of GOED) in an effort to find a dedicated project manager for this “orphaned” operation.</p> <p>Once again, we appreciate and acknowledge the findings and recommendations of the GOED. Without assigning the project to the relevant expert department, it is difficult to expect perfect results from the Shariah Courthouses Project.</p>





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