

**BUILDING  
PARTNERSHIP**



**GLOBAL  
VALUE CHAIN**



**MAKING MARKETS  
WORK FOR DEVELOPMENT**



# DEVELOPMENT EFFECTIVENESS REPORT

**2019**



# Contents

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ABBREVIATIONS	06
MESSAGE FROM THE PRESIDENT	07
PERFORMANCE SNAPSHOT IN 2019	08
EXECUTIVE SUMMARY	10
<b>Chapter 1 - INTRODUCTION</b>	<b>17</b>
A. 10-Year Strategic Framework	17
B. The “New Business Model”	20
<b>Chapter 2 - GOALS</b>	<b>23</b>
A. Global Economic Outlook	23
B. Economic Growth Prospects in IsDB Member Countries	24
C. Progress Towards Sustainable Development Goals	30
<b>Chapter 3 - CONTRIBUTION TO DEVELOPMENT RESULTS</b>	<b>35</b>
A. Improving Access To Market Information	35
B. Opening the National Planning Process	36
C. Doing Business the Industry 4.0 way	38
D. Building Green Value Chain Enabling Infrastructure	41
E. Repositioning Islamic Finance For Development	46
F. Building Resilient Market Systems	47
G. Evaluation of Completed Projects	49
OPERATION EVALUATIONS AND LESSONS LEARNED	51
<b>Chapter 4 - CORPORATE PERFORMANCE</b>	<b>59</b>
A. Analysis of the Active Portfolio	59
B. Co-financing and Leveraging for SDGs Acceleration	64
C. Reforms to Improve Operational Management	65
D. Reinforce Preparation and Analysis of Project Implementation Assessment and Support Reports (PIASR)	69
E. Human Resources	70
F. Integrated Programming for efficient Resource Utilization	71
G. Process and Technology Efficiency	71
<b>Chapter 5 - CONCLUSION AND CHALLENGES</b>	<b>73</b>
<b>Annexes</b>	
Annex 1- Key Results from Completed Projects	76
Annex 2- Planned results from 2019 projects	80

## List of Figures

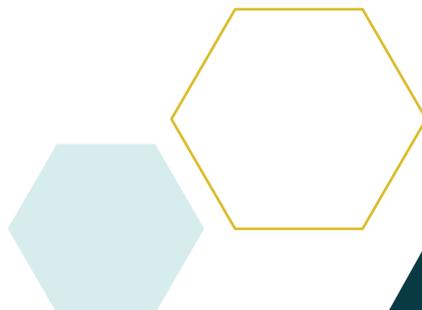
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Figure 1.1	10 Year Strategic Framework	18
Figure 2.1	Global Real GDP Growth Trends	24
Figure 2.2	Real GDP Growth Trend and Outlook	28
Figure 2.3	Investment Trend and Outlook	28
Figure 2.4	Gross Government Debt - Outlook and Recent Past	29
Figure 2.5	Overall SDG Achievement in MCs	30
Figure 2.6	IsDB MCs Progress Against the SDGs	31
Figure 3.1	Key Results of Al-Aqsa and Al-Quds Fund Projects	46
Figure 3.2	Analysis of Project Completion Reports (2019)	50
Figure 3.3	Lessons Learned from Project Completion Reports	50
Figure 3.4	Overall Success of OED Evaluated Projects (2018)	51
Figure 3.5	OED: Success level of Evaluated OCR Projects by Sector	51
Figure 3.6	Summary of OED Project Evaluation Ratings	53
Figure 4.1	Active Portfolio by Region at 31 Dec 2019	60
Figure 4.2	Active Portfolio by Sector	60
Figure 4.3	IsDB Approvals in 2019 by Region	61
Figure 4.4	IsDB Approvals in 2019 by Fund Source	61
Figure 4.5	IsDB Approvals in 2019 by Sector	61
Figure 4.6	Disbursements at a glance	62
Figure 4.7	IsDB Disbursements Trend 2010-2019	62
Figure 4.8	Disbursement by Region (2019)	63
Figure 4.9	Disbursement by Sector (2019)	63
Figure 4.10	Trend of Cumulative Undisbursed Commitments	63
Figure 4.11	Disbursement Ratio (%)	63
Figure 4.12	IsDB Contribution Versus Co-financing in Approved OCR Projects	64
Figure 4.13	Impactful Selectivity of Projects for Entry into Work Program	66
Figure 4.14	Six Dimensions of the Integrated Quality Assurance Framework	67
Figure 4.15	PIASR Ratings of Active Portfolio	70

## List of Tables

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Table 2.1	Economic and Social Indicators of IsDB Member Countries	29
Table 2.2	Poverty Indicators of IsDB Member Countries	31
Table 2.3	Health Indicators of IsDB Member Countries	32
Table 2.4	Education Indicators of IsDB Member Countries	32
Table 2.5	Education Indicators of IsDB Member Countries (Female)	33
Table 2.6	Employment and Access to Market Opportunities in MCs	33
Table 3.1	Sectoral Distribution of Projects Approved in 2019	41
Table 3.2	Planned Results of Projects Pipeline in 2020	43
Table 3.3	Sectoral Distribution of Projects Completed in 2019	43
Table 3.4	Ratings of Completed Projects	50
Table 3.5	Planned Results from Projects Approved in 2019	56
Table 3.6	Development Results of Projects Completed in 2019	57
Table 4.1	Regional Allocation for 2020	65
Table 4.2	Time Lag between Stages of Project Cycle	68
Table 4.3	Number of Months at Different Stages of Project Cycle	69
Table 4.4	Ratings of Project Implementation & Assessment Reports	70



# Abbreviations

<b>10 YS</b>	10-Year Strategy	<b>IsDBG</b>	Islamic Development Bank Group
<b>ACG</b>	Arab Coordination Group	<b>ISFD</b>	Islamic Solidarity Fund for Development
<b>ADB</b>	Asian Development Bank	<b>ISPF</b>	Integrated Strategic Programming Framework
<b>ADER</b>	Annual Development Effectiveness Report	<b>ITFC</b>	International Islamic Trade Finance Corporation
<b>AfDB</b>	African Development Bank	<b>LLF</b>	Lives and Livelihoods Fund
<b>ALA</b>	Africa and Latin America	<b>MC</b>	Member Country
<b>APIF</b>	Awqaf Property Investment Fund	<b>MCPS</b>	Member Country Partnership Strategy
<b>ASEAN</b>	Association of Southeast Asian Nations	<b>NGOs</b>	Non-Government Organizations
<b>BADEA</b>	Arab Bank for Economic Development in Africa	<b>NSS</b>	National Statistical System
<b>BED</b>	Board of Executive Directors	<b>ODA</b>	Official Development Assistance
<b>BMGF</b>	Bill and Melinda Gates Foundation	<b>OECD</b>	Organization for Economic Cooperation and Development
<b>BoG</b>	Board of Governors	<b>OED</b>	Operations Evaluation Department
<b>BRAVE</b>	Business Resilience for Value Adding Enterprises	<b>OFID</b>	OPEC Fund for International Development
<b>CAEP</b>	Climate Action Enhancement Package	<b>OIC</b>	Organization of Islamic Conference
<b>CPC</b>	Country Programs Complex	<b>OIC-StatCom</b>	Organization of Islamic Cooperation Statistical Commission
<b>CUC</b>	Cumulative Undisbursed Commitments	<b>P5P</b>	President's 5-Year Program
<b>DoA</b>	Delegation of Authority	<b>PCR</b>	Project Completion Review
<b>EA</b>	Executing Agency	<b>PIASR</b>	Project Implementation Assessment and Support Review
<b>EBRD</b>	European Bank for Reconstruction and Development	<b>PPP</b>	Public Private Partnership
<b>ESS</b>	Environmental and Social Safeguards	<b>QnP Tool</b>	Qualification and Prioritization Tool
<b>FAO</b>	Food and Agriculture Organization	<b>RCI</b>	Regional Cooperation and Integration
<b>GCC</b>	Gulf Cooperation Council	<b>RHs</b>	Regional Hubs
<b>GDP</b>	Gross Domestic Product	<b>SDGs</b>	Sustainable Development Goals
<b>GVC</b>	Global Value Chain	<b>SFD</b>	Saudi Fund for Development
<b>ICD</b>	Islamic Cooperation for the Development of the Private Sector	<b>SSTrC</b>	South-South and Triangular Cooperation
<b>ICT</b>	Information and Communication Technology	<b>STI</b>	Science Technology and Innovation
<b>IFRC</b>	International Federation of Red Cross	<b>TA</b>	Technical Assistance
<b>IFSB</b>	Islamic Financial Services Board	<b>UN</b>	United Nations
<b>IQAF</b>	Integrated Quality Assurance Framework	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization

# Message from the President



The Annual Development Effectiveness Report showcases how IsDB is fostering sustainable development in the MCs and around the globe.

The global development landscape is changing rapidly, as well as that of our member countries due to the changing geopolitical circumstances, technological advancements as well as the pace at which the world is changing. This requires an ability to respond quickly by adding value and understanding the needs of the MCs. The challenges faced by our member countries are multifaceted, in the form of a growing youth population, an increase in the trade deficit, slow economic growth, high level of unemployment, and increased fragility. The urgent needs of our member countries – of which a considerable number are amongst the least developed countries- fall below the global average of achievement rate for the Sustainable Development Goals (SDGs) and we need to make progress towards the attainment of 2030 global agenda of the SDGs. All these challenges necessitate the Bank to adjust to these new global realities rapidly. I am pleased to share with you the 2019 edition of the Annual Development Effectiveness Report (ADER), which aims to shed light on how IsDB has responded to the MCs' needs and what results have been achieved during 2019.

In recent years, the Bank has exerted efforts to adjust its business model and cater for such challenges. The President's 5-Year Program (P5P) laid out an ambitious plan to economically empower our member countries. This can be achieved by helping member countries identify strategic sectors and industries that the country has or can build comparative advantages globally. Through its new model of Member Country Partnership Strategy (MCPS), the Bank is proactively reaching out to countries, working

together to identify the potential industries, and establish partnerships to mobilize resources for Global Value Chain (GVC) based interventions. We believe this model of 'making markets work for development' is key to accelerating industrialization, given that many of our member countries are endowed with natural resources, blessed with geo-strategic location, and enjoy large, young populations which are all key elements for transforming to high value-added production activities in sectors and industries where they have comparative advantage.

The Bank has leveraged its unique position to promote Islamic Finance services towards equitable inclusive growth in low income countries. We believe in the power of creating a network of development partners to mobilize resources, exchange knowledge and develop innovative solutions. The Bank has launched various programs to promote entrepreneurship skills and economic empowerment of youth, women and small business actors. To this end, Science, Technology and Innovation (STI) plays a vital role as an enabler and accelerator for socio-economic development. Thus, our holistic economic empowerment model is based on these three pillars: value chain, innovations, and Islamic Finance by building meaningful partnerships with other development institutions.

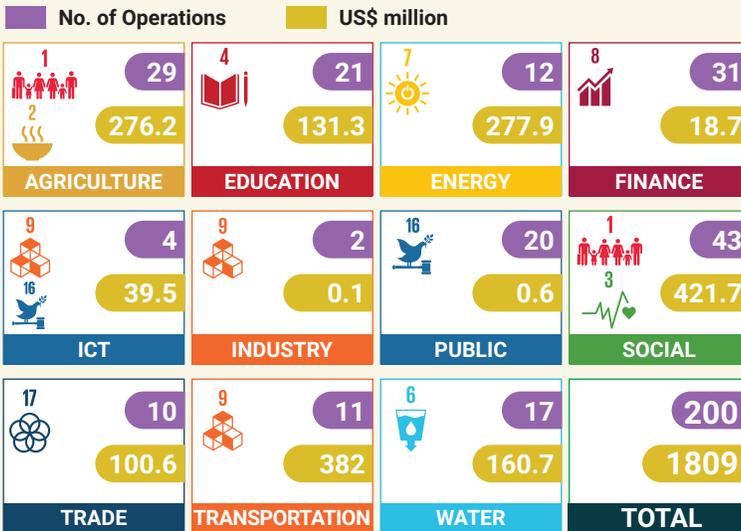
To effectively deliver the new business model, the Bank has emphasized on delivery and results. The recent organizational restructuring reflects this new model. Through the decentralization program, more staff are being deployed to be closer to clients. The Bank has improved its operational efficiency through impactful selection of new operations based on its new business model, thus linking its strategy to budgetary resources.

As the Bank continues to take steady steps towards this new operating model, this Annual Development Effectiveness Report (ADER) helps us monitor the effectiveness of our interventions and further improve our delivery mechanisms to deliver the best value for money. As we enter the last decade towards 2030 SGD targets, countries, MDBs, and other organizations need to prioritize their interventions and have in place every possible mechanism to meet the SDG targets. ADER comes as a handy tool to celebrate the achievements and take corrective actions for missed targets. I hope that through clear vision and strategy along with monitoring and reporting tools we will make progress and take targeted actions towards our shared goal of effective socio-economic development in the 57 member countries and Muslim communities in non-member countries.

**Dr. Bandar M. H. Hajjar**  
President, Islamic Development Bank

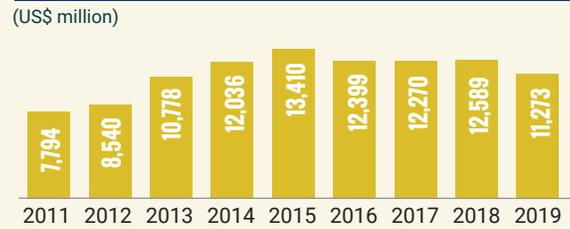
# PERFORMANCE SNAPSHOTS IN 2019

## SECTORAL DISTRIBUTION OF 2019 APPROVED PROJECTS



The sectors are mapped to relevant SDG numbers

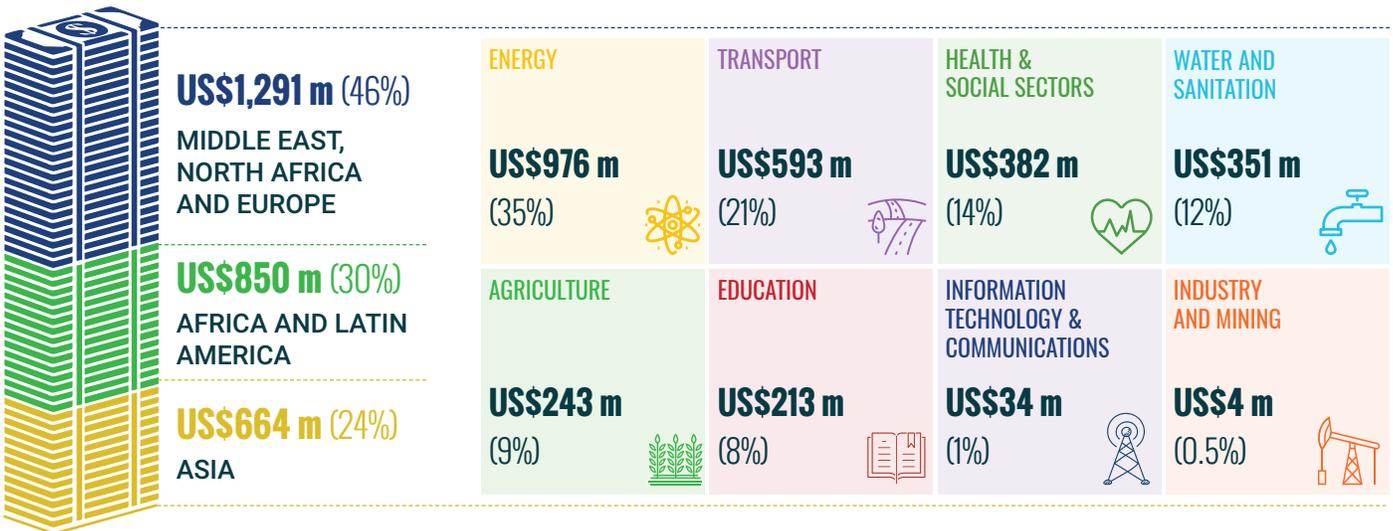
## TRENDS OF CUMULATIVE UNDISBURSED COMMITMENTS



## STAGES OF PROJECT CYCLE

Stage	No. of Month	
	2010-16	2017-19
Approval to Signature	10	5
Signature to Effectiveness	10	6
Effectiveness to First Disbursement	14	5
Approval to First Disbursement	24	19
First Disbursement To Last Disbursement	51	50

## 2019 DISBURSEMENTS AT A GLANCE



### MAJOR ACHIEVEMENTS

- ▶ During the 2017-2019 the time from approval to first disbursement is reduced by 5 months.
- ▶ Disbursed US\$2.98 billion for projects and grants operations, 16% more than the amount disbursed in 2018.
- ▶ Seven Regional Hubs are fully operational with a total of 165 staff advancing Bank's mission from these Hubs.
- ▶ The Bank has designed an Integrated Strategic Programming Framework (ISPF), whereby budget resources are integrated into a work program that links three key elements: strategy, operation and administration.

### MAJOR CHALLENGES

- ▶ Youth population in member countries is set to increase by 100 million between 2015 and 2030.
- ▶ Member countries are facing increase in trade deficit in 22 out of 25 industries.
- ▶ The overall achievement rate of SDGs by IsDB MCs was 56 percent which is 4% below the global average of 60 percent.

### KEY RESULTS ACHIEVED

- ▶ 11,000 houses/shelters built for the poor.
- ▶ 60,000 hectares irrigated.
- ▶ 10,000 people recovered eyesight.
- ▶ 2.4 million students educated, and 1,200 scholarships granted.
- ▶ 240,000 households connected to electricity.

## KEY ACHIEVEMENTS ON THE SIX RESULTS PILLARS



### CAPACITY DEVELOPMENT AND IMPROVING ACCESS TO MARKET INFORMATION

- ▶ Allocated US\$350,000 towards promotion of regional integration which were able to mobilize US\$1.15 million from various development partners.
- ▶ Over 175 senior officials and experts from 34-member countries benefited from Bank's programs on upgrading countries' human and institutional capacities to adjust to the new multilateral trading system.



### COOPERATION AMONG MCs AND OPENING UP THE NATIONAL PLANNING PROCESS

- ▶ In 2019, four MCPS 2.0 have been initiated (Gabon, Turkey, Morocco and Maldives), while 7 MCPS 2.0 (Senegal, Malaysia, Indonesia, Guinea, Saudi Arabia, Pakistan and Nigeria) are planned for 2020.
- ▶ More than 10,000 people recovered eyesight through free cataract surgeries and more than 50,000 benefitted from free eye consultations through Bank's Alliance to Fight Avoidable Blindness.



### DOING BUSINESS, THE INDUSTRY 4.0 WAY

- ▶ In 2019, the PPP portfolio of approved projects increased to US\$4.3 billion (17 percent of the IsDB active portfolio), including 45 projects in 17 MCs.
- ▶ New partnership launched with organizations (e.g., UNESCO, Whitaker Peace and Development Initiative, Marine Investment Initiative) to advance SDG achievement in MC through Science, Technology and Innovations (STI).
- ▶ In 2019, the Bank selected 1,201 students and scholars from 110 countries. (826 undergraduates; 205 Masters; and 170 Ph.D.).



### BUILDING GREEN VALUE CHAIN ENABLING INFRASTRUCTURE

Selected indicators from achieved results in 2019 and planned results from projects approved this year:

- |  |  |
|--|--|
| ▶ Built 11,000 shelters and plan to build the same to house poor and displaced people.                               |  |
| ▶ Irrigated over 60,000 hectares and plan to irrigate another 29,000 hectares.                                       |  |
| ▶ Reached to 1.8 million population with health services and plan to reach another 38 million.                       |  |
| ▶ Provided education to 2.4 million students and plan to reach another 600,000 students.                             |  |
| ▶ Provided access to potable water and sanitation to 25,000 households and plan to reach another 103,000 households. |  |
| ▶ Connected 240,000 households to electricity and plan to reach another 2.5 million.                                 |  |
| ▶ Employed or trained around 90,000 people and plan to employ and train another 83,000.                              |  |
| ▶ Built 10,500 km of local and express highway, and plan to build another 1,200 km.                                  |  |
| ▶ Plan to lay 5,300 km of fibre optic network to allow an estimated 60 million people access to high speed internet. |  |



### REPOSITIONING ISLAMIC FINANCE FOR DEVELOPMENT

- ▶ The Business Resilience for Value Adding Enterprises (BRAVE) program in Nigeria (approved in 2019) is estimated to provide employment to 1,400 women in addition to training 640 women.
- ▶ Recently completed projects is Islamic Finance sectors extended microfinance to nearly 145,000 and jobs to 40,000 poor.
- ▶ Creation of more than 100 publications and knowledge products on Islamic Finance and Shariah governance topics.



### BUILDING RESILIENT MARKET SYSTEMS

- ▶ Supported 6 NGOs worth US\$1 million for Women and Youth development programs who developed 12 case studies.
- ▶ Funded nearly US\$300,000 to implement climate change projects in Nigeria and Lebanon.

# Executive Summary



This Annual Development Effectiveness Report (ADER) provides an update of socio-economic development prospects in our 57 member countries (MCs) (and the IsDB performance and contributions to development results in MCs and Muslim communities in non-member countries in 2019). The report synthesizes data from the Bank's corporate systems, assessments, evaluations and external sources.

## PRESIDENT'S 5-YEAR PROGRAM (P5P)

President's 5-Year Program (P5P): The financing gap for MCs to meet the SDGs (estimated at US\$1 trillion funding gap per year) is far greater than available global Official Development Assistance (ODA) funding of US\$135 billion per year. The magnitude of dealing with these challenges is beyond the capacity of any individual institution. Thus, the Islamic Development Bank Group (IsDBG) adopted a new target operating model centered around playing the role of catalyst for development and this was translated in the President's 5-Year Program (P5P).

## GOALS (MC IMPACT)

The Bank has exerted efforts to adjust its business model and cater for the fast-changing socio-economic landscape in the world and MCs. At the aggregate level, IsDB member countries score the lowest at goal number 9 on the SDG achievement index (only 22 percent). That means that our member countries need to accelerate their industrialization, innovate and have basic infrastructure. Addressing this critical need has been in the heart of the Bank's new business model anchored on three pillars: value chains, innovation, and Islamic finance. This new operating model centered around playing the role of catalyst for development and this was translated in the President's 5-Year Program (P5P). This program has laid out an ambitious plan to economically empower our member countries. This can be achieved by helping member countries identify strategic sectors and industries that the country has or can build comparative advantages globally. Through its new model of Member Country Partnership Strategy (MCPS), the Bank is proactively reaching out to countries, working

together to identify the potential industries, and establish partnership to mobilize resources for an informed Global Value Chained (GVC) based interventions.

THE OVERALL HUMAN DEVELOPMENT HAS IMPROVED AS MEASURED BY A MARGINAL INCREASE IN HUMAN DEVELOPMENT INDEX FROM 0.6 IN 2006 TO 0.627 IN 2019. ””

#### MACRO ECONOMIC CHALLENGES FACED BY MCs

- ▶ However, MCs are not progressing at the same pace with achieving SDGs. Measuring the development progress of IsDB MCs from 2006 to 2018, indicates that MCs pace of development is mixed.
- ▶ The need to cater for growing youth population, which is set to increase by 100 million between 2015 and 2030.
- ▶ Member countries are facing extreme folds of increase in trade deficit in 22 out of 25 industries.

THE OVERALL ACHIEVEMENT RATE OF SDGs BY IsDB MCs WAS 56 PERCENT WHICH IS MERELY 4 PERCENT BELOW THE GLOBAL AVERAGE OF 60 PERCENT THRESHOLD. ””

## RESULTS

The Bank has made significant progress on each of the six strategic pillars in the 10-Year Strategy Framework. A summary of key activities and achievements is given below.

### 1. CAPACITY DEVELOPMENT AND IMPROVING ACCESS TO MARKET INFORMATION

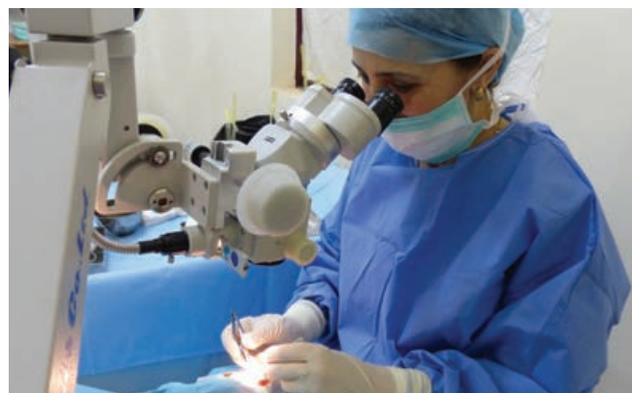
- ▶ Allocated US\$350,000 towards promotion of regional integration which further mobilized US\$1.15 million from various development partners.
- ▶ Over 175 senior officials and experts from 34-member countries benefited from Bank's programs on upgrading countries human and institutional capacities to adjust to the new multilateral trading system.

### 2. COOPERATION AMONG MCs AND OPENING UP THE NATIONAL PLANNING PROCESS

The programming is increasingly linked to the **Member Country Partnership Strategy (MCPS) 2.0**, which follow the P5P and Global Value Chains (GVC) framework, as a tool to develop project pipeline through proactive needs assessment. In 2019, four MCPS 2.0 have been initiated (Gabon, Turkey, Morocco and Maldives), while 7 MCPS 2.0 (Senegal, Malaysia, Indonesia, Guinea, Saudi Arabia, Pakistan and Nigeria) are planned for 2020

- ▶ More than 10,000 people recovered eyesight through **free cataract surgeries** and more than **50,000** people benefitted from **free eye consultations** through Bank's Alliance to Fight Avoidable Blindness.
- ▶ The Bank has linked **8-member countries** through **Reverse Linkage operations** - IsDB modality to support **South-South and Triangular Cooperation (SSTrC)** among member countries on various other development programs.
- ▶ Over **175 senior officials** and experts from **34 member countries** benefited from program that helped to enhance their capacities to negotiate and implement regional and multilateral trade agreements. The Bank produced **9 publications** on **regional cooperation and integration (RCI)**.

10,000 PEOPLE RECOVERED EYESIGHT THROUGH FREE CATARACT SURGERIES AND 50,000 PEOPLE BENEFITTED FROM FREE EYE CONSULTATIONS THROUGH BANK'S ALLIANCE TO FIGHT AVOIDABLE BLINDNESS. ””



### 3. DOING BUSINESS, THE INDUSTRY 4.0 WAY

- ▶ **Science Technology and Innovations (STI)** interventions will be targeting productivity enhancement and support for entrepreneurship.
- ▶ In 2019, the Bank selected **1,201 students and scholars from 110 countries**. Scholarships were provided to 691 undergraduate students in addition to 135 scholarships granted from IsDB-ISFD fund. A total of 205 Masters and 170 Ph.D. and Post-doctoral research students and scholars has also been sponsored in 2019.
- ▶ At the end of 2019, the Public Private Partnerships (PPP) portfolio of approved projects increased to **US\$4.3 billion** (17 Percent of the IsDB active portfolio), including 45 projects in 17 MCs at various stages from approval to closure and repayment.

**PUBLIC PRIVATE PARTNERSHIPS (PPP) PORTFOLIO OF APPROVED PROJECTS INCREASED TO US\$4.3 BILLION (17% OF THE ISDB ACTIVE PORTFOLIO), INCLUDING 45 PROJECTS IN 17 MCs. ”**



- ▶ The Bank has contributed US\$38.8 million for the Djibouti Africa Regional Express-1 (DARE) project which is expected to grant access to internet to a population of **60 million subscribers** by 2024 with a 5,340 km of submarine cable line.

### 4. BUILDING GREEN VALUE CHAIN ENABLING INFRASTRUCTURE

IsDB spends a significant percentage of its resources towards infrastructure projects that raise efficiency levels among market players within the value chains selected in Member Country Partnership Strategies.



#### Health

- ▶ In 2019, three projects were completed in the Health Sector. Nearly **4,000 health** units were established mostly as part of the Integrated Community Development Program in Indonesia.
- ▶ The **558 bed Manisa Training and Research Hospital** was completed with an expected **1.2 million outpatient visitors yearly**.
- ▶ The social housing in Benin is expected to grant access to electricity, improved sanitation and potable **water to over 2,000 households**, in addition to provide **employment to over 13,000 people**.
- ▶ The polio eradication program (third phase) in Pakistan is expected to provide **vaccination to 38 million children**.

**THE POLIO ERADICATION PROGRAM (THIRD PHASE) IN PAKISTAN IS EXPECTED TO PROVIDE VACCINATION TO 38 MILLION CHILDREN. ”**



### Education

- ▶ Eleven projects were completed in the **Education Sector** in 2019. An estimated **2.3 million students** are given access to education at various levels mostly through the literacy program in Morocco, which also provided training to **12,000 teachers**.
- ▶ The Indonesia Community Development Project contributed in building nearly **900 schools**.
- ▶ In 2019 a total of 24 operations and grants are approved in Education sector worth of US\$83.8 million. These operations are expected to build **68 educational institutes** and provide training to **1,200 teachers** and faculty members.



### Water, Sanitation and Housing

- ▶ In 2019, the Bank has **approved US\$164 million** for 18 operations and grants in the **Water and Sanitation Sector**. The Abidjan Secondary Cities Sanitation Project is

expected to increase **wastewater sanitation capacity by 840,000 m<sup>3</sup>/day**.

- ▶ The Al Ghadir Drainage system in Lebanon will construct **308 km of sewerage** network with a water treatment capacity of 90,000 m<sup>3</sup>/day.
- ▶ The **completed** projects in 2019 helped build a sewerage network extending to over **2,500 km**. Over **11,000 poor people** were provided with housing among them 8,000 in Indonesia as part of the Integrated Community Development Project with facilities of potable water and improved sanitation. The Post Conflict Reconstruction Project in Cote d'Ivoire built water treatment capacity of **12,000 m<sup>3</sup> per day**.
- ▶ The rural housing project in Uzbekistan is expected to provide **shelter to 6,400 people**.



### Agriculture

- ▶ 19 projects **completed** in 2019. They contributed to the irrigation of over **60,000 hectares** of land and resulted in an increase in crop production by **1.4 million tons** mostly through quality seed supply project in Bangladesh.
- ▶ An estimated **208,000 m<sup>3</sup>** of water resources were developed through dam projects in Iran and Yemen.
- ▶ A total of 28 operations and grants have been also **approved** in the **Agriculture Sector** worth of US\$193 million in 2019. It is expected that these projects will result in the irrigation of an area of 58,000 hectares of land among them more than 10,000 hectares in Mauritania and Senegal.

- ▶ The irrigation project in Kyrgyz Republic is expected to increase **crop production by 60,000 tons** and build a **storage capacity of 3,000 tons**.
- ▶ The Bank has approved a total of US\$70.5 million for an integrated farming project in the Upland Areas in Indonesia. This project is intended to irrigate an area of **14,000 hectares** and provide microfinance to an estimated **18,000 population**.
- ▶ The Hydro Agriculture Development Project in the Dangoumana region of Burkina Faso is expected to grant 20,000 farmers access to improved seeds.



## 208,000 M<sup>3</sup> OF WATER RESOURCES WERE DEVELOPED THROUGH DAM PROJECTS IN IRAN AND YEMEN. ”



### Women Empowerment

- ▶ A total of 30 operations and grants (US\$39.9 million) is **approved** in 2019.
- ▶ An estimated **1,400 women** will be provided employment through the Business Resilience for Value Adding Enterprises (BRAVE) in Nigeria, in addition to providing training to 640 women.

### Energy

- ▶ Twelve projects completed from Energy Sector in 2019. These projects generated 3,622 MW equivalent electricity among that 1,700 MW from renewable sources resulting in a reduction of 204,000 tons of CO<sub>2</sub> emission per year. These power plants connected over 240,000 households

to the electricity grid through a transmission line extending over 2,700 km.

- ▶ A total of 10 projects and grants worth of US\$274.9 million was approved in 2019. The 600 MW of Jamshoro power plant is expected to connect 2.5 million households to electricity. Similarly, the Solar Energy Project in the Gambia is expected to connect 4,400 households to electricity. Investments in clean energy is expected to reduce CO<sub>2</sub> emission by 14,000 tons per year

## INVESTMENTS IN CLEAN ENERGY IS EXPECTED TO REDUCE CO<sub>2</sub> EMISSION BY 14,000 TONS PER YEAR. ”

### Transport

- ▶ A total of 11 projects have **completed** in 2019. Nearly **12,000 km of roads** were constructed among them nearly 300km of express highways. The Queen Aalia Airport



Expansion Project has increased **the annual passenger transport capacity to nearly 3 million per year**. The Jorf Lasfer Sea Port Project in Morocco allowed an increase of 18 million tons annually.

- ▶ The 13 projects and grants in the transportation sector (US\$100.6 million) **approved** in 2019 are **expected to pave 411 km** of express way in Kazakhstan, Guinea, Nigeria, Afghanistan and Uganda.

## 5. REPOSITIONING ISLAMIC FINANCE FOR DEVELOPMENT

To unlock activities across value chains, a strong financial services industry is critical. Islamic Finance is uniquely positioned to lead this since it emphasizes in its principles a strong linkage of finance to economic activities through participation in risk and reward.

- ▶ In 2019, the Bank has completed ten projects in the **Islamic Finance** extending microfinance solutions to nearly **1,450,000 poor people** and **creating jobs for another 40,000 people**. Notable among these projects is the integrated microfinance project in Benin.

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IN 2019, THE BANK HAS EXTENDED ISLAMIC MICROFINANCE SOLUTIONS TO NEARLY 1,450,000 POOR PEOPLE AND CREATED JOBS FOR ANOTHER 40,000 PEOPLE. ”

## 6. BUILDING RESILIENT MARKET SYSTEMS

IsDB will pay special attention to ensuring that **no one gets left behind** by making markets work for the neediest segments of the population — including women and youth.

- ▶ The Bank started helping MCs to obtain funding to support implementation of **climate change** agenda.
- ▶ Nigeria has received **US\$100,000** and Lebanon will submit funding request to Climate Action Enhancement Package (CAEP) for about **US\$183,000**. Bank will provide implementation support for the MCs Nationally Determined Contributions (NDC) plans.
- ▶ To enhance resilience, the processed and supported **4 emergency grant operations** for Mozambique, Iran, Mali and Sierra Leone and 3 NGO projects in Chad, Somalia and Yemen with total amount of US\$1.5 million.

- ▶ The Bank has supported six NGOs grant operation that provided about **US\$1 million to Women and Youth** has developed twelve case studies that document the Bank's contribution to youth development and empowerment as well as draw lessons learnt for future interventions.

## CORPORATE PERFORMANCE

The Bank has designed an Integrated Strategic Programming Framework (ISPF), whereby budget resources are integrated into a work program that links three key elements: strategy, operation and administration. Moreover, to ensure strategic and impactful selection of projects, the Bank has introduced a new qualification and prioritization tool.

- ▶ In 2019, 26 Project Completion Reports (PCR) were prepared, **85 percent of these projects were rated as successful or highly successful**.
- ▶ The Bank has disbursed **US\$2.98 billion** for projects and grants operations, 16% more than the amount disbursed in 2018.
- ▶ The Bank has introduced a **Development & Financial Assessment Index** (DEFAI) to ensure systematic and transparent allocation of resources among member countries.
- ▶ In 2019, **67 percent** of the reviewed projects were rated as satisfactory or highly satisfactory.
- ▶ The Bank has improved its presence and visibility to MCs by establishing **seven Regional Hubs** (RHs), with four more to be established in 2020. 165 staff are already advancing Bank's mission from these RHs.
- ▶ The Bank has leveraged on **improved process, and technology tools** to smooth the transition process of new staff and establish connections with the Bank's headquarters in Jeddah, Saudi Arabia.
- ▶ The ratio of internal administrative expenses per US\$1 million disbursement **has fallen to US\$56,000** from US\$70,000 in the previous year.



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# Chapter 1



## Introduction

THE ANNUAL DEVELOPMENT EFFECTIVENESS REPORT (ADER) PROVIDES AN OVERVIEW OF THE BANK'S CONTRIBUTION TOWARD THE ASPIRATIONS OF THE MEMBER COUNTRIES AND MUSLIM COMMUNITIES IN NON-MEMBER COUNTRIES TO ATTAIN SUSTAINABLE DEVELOPMENT.

The ADER reviews development progress in the IsDB Member Countries (MCs) and the Bank's performance at three levels: (i) the socio-economic **Goals** that the Bank aspires to realize in MCs, (ii) the **Results** which the Bank contributes to achieve in MCs, and (iii) the Corporate **Performance** of the Bank in terms of operational and organizational efficiency.

This report is an important tool for the Bank's Board of Executive Directors

(BED) and Management to assess the efficiency and effectiveness of the Bank's operations and performance during the year.

### A. 10-YEAR STRATEGIC FRAMEWORK

The 10-Year Strategy (10YS) has become the basis for monitoring and reporting on Bank's interventions. The President's



5-Year Program (P5P) was launched to accelerate the implementation and realization of the objectives of the 10YS. The P5P has served as a catalyst to design a new business model driven by the requirement to address key challenges faced by the Bank resulting from both externally driven global issues as well as internally. The Bank is now in the fourth year of implementing the IsDB 10-Year Strategy (10YS),

which outlines the strategic, operational and organizational priorities of the the Bank. In late 2016, the incoming President launched the President’s 5-Year Program (P5P) to accelerate the realization of the objectives of the 10YS, while responding to the internal and external opportunities and challenges facing the Bank and its Member Countries (MCs). The layers and pillars of the 10YS are illustrated below in figure 1.1.

Figure 1.1: 10 Year Strategic Framework



## 1. GOALS

The IsDB is moving its operational financing and technical assistance from reactive and public finance to a more proactive and market-oriented approach. The new model focuses on engaging not only with public sectors, but also with private, civil society and public at large (both physically and online). Going forward, the Bank's new generation of the Member Country Partnership Strategy (MCPS) aims to achieve three development goals as follows.

Identify and invest in value-chains that boost the member countries' competitiveness and increase growth and job creation

Maximize the output and exports of the member countries by joining green industrial innovation

Attract private capital by shifting towards social impact investment and grow a resilient developers network

## 2. OPERATIONAL RESULTS

The Bank will incrementally increase the proportion of its operations aligned with the new generation MCPS to 80 percent by 2022. The MCPS will leverage access to market information to deepen the MC understanding of global value chains. This will allow informed **connectivity and cooperation among the MCs** based on their respective comparative advantages. The Bank will harness the vital **role of private sector in boosting productivity** especially in the disruptive sectors propelled by the Fourth Industrial Revolution and entrepreneurship in the field of Science, Technology and Innovation (STI).

While the Bank seeks to expand its operations in these new frontiers, it will continue its **investment in infrastructure projects** that help address environmental sustainability and the adverse impacts of climate change.

The **Islamic Finance industry** today exceeds US\$2 trillion (twice the value of SDGs financing gap in MCs) and provides



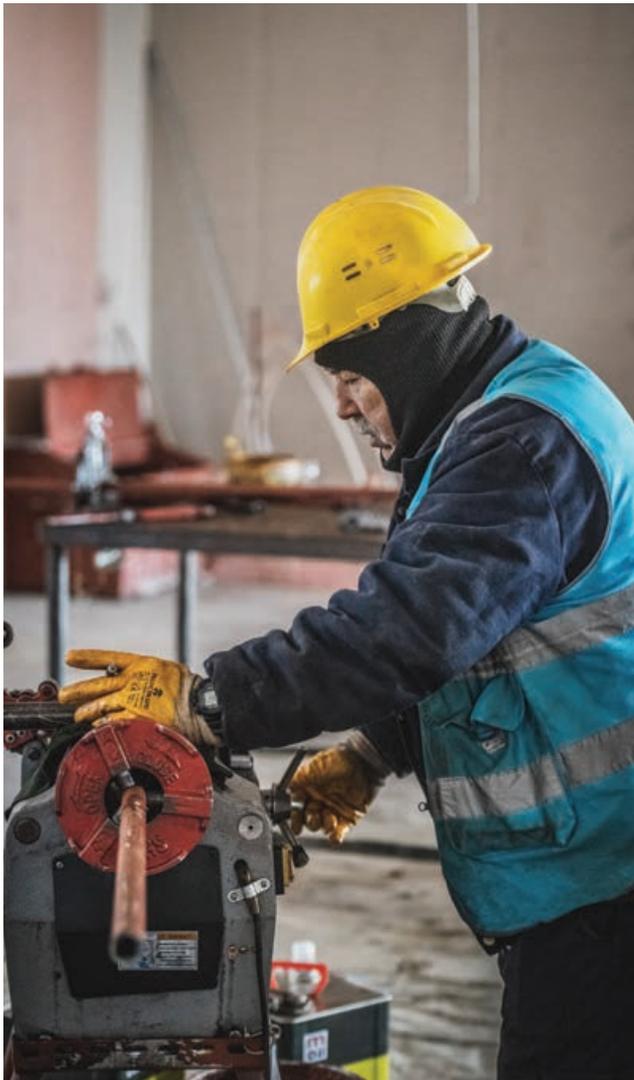
a unique enabling factor to unlock activities across value chains. Hence, the Bank will expand its rich experience to help the MCs link Islamic Finance to their priority value chain activities. The Global Value Chain and market activities will pay special attention to ensure inclusion of and benefits to women and youth, and especially in those member countries affected by geopolitical unrest. In addition, the Bank will mainstream **Environmental and Social Safeguard (ESS)** and market inclusion policies throughout its portfolio of operations.

## 3. PERFORMANCE DRIVERS

To become an agile organization that supports the delivery of sustainable development and developmental results in MCs, the Bank has focused on a number of performance drivers. Firstly, the Bank is shifting towards more **proactive and effective communication** with MCs and improving its visibility and outreach to wider audiences and stakeholders.

A wider recognition of the Bank will serve as a catalyst in **crowding-in resources from the market** as a new alternative source of financing. The Bank is expanding its **capacity** to the new frontiers such as value chains. The Bank is partnering with other institutions to conduct targeted secondment programs and training. The Bank is aiming to become a **lean organization** with simpler business processes, quality enhancements, cloud-based technologies, clear delegation of authority and increased presence in the field.

IsDB AIMS TO MOVE TOWARDS A SELF-SUSTAINABLE MODEL THAT LEVERAGES PRIVATE SECTOR RESOURCES WHILE MAINTAINING THE BANK'S AAA RATING. ”



## B. THE “NEW BUSINESS MODEL”

The Global Development Agenda 2030 represented by the Sustainable Development Goals (SDGs) along with various other agreements (i.e. COP21 on climate change) represent a major shift in the global development dialogue. Operationalizing this agenda requires a new development model to tackle the emerging global challenges through market-led growth, science, technology and innovation, and global partnership for development.

Despite impressive progress towards the 2030 agenda, the IsDB member countries fall far behind on several dimensions including but not limited to conflicts, geopolitical unrest, refugees, youth bulge, poverty and inequality. The financing gap for MCs to meet the SDGs (approx. US\$1 Trillion per year) is far greater than the available Official Development Assistance (ODA) of US\$135 billion per year. This means that for every US\$1 of ODA, the MCs need to mobilize US\$23 from yet untapped sources.

THE FINANCING GAP FOR MEMBER COUNTRIES TO MEET THE SDGs (APPROX. US\$1 TRILLION PER YEAR) IS FAR MORE THAN THE AVAILABLE OFFICIAL DEVELOPMENT ASSISTANCE (ODA) OF US\$135 BILLION PER YEAR. ”

The Bank's new business model revolves around reorienting development as a national growth strategy. The focus is on expanding value addition in strategic competitive industries connected to Global Value Chains (GVCs). The focus on GVCs allows the Bank to prioritize its projects by including all stakeholders in a given value chain while generating sustainable employment, industrial innovation and crowding-in resources from the market.



The new business model addresses the following three key components of the P5P:



mechanisms, and (iii) link the strategy with available resources through cascading strategic priorities and setting targets.

The Bank's new business model, Making Markets Work for Development, aims to reorient development operations to drive competitiveness of the MCs' strategic industries and connect them to the Global Value Chains (GVCs).

This new business model provides MCs with a suit of new financing schemes in addition to the traditional project financing. The Bank's interventions will take a programmatic approach with an overall emphasis on job creation, value addition and bringing in foreign investments.

In 2019, the Bank introduced a new Integrated Strategic Programming Framework (ISPF) to: (i) proactively assess the needs of the member countries, (ii) ensure an impactful selection of projects through qualification and prioritization





## Chapter 2



# Goals

THIS CHAPTER REVIEWS ECONOMIC AND SOCIAL PROGRESS IN THE MEMBER COUNTRIES (MCs), PARTICULARLY WITH RESPECT TO THE ACHIEVEMENT OF THE SUSTAINABLE DEVELOPMENT GOALS.

### A. GLOBAL ECONOMIC OUTLOOK

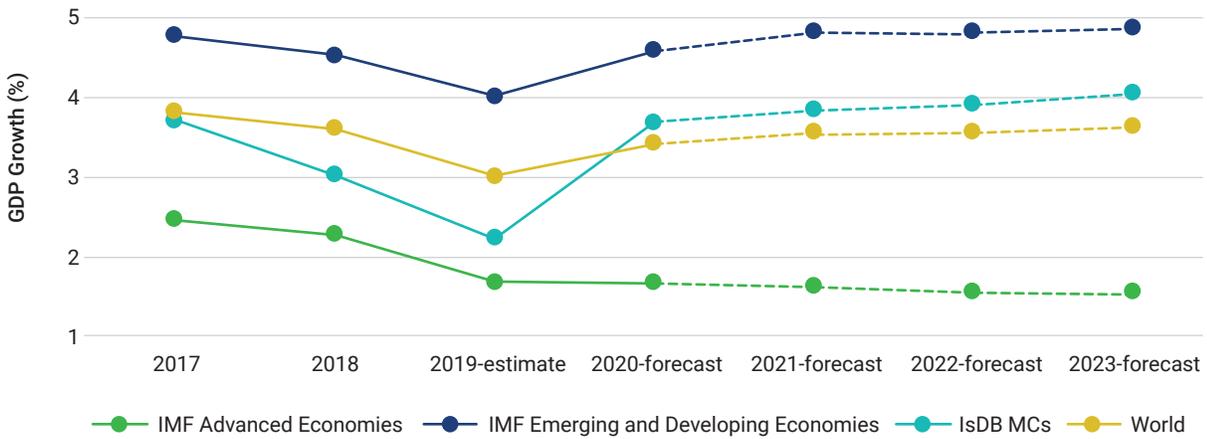
In the October 2019 World Economic Outlook, IMF forecast global Gross Domestic Product (GDP) to be 3 percent in 2019, lower than 3.6 percent for 2018. Aggregate growth in the advanced economies is expected to be 1.7 percent, down from 2.3 percent in 2018. Several factors in advanced and emerging and developing economies have contributed to the global economic slowdown. The rising sentiments of nationalist-protectionist-populist policies have affected global trade while disrupting the

international supply chains. Geo-political risks are high in Asia and especially in the Middle East resulting from the unravelling of Iran nuclear deal and protracted civil conflicts, which have sparked energy supply shocks and international migration.

**GLOBAL GDP GROWTH IS FORECAST AT 3% IN 2019, LOWER THAN 3.6% FOR 2018. AGGREGATE GROWTH FOR ADVANCED ECONOMIES IS EXPECTED TO BE 1.7%, COMPARED TO 2.3% IN 2018. ”**



Figure 2.1: Global Real GDP Growth Trends



Source: IMF World Economic Outlook, October 2019

## B. ECONOMIC GROWTH IN THE MEMBER COUNTRIES

According to the IMF’s late 2019 forecast, growth in IsDB Member Countries (MCs) is expected to decline in 2019 before improving in 2020 onwards. The GDP growth in the MCs is forecasted to reduce to 2.2 percent for the year 2019, down from 3 percent in 2018. It is expected to expand markedly to 3.7 percent in 2020 and 3.8 percent in 2021 as more MCs are forecast to record real GDP growth rates of 6 percent and above in 2020 than in 2019.

### Fast Growing Member Countries

In 2019, 11 MCs (Bangladesh, Côte d’Ivoire, Benin, Gambia, Maldives, Turkmenistan, Niger, Uganda, Senegal, Burkina Faso and Libya) are forecasted to grow at 6 percent or above compared with 13 MCs in 2020. In addition, seven MCs (Indonesia, Saudi Arabia, Turkey, Iran, UAE, Nigeria and Egypt) are forecasted to experience growth expansions, whereas three MCs (Bangladesh, Malaysia and Pakistan) are expected to see slight growth decelerations of less than 1 percent.



### MCs with Substantial Growth Improvements

Substantial growth improvements are expected in Saudi Arabia, Turkey and Iran. The Iranian economy is expected to recover to a growth forecast of 0.05 percent in 2020 after a sharp slump of negative 9.5 percent in 2019 as the country adjusts to the impacts of the US sanctions. The structural reforms taking place in both Saudi Arabia and Turkey are expected to show gains in 2020 with growth forecast increasing from 0.2 percent in 2019 to 2.2 percent in 2020 for Saudi Arabia and from 0.25 percent to 2.9 percent for Turkey over the same period.

The Gambia is benefiting from positive growth prospects resulting from improved business environment. With the discovery of large oil reserves, the Guyana is forecasted to benefit from a higher growth rate of 85.6 percent in 2020 thus, topping the fastest growing countries in the world.

### MCs with Forecasted GDP Reductions

The largest forecasted reductions from April 2019 to October 2019 were in Libya (23.3 percent), followed by Iran (3.5 percent), Brunei (2.9 percent) and Mozambique (2.2 percent). The renewed fighting around Libyan Capital, Tripoli, and its oil fields have dampened the growth forecast for Libya. Similarly, the trade and economic sanctions continue to diminish growth prospects for Iran. Brunei's GDP growth has been declining due to persistent low oil prices, where oil contributes to 62 percent of the GDP and 90 percent of the government's revenues.

### Fast Growing Economies in 2019-2020

Three MCs are expected to be among the top ten fastest growing economies in the world - Bangladesh, Côte d'Ivoire and Mauritania in 2019, and Guyana, Bangladesh and Cote d'Ivoire in 2020. Trade and public sector investments have been driving high economic growth in Bangladesh, with ready-made garments accounting for 80 percent of the country's exports. Côte d'Ivoire's rich endowment of natural resources makes it the world's leading cocoa and cashew nut producer, while oil and gas exploration are currently ongoing. Mauritania has joined the group of top ten fastest growing economies in 2019 due to increased foreign direct investments in offshore gas exploration and extractive sectors.



### Regional Economic Prospects

The oil exporting countries are forecasted to experience growth contracting from positive 0.8 percent in 2018 to negative 0.2 percent in 2020 due to declining oil demand and prices. In comparison, non-oil exporters are expected to experience growth deceleration from 4.7 percent in 2018 to 3.9 percent in 2019.



**TURKEY**

Growth forecast increased from negative 2.5 percent in 2019 to positive 2.9 percent in 2020.

**MAURITANIA**

One of the fastest growing economies with 5.9 percent rate due to foreign direct investment in offshore gas explorations.

**LIBYA**

Largest forecast reduction in 2019 (23.3 percent).

**MENA AND EUROPE**

Average real GDP growth of 3.9 percent. The region witnessed a sharp increase from 0.4 percent in 2019 to a forecast of 2.75 percent in 2020 due to favorable conditions in three economies: Saudi Arabia, Turkey and Iran.

**AFRICA AND LATIN AMERICA**

Average real GDP growth of 4.4 percent, expected to rise 4.3 percent in 2020, and (6.1 percent) in non-fuel exporting countries.

**MENA & Europe**

**Africa & Latin America**

**Côte d'Ivoire**

One of the fastest growing economies with 7.3 percent growth rate due to growth in production of cocoa and cashew.

**THE GAMBIA**

One of the fastest growing economies with 6.4 percent growth due to improved business environment.

**GUYANA**

Due to the recent discovery of oil and with 85.6 percent GDP growth it is topping the fastest growing country in the world.

**IRAN**

Expected to recover from -9.5 percent growth in 2019 to 0.05 percent in 2020.

**BANGLADESH**

One of the fastest growing economies with 7.4 percent growth rate, due to textile exports.

**Asia**

**ASIA**

Fastest growing region with an average GDP growth of 5.6 percent, expected to decelerate to 5.2 percent in 2020.

**SAUDI ARABIA**

Expected to experience growth rate of 2 percent in 2020 due to structural reforms and opening up to foreign investment.

**BRUNEI**

2.9 percent reduction in growth due to decline in oil prices.

**AFRICA & LATIN AMERICA**

Benin, Burkina Faso, Cameroon, Chad, Comoros, Côte d'Ivoire, Djibouti, Gabon, Gambia, Guinea, Guinea Bissau, Guyana, Mali, Mozambique, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Suriname, Togo and Uganda.

**ASIA**

Bangladesh, Brunei, Indonesia, Kazakhstan, Kyrgyz Republic, Malaysia, Maldives, Tajikistan, Turkmenistan and Uzbekistan.

**MENA & EUROPE**

Afghanistan, Albania, Algeria, Azerbaijan, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Pakistan, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, Turkey, U.A.E and Yemen.

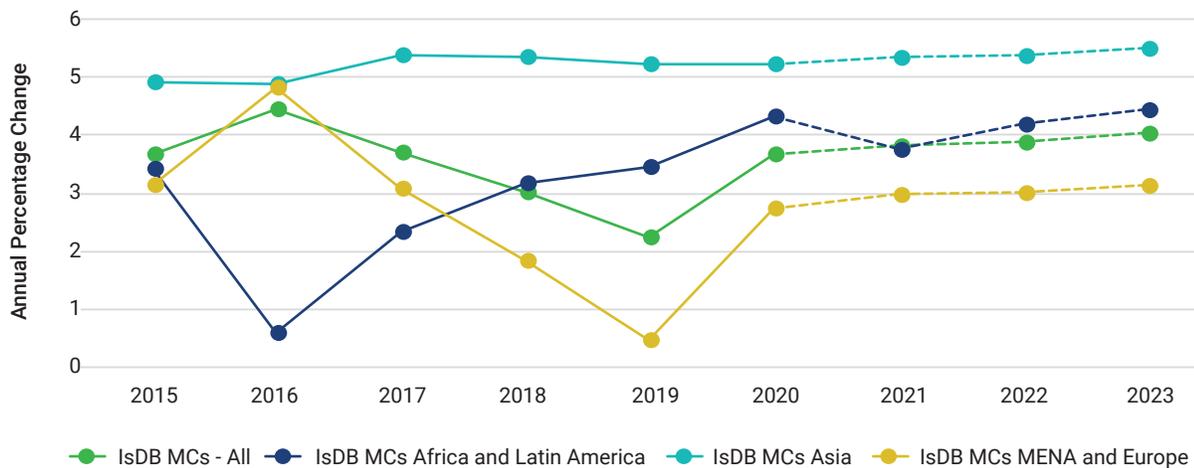
### Asian Region

The growth powerhouse of IsDB MCs lies in Asia, where the GDP growth has averaged 5.6 percent since 2010 compared with 4.4 percent for Africa and Latin America and 3.9 percent for MENA and Europe. The Asian MCs have maintained stable growth patterns before witnessing slight decelerations of growth from 5.4 percent in 2018 to forecasted 5.3 percent in 2019 and 5.2 percent in 2020, respectively reflecting the effects of trade tensions, lower demand and declining growth around the world.

### Africa and Latin America Region

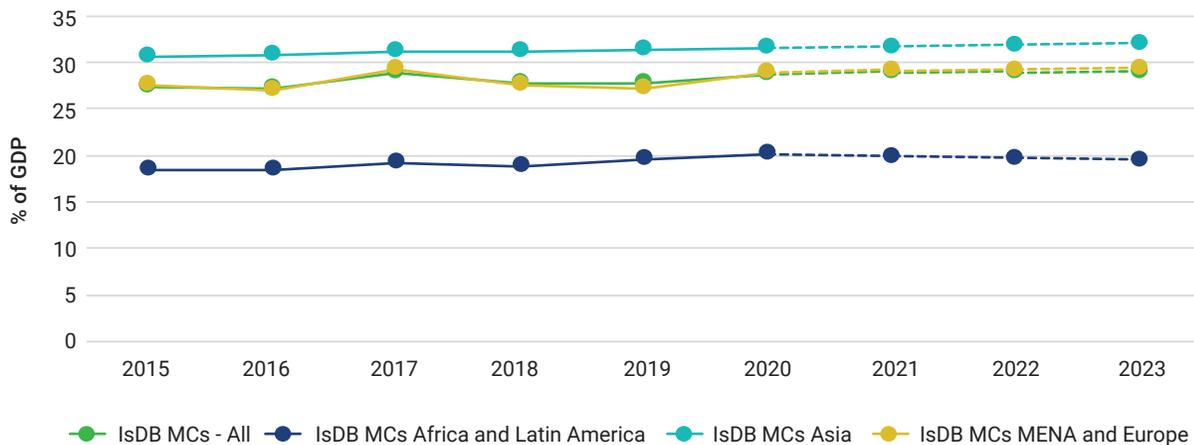
The GDP growth is expected to continue upwards in Africa and Latin America from 2.3 percent in 2017 to 3.4 percent in 2018 and to forecasted growths of 3.4 percent in 2019 and 4.3 percent in 2020. These rising growth trends are driven by non-fuel exporters in ALA, which are expected to grow at a rate of 5.8 percent in 2019 followed by an expansion of 6.1 percent in 2020. There are seven MCs in ALA growing at above 6 percent per annum, on the back of improved governance and rising mineral exports.

Figure 2.2: Real GDP Growth Trend and Outlook

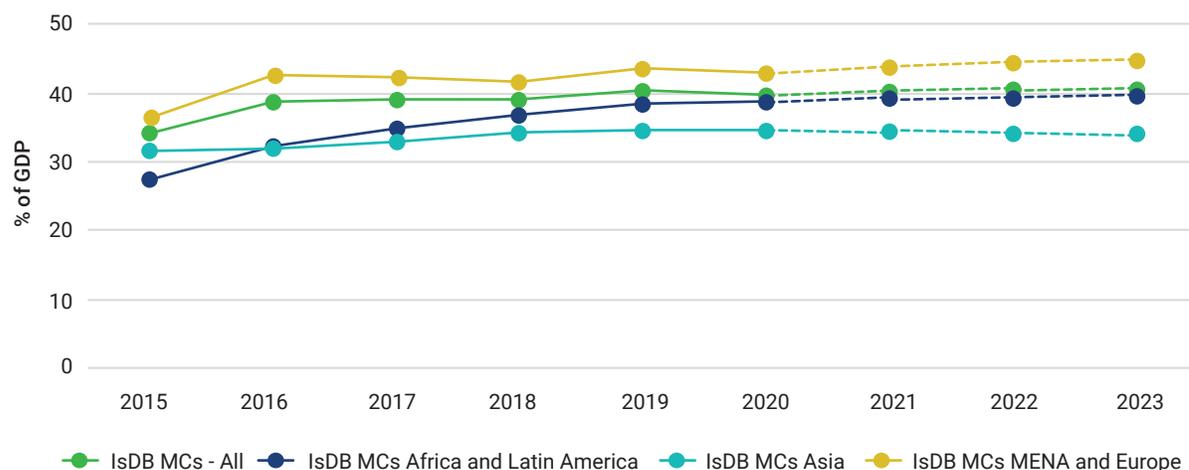


Source: IMF World Economic Outlook, October 2019

Figure 2.3: Investment Trend and Outlook



Source: IMF World Economic Outlook, October 2019

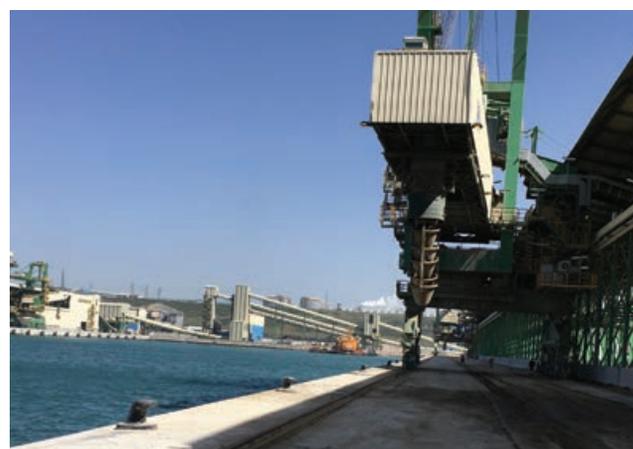
**Figure 2.4: Gross Government Debt - Outlook and Recent Past**

Source: IMF World Economic Outlook, October 2019

While economic growth is an important indicator of progress, it is imperative to evaluate how other social and sustainable development indicators are changing in the MCs..

### Key Economic Indicators in MCs

The development progress of the MCs from 2006 to 2018 indicates, remarkably increasing levels of income and decreasing proportion of population living in poverty. This represents general improvements in terms of working conditions and formal employment opportunities in many MCs. The social indicators have improved as measured by a marginal increase in Human Development Index from 0.60 in 2006 to 0.63 in 2019.

**Table 2.1: Economic and Social Indicators of IsDB Member Countries**

Indicator	2006	2019	Change
Nominal GDP per capita (US\$)	2,487.2	3,899.7	<span style="color: green;">●</span>
Real GDP Growth	6.3	2.2	<span style="color: red;">●</span>
Human Development Index (2018)	0.60	0.63	<span style="color: green;">●</span>
Vulnerable workers - (% of total employment)	56.5	51.3	<span style="color: yellow;">●</span>
Proportion of employed population below US\$1.90 ppp a day (% of total employment)	20.9	13.7	<span style="color: red;">●</span>
Unemployment rate	6.3	6.0	<span style="color: green;">●</span>
Unemployment rate (youth)	13.7	13.9	<span style="color: yellow;">●</span>

Source: Latest Data from the World Development Indicators. Aggregation done by IsDB

### IMPACT OF NOVEL CORONA VIRUS ON THE MCs'

The ramification of the outbreak of the Novel Corona Virus (2019-nCoV) outbreak on MCs will depend largely on the extent to which the MC's economy is linked globally, the underlying vulnerabilities and the capacity to withstand a massive shock to key sectors of their economies. In the early part of 2020, the commodity-exporting MCs as well as MCs who supply goods for China's consumption are most affected by the outbreak. Nine out of 15 top exporters of crude oil are IsDB MCs, which make up for about 50 percent of China's crude oil imports.

China has also been a key source of financing for many countries and has become increasingly important on the global development landscape. In Africa, Nigeria, Cameroon and Mozambique were among the ten largest recipients of China's investment in the continent in 2017.

Similarly, MCs such as Malaysia and Indonesia (both of which are among the top 10 destination for tourists) will also feel the brunt of the lockdown and travel restriction measures currently in place.



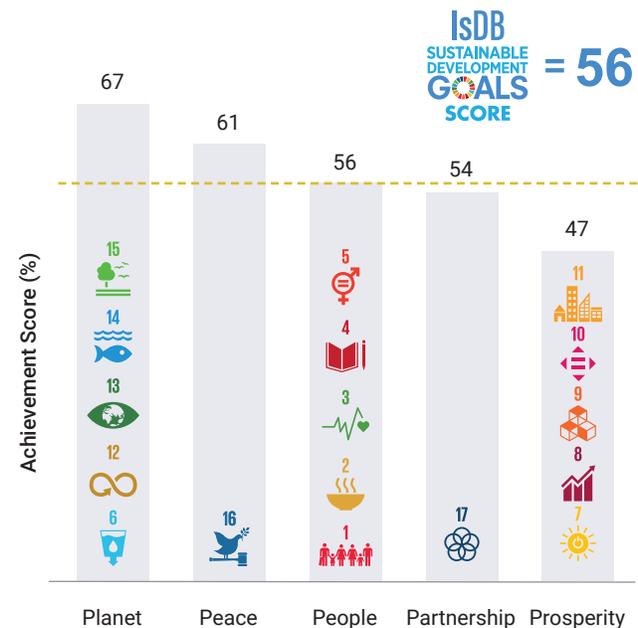
### C. PROGRESS TOWARDS SUSTAINABLE DEVELOPMENT GOALS

Most of the MCs have aligned their national development strategies with the Sustainable Development Goals (SDGs). Efforts are accelerating to achieve the 17 goals of the global development agenda on time. MCs have varying degrees of challenges from one goal to another such as Goal 9 (innovations and infrastructure), Goal 10 (inequalities) and Goal 14 (life below water) which stood out as the most challenging goals for most MCs.

The overall achievement rate of SDGs by the MCs was 56 percent which is below the global average of 60 percent threshold. When the goals are grouped under the Agenda of the 5Ps: People (Goals 1 to 5); Planet (Goals 6, and 12 to 15); Prosperity (Goals 7 to 11); Peace (Goal 16) and Partnership (Goal 17), the IsDB MC's achievements vary widely (Figure 5 below). For example, IsDB MCs performed well on Planet (67 percent) and Peace (61 percent). The low achievement rate relates to Prosperity (47 percent), followed by Partnership (54 percent) and People (56 percent) respectively.

THE OVERALL ACHIEVEMENT RATE OF SDGs BY IsDB MCs WAS 56% WHICH IS BELOW THE GLOBAL AVERAGE OF 60% THRESHOLD. ”

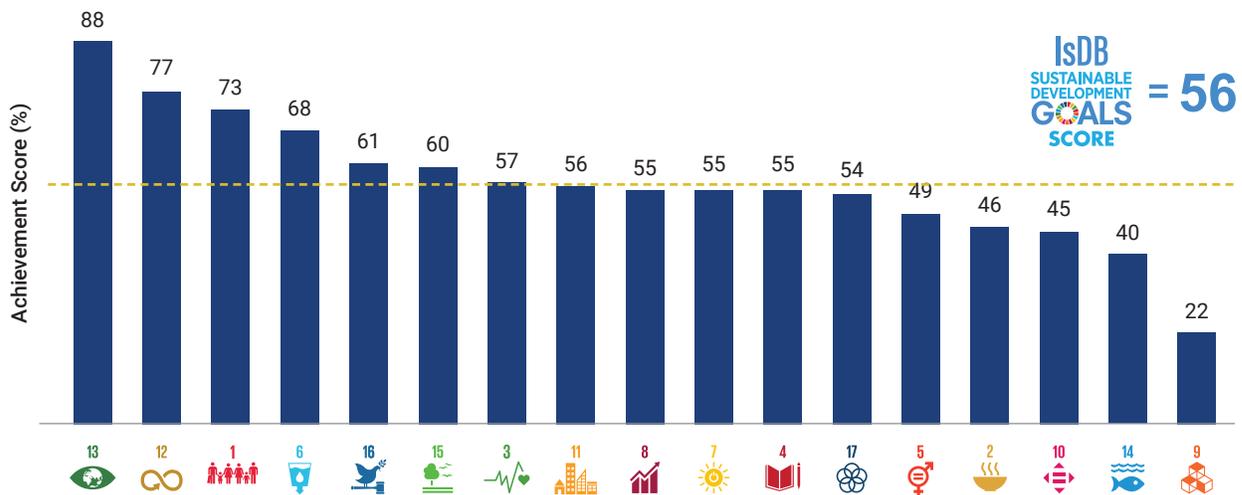
Figure 2.5: Overall SDG Achievement in MCs



The MCs' progress across the individual 17 Goals also vary significantly, ranging from the lowest 22 percent for SDG 9: Industry, Innovation and Infrastructure, followed by 40 percent for SDG 13: life under water, to the highest 77 percent for the SDG 12: Responsible Consumption and Production and 88

percent for SDG 13: Climate Action (Figure 6 below). Using the 60 percent achievement as a good achievement benchmark, the current performance of IsDB MCs is not satisfactory, and efforts must be accelerated, especially on Goals 9, 10 and 14.

**Figure 2.6: IsDB MCs Progress Against the SDGs**



### 1. POVERTY AND UNDER-NOURISHMENT

From 2006 to 2018, the MCs have recorded a leap in poverty reduction by lifting more than 220 million people from extreme poverty. The poverty head count ratio decreased to 16.2 percent in 2018. The concentration of poor people has

slightly declined, with the share of the world's poor living in the MCs reducing from 40 percent in 2006 to 26.9 percent in 2018.

**Table 2.2: Poverty Indicators of IsDB Member Countries**

Indicator	2006	2018	Change
MC total number of people living in extreme poverty (million)	395.0	175	●
MC's poverty head count (%)	30.5	9.8	●
MC's share of the world poor (%)	40	26.9	●

Source: Latest Data from the World Development Indicators. Aggregation done by IsDB

LIFTING MORE THAN 220 MILLION PEOPLE FROM EXTREME POVERTY OVER THE PERIOD 2006 - 2018, THE POVERTY HEAD COUNT DECREASED TO 16.2% OF THE POPULATION IN 2018. ”



## 2. HEALTH, WATER AND SANITATION

Health sector has witnessed marked improvements in MCs during the period 2006 – 2018. The under-five mortality rate decreased to 48.3 per 1,000 live births and maternal mortality rate decreased to 260.9 per 100,000 live births. In addition, more people than before are now accessing safe drinking water and using safe sanitation facilities.

**UNDER-FIVE MORTALITY RATE DECREASED BY 31.6% AND MATERNAL MORTALITY RATE ALSO DECREASED BY 24.4%. ”**

**Table 2.3: Health Indicators of IsDB Member Countries**

Indicator	2006	2018	Change
Under 5-Mortality rate (per 1,000 live births)	70.7	48.3	●
Maternal mortality rate (per 100,000 live birth)	345.5	260.9	●
Population with access to safe drinking water (%)	79.2	84.1	●
Population with access to safe sanitation (%)	56.8	64.3 (2017)	●

Source: Latest Data from the World Development Indicators. Aggregation done by IsDB



## 3. EDUCATION

The education sector has witnessed remarkable improvements over the period 2006 -2018. Both enrollment and completion rates have risen across all levels, and mean years of schooling, a critical component of human development has increased from 5.7 years to 6.6 years. The MC's education related expenditure rose from 3.9 percent of GDP in 2006 to 4.3 percent of GDP in 2018.

**MEAN YEARS OF SCHOOLING, A CRITICAL COMPONENT OF HUMAN DEVELOPMENT HAS INCREASED FROM 5.7 YEARS TO 6.6 YEARS IN MCs. ”**

**Table 2.4: Education Indicators of IsDB Member Countries**

Indicator	2006	2018	Change
School enrollment, primary (% net)	81.4	87.4	●
Primary completion rate, total (% of relevant age group)	82.7	87.9	●
Lower secondary completion rate, total (% of relevant age group)	61.6	73.9	●
Government education expenditure (% of GDP)	3.9	4.3	●
Mean years of schooling	5.7	6.6	●

Source: Latest Data from the World Development Indicators. Aggregation done by IsDB



#### 4. WOMEN EMPOWERMENT

A number of MCs have made considerable progress towards women's empowerment in recent years. The mean years of school enrolment rose from 5 to 6.4 following high female school enrollments. This was matched by increased labor participation from 35.3 percent in 2006 to 38.9 percent in 2018. More women joined national decision-making bodies and contributed to the socio-economic development efforts of their respective countries.

THE GIRL'S MEAN YEARS OF SCHOOL ENROLLMENT ROSE FROM 5 TO 6.4 FOLLOWING HIGH FEMALE SCHOOL ENROLLMENTS. WOMEN'S LABOR-FORCE PARTICIPATION INCREASED FROM 35.3% IN 2006 TO 38.9% IN 2018. ”

**Table 2.5: Education Indicators of IsDB MCs (Female)**

Indicator	2006	2018	Change
School enrollment, primary, female (% gross)	91	102	●
School enrollment, secondary, female (% gross)	58.9	74.8	●
Mean years of schooling, female	5.0	6.4	●
Labor force participation rate, female	35.3	38.9	●
Seats held by women in national parliament (% of total seats)	12.0	17.8	●

Source: Latest Data from the World Development Indicators. Aggregation done by IsDB



#### 5. INFRASTRUCTURE

Member countries witnessed considerable improvements in terms of infrastructure and industrialization. While there was an increase in employment and job creation, there was reduction in employment indicators between 2017 and 2018. Industry, especially manufacturing, has generally declined in output value addition and consequently resulting in low industry employment. Agricultural sector, which remains the largest employer for many MCs, has lost its share in many countries due to low productivity. This low agricultural productivity can be attributed to many factors, key among them are subsistence-fragmented system, declining soil fertility, climate change effects, and lack of good market access.

**Table 2.6: Access to Market Opportunities in MCs**

Indicator	Baseline (2006)	Latest Value	Change
Access to electricity (% of population)	68.1	79.4 (2017)	●
Individuals using internet (% of population)	7.4	36.5 (2017)	●
Job creation (million)	12.3	11.4 (2018)	●
Persons employed (million)	485.2	632.8 (2018)	●
Manufacturing, value added (% of GDP)	16.6	15.7 (2018)	●
Industry including construction (% of GDP)	41.8	37.4 (2018)	●

Source: Latest Data from the World Development Indicators. Aggregation done by IsDB





## Chapter 3



# Contribution to Development Results

THIS CHAPTER PROVIDES AN OVERVIEW OF THE BANK'S CONTRIBUTION TO DEVELOPMENT RESULTS IN MEMBER COUNTRIES AND MUSLIM COMMUNITIES IN NON-MEMBER COUNTRIES. IT PRESENTS PROGRESS AGAINST THE RESULTS FRAMEWORK AND CORE SECTOR INDICATORS DEFINED IN THE BANK'S 10-YEAR STRATEGY FRAMEWORK.

### A. IMPROVING ACCESS TO MARKET INFORMATION

Market growth requires access to data at macro and micro levels to enable a deeper understanding of the market value chain activities. The availability of data will provide investors with access to investment opportunities as well as the nature of risk and return involved in the markets of interest.

The Bank aims to become a hub of analytical work on strategic markets and global value chains by providing diagnostic work and knowledge products that connect market players to their potential clients and financiers globally.

In 2019, the IsDB allocated US\$350,000 towards promotion of regional integration. These interventions mobilized US\$1.15 million from development partners (such as the World Bank Group, the Centre for Transportation Studies for the Western Mediterranean (CETMO), the World Islamic Economic Forum, Annual Investment Meeting Dubai, the Association of Southeast Asian Nations (ASEAN) etc.) in the implementation of

the Regional Cooperation & Integration (RCI) Grant program benefiting 25 landlocked MCs with no access to maritime routes and 2,200 senior officials and experts. These programs contributed to improving regional policy dialogues on trade, investment, monetary and financial cooperation, cooperation on regional public goods, alignment of domestic policy reforms with cross-border objectives, and research and knowledge transfer and utilization.

**IN 2019, THE ISDB ALLOCATED US\$350,000 TOWARDS PROMOTION OF REGIONAL INTEGRATION. THIS INITIATIVE MOBILIZED US\$1.15 MILLION FROM DEVELOPMENT PARTNERS. ”**

The Bank supported MCs in upgrading human and institutional capacities to be ready to join the multilateral trading system. The program also served as a forum for senior officials from MCs to discuss various multilateral and regional trade matters. During 2019,



US\$250,000 was allocated to supporting MCs to: (i) enhance their capacities to negotiate and implement regional and multilateral trade agreements; (ii) increase their understanding of policy implications and the role of trade at the global and regional levels; and (iii) accede to the WTO agreements to benefit from being members. Over 175 senior officials and experts from 34 MCs benefited from this program.

The Bank has approved US\$131,000 Technical Assistance Grants (TA) to build the capacity of the Jordanian parliament to effectively enact legislation, adopt budgets, and monitor the effective implementation of SDGs. The Bank supported the building of the national statistical capacity of MCs, leveraging the success of other countries and transferring knowledge to MCs. In 2019 the Bank co-sponsored the 62<sup>nd</sup> World Statistical Congress in Malaysia where over 2,500 delegates from all over the world attended during a five-day period. Similarly, the Bank organized the OIC-STATCOM 8<sup>th</sup> session where 57 OIC National Statistical Officers shared and exchanged knowledge, experience and best practices on initiatives for more effective and efficient management of National Statistical Systems (NSS).

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THE BANK HAS APPROVED US\$131,000 TECHNICAL ASSISTANCE GRANTS TO BUILD THE CAPACITY OF THE JORDANIAN PARLIAMENT. ”

## B. OPENING THE NATIONAL PLANNING PROCESS

Improving cooperation locally and between countries start from the stage of country planning. Hence, IsDB aims to make the country programming process a platform for all important stakeholders including the government, private sector, community, and regional players.

### Country Strategy

The President's 5-Years Program (i.e., P5P) aims to support sustainable development in its member countries, by being: proactive in delivery of MC development needs, at the frontier of development, and fast and adaptive to MC needs.

This target operating model aims to make Markets Work for Development, while driving development by improving the competitiveness of industries that are connected to the Global Value Chains (GVCs). This will be carried out by moving into higher value-added products with strong backward and



forward linkages based on higher complexity as well as science, technology and innovation.

Four Member Country Partnership Strategies (MCPS) are under implementation, and 7 MCPSs are under preparation as per the new GVC based model.

The MCPS for Maldives, Gabon, Morocco and Turkey are being prepared based on in-depth analysis and extensive dialogue with the MCs and are being finalized in coordination with the respective governments.

The Bank has launched the Country Programs Delivery Initiative (CPDI) that aims to enhance the delivery of IsDB programs, develop the delivery capacity of stakeholders, and strengthen transparency and accountability for results at the level of MC as well as the Bank. In 2019, a pilot initiative was established in Senegal, while discussions are ongoing for Indonesia.

### Regional Cooperation and Reverse Linkage

In 2019, Bank supported 15 RCI grant-based operations under the Investment Promotion Technical Assistance Program (ITAP) for a total amount of approximately US\$800,000. These programs mobilized more than double this amount from key partners and benefitted nearly 40 MCs and over 2,500 senior officials and experts. The capacity development program has supported the landlocked MCs to be integrated with international trade and the global value chains. The interventions and trainings under this program covered a range of topics, such as market access, customs and trade administration, agriculture, textile and apparel, technical barriers to trade, general agreements on trade in services, intellectual property rights, anti-dumping, subsidies and countervailing measures, dispute settlement, agreement on trade-related investment measures, trade and competition policy, trade and environment and regionalism.

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IN 2019, THE BANK SUPPORTED 15 GRANTS WORTH US\$800,000 TO PROMOTE GLOBAL AND REGIONAL INTEGRATION THROUGH TRADE AND INVESTMENT IN THE MEMBER COUNTRIES. ””



The Bank produced 9 publications on RCI, including RCI baseline report for all IsDB Group contributions. High-level representatives of over 20 multilateral institutions attended the inaugural RCI Symposium organized by the Bank in 2019.

In 2019, the Bank helped link 8 member countries through Reverse Linkage operations - IsDB modality to support South-South and Triangular Cooperation (SSTrC) among MCs on various development programs.

The Bank co-organized 12 international events including the 2nd High Level UN Conference on South-South Cooperation; and led the organization of the 11th High Level Forum of Director Generals for Development Cooperation. The Bank has developed evidence-based framework for national ecosystems for SSTrC for publication during the UN General Assembly and received several partner endorsements.



The Bank approved US\$20 million capacity development program to support the enhancement of national SSTRC ecosystems by mobilizing US\$45 million from the private sector and US\$13 million from other development partners.

More than 10,000 people recovered eyesight through free cataract surgeries and more than 50,000 benefited from free eye consultations through the Bank's Alliance to Fight Avoidable Blindness that brings together several development partners to achieve desired development results.

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10,000 PEOPLE RECOVERED EYESIGHT THROUGH FREE CATARACT SURGERIES AND 50,000 BENEFITTED FROM FREE EYE CONSULTATIONS THROUGH THE BANK'S ALLIANCE TO FIGHT AVOIDABLE BLINDNESS. ”

### C. DOING BUSINESS THE INDUSTRY 4.0 WAY

Over the next ten years, IsDB aims to double its **private sector** footprint and become a catalytic for entrepreneurship and financial sector growth in the MCs. It would support enterprises by making them competitive and helping them to attract foreign investment in order to generate inclusive growth and more, and better quality, jobs.

To achieve this, IsDB will increase focus on the “doing business” policy reforms and offer scholarships to future leaders, especially in the least developed MCs. In addition, the Science, Technology and Innovation (STI) interventions will target productivity enhancement and support for entrepreneurship.



## 1. PUBLIC PRIVATE PARTNERSHIPS

As part of the P5P, the Bank has also focused on making public-private partnerships work for the development of MCs. The PPP work acts as an enabler to strengthen relationships with external stakeholders for resource mobilization and partnerships, while mainstreaming Islamic Finance products in infrastructure investments. The PPP work also aims to enhance IsDB's contribution and connectivity by tapping into a network of public-private institutions, aimed at enhancing the development impact per unit of investment in infrastructure.

In 2019, the PPP portfolio of approved projects increased to US\$4.3 billion (17 percent of the IsDB active portfolio), including 45 projects in 17 MCs at various stages from approval to closure and repayment. The PPP projects include commercial ventures in energy, utilities, transport and social infrastructure with high rates of return, shorter spans of implementation (2-4 years) and contribution to economic growth and job creation. The total cost of the PPP projects, including investments by other stakeholders, is over US\$72.8 billion.

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**IN 2019, THE PPP PORTFOLIO OF APPROVED PROJECTS INCREASED TO US\$4.3 BILLION (17 PERCENT OF THE ISDB ACTIVE PORTFOLIO), COMPRISING 45 PROJECTS IN 17 MCs AT VARIOUS STAGES FROM APPROVAL TO CLOSURE AND REPAYMENT. ”**

## 2. SCIENCE, TECHNOLOGY AND INNOVATION (STI)

The Bank supports the MCs in harnessing the power of STI as a catalyst for sustainable socio-economic growth and prosperity. Highlights of the main initiative include:

**Partnership with UNESCO:** In 2019, the Bank established a Strategic Partnership with UNESCO to support inclusive STI expansion in the MCs. The partnership has led to the development of STI profile of the Bank “GO-SPIN” and STI Policy. The Bank in collaboration with UNESCO is currently supporting STI ecosystems in Mozambique and Uzbekistan.

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**THE PARTNERSHIP BETWEEN ISDB AND UNESCO HAS LED TO THE DEVELOPMENT OF STI PROFILE OF THE BANK “GO-SPIN” AND THE BANK’S SCIENCE, TECHNOLOGY AND INNOVATION (STI) POLICY. ”**



**Whitaker Peace and Development Initiative (WPDI):** The Bank has forged a partnership with WPDI to support peace, social inclusion, reconciliation and employability in conflict-violence affected communities in Uganda. It will empower 168 youth as partners and leaders in the promotion of peace and sustainable development in the most vulnerable districts of Karamoja sub-region of Northern Uganda, through the WPDI flagship “Youth Peacemaker Network (YPN)”.

**Maritime Investment Initiatives (MII):** As the Ocean is a promising cornerstone of the global economy with contributions of approximately US\$2.5 Trillion, the Bank has developed a strategic position paper “MII for the IsDB” to guide current and future blue economy investment activities.

**Memorandum of Understanding with the Republic of Senegal:** The Bank has signed an MoU with the Government of Senegal to support the expansion of its maritime investment and blue economy sectors. The MoU was signed during the Transformers Summit in Senegal in December 2019.



### 3. SCHOLARSHIP PROGRAM

In 2019, the Bank provided 1,201 scholarships to students and scholars from 110 countries. This included 826 scholarships for undergraduate students, of which 135 were through the joint IsDB-ISFD fund for LDMCs, 205 for Masters degree students, and 170 for doctorate (PhD) and post-doctoral research studies.

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IN 2019, THE BANK PROVIDED SCHOLARSHIPS TO 1,201 STUDENTS AND SCHOLARS FROM 110 COUNTRIES. ””

To ensure that the students and scholars can acquire and transfer the most advanced science and cutting-edge technological knowledge and expertise to their respective countries, the Bank has established cooperation agreements with top universities to ensure high quality education for its students and scholars at affordable cost.



The IsDB will also continue to engage with its Alumni and invite them to participate through among others, in an annual Call for Innovation Program through its recently launched “Engage Platform & Transform Fund”. The winning applicants will receive financial support to translate their innovative ideas into development solutions and possible commercialization.

A joint scholarship program funded by the ISFD has also been launched for the Least Developed Member Countries



(LDMCs). This program provides scholarships for vocational training and undergraduate programs to empower young women and men to serve the needs of their communities.

A joint program with The World Academy of Science (TWAS) Trieste, Italy, was launched in 2019 to enhance human development and critical capabilities in STI related knowledge. The collaboration covers:

1. Scholarships to 20 scientists from low income MCs to undertake post-doctoral research;
2. A joint research and technology transfer project on topics related to sustainability challenges relevant to SDGs;
3. Support nine refugee scientists from conflict affected areas in member countries; and,
4. A high-level workshop on the science-policy-development nexus the first of its kind in the Muslim world, was held in Jeddah 2019. The workshop brought together 25 high level participants, including ministers of science and technology, high-level policy-makers and scientists from IsDB member states. It helped IsDB position itself in the area of science diplomacy and fostered dialogue and cooperation among scientists and policy makers in MCs for the achievement of SDGs.

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THE BANK ORGANISED A HIGH-LEVEL WORKSHOP ON SCIENCE-POLICY-DIPLOMACY NEXUS, THE FIRST OF ITS KIND IN THE MUSLIM WORLD, THAT BROUGHT TOGETHER MINISTERS, POLICY MAKERS AND SCIENTISTS FROM MCs. ””

## D. BUILDING GREEN VALUE CHAIN ENABLING INFRASTRUCTURE

IsDB continues to invest in infrastructure projects that raise efficiency and scale of the market players and value chains selected in Member Country Partnership Strategies. To achieve this, IsDB plays an active role in project sourcing to improve the quality of projects and attract private sector participation for maximum impact. This section highlights the key results expected from the recently approved projects and reported results from recently completed projects.

### 1. PLANNED RESULTS FROM PROJECTS APPROVED IN 2019

In 2019 the Bank approved US\$1.9 billion in the form of 41 operations and US\$147.4 million comprising 160 grants and technical assistance benefitting 40 MCs and Muslim communities in nine non-member countries.

**BANK HAS APPROVED A TOTAL OF US\$1.9 BILLION FOR 41 OPERATIONS AND US\$147.4 MILLION IN THE FORM OF 160 GRANTS AND TECHNICAL ASSISTANCE. ”**

Table 3.1: Distribution of Projects Approved in 2019

SDG	Sector	No. of Operations	US\$ million
1, 2	Agriculture	29	276.2
4	Education	21	131.3
6	Energy	12	277.9
8	Finance	31	18.7
9, 16	ICT	4	39.5
9	Industry	2	0.1
16	Public	20	0.6
1, 3	Social	43	421.7
17	Trade	10	100.6
9	Transportation	11	382
6	Water	17	160.7
	<b>Total</b>	<b>200</b>	<b>approx. 1.9</b>



## Agriculture

28 operations and grants are approved in the agriculture sector worth US\$193 million. These projects will irrigate 58,000 hectares of land, of which over 10,000 hectares are in Mauritania and Senegal. An irrigation project in Kyrgyz Republic will increase crop production by 60,000 tons and build storage capacity of 3,000 tons. The Bank has approved US\$70.5 million for an Integrated Agriculture Project in the Upland Areas of Indonesia aimed at irrigating 14,000 hectares of land and providing microfinance to 18,000 women and men. A hydro agriculture development project in the Dangoumana, Burkina Faso will provide 20,000 farmers access to improved seeds.

## Education

24 operations and grants were approved in education sector worth US\$83.8 million. These operations are expected to build 68 educational institutes and provide training to 1,200 teachers and faculty members.

## Energy

Ten energy sector projects and grants worth US\$274.9 million were approved in 2019. A 600 MW Jamshoro Power Plant is expected to connect 2.5 million households to electricity. A solar energy project in the Gambia will connect 4,400 households to electricity. Investments in clean energy are expected to reduce CO<sub>2</sub> emission by 14,000 tons per year.

## Health

41 operations and grants (US\$575.9 million) were approved in 2019. A social housing project in Benin will grant access to electricity, improved sanitation and potable water to over 2,000 households, while providing employment to over 13,000 people. The Pakistan Polio Eradication Program (third phase) will support vaccination of 38 million children. A rural housing project in Uzbekistan will provide shelter to 6,400 people.

## Information and Communication Technologies

The Bank has contributed US\$38.8 million for the Djibouti Africa Regional Express-1 (DARE) project which will enable access to internet to 60 million subscribers by 2024 through 5,340km of submarine cable line.

THE DJIBOUTI AFRICA REGIONAL EXPRESS-1 (DARE) PROJECT (US\$38.8 MILLION) WILL IMPROVE INTERNET ACCESS FOR 60 MILLION SUBSCRIBERS BY 2024 THROUGH 5,340KM OF SUBMARINE CABLE LINE. ””

## Transportation

13 projects and grants in the transportation sector (US\$100.6 million) were approved in 2018. Together, these projects will pave 411 km of expressway in Kazakhstan, Guinea, Nigeria, Afghanistan and Uganda.

## Water and Sanitation

18 operations and grants worth US\$164 million were approved in the water and sanitation sector in 2019. The Abidjan Secondary Cities Sanitation Project is expected to increase wastewater sanitation capacity by 840,000 m<sup>3</sup>/day. The Al Ghadir Drainage System in Lebanon will construct 308 km of sewerage network with a water treatment capacity of 90,000 m<sup>3</sup>/day.

## 2. PLANNED RESULTS FROM 2020 PROJECTS PIPELINE

In 2019, the Bank launched an integrated Quality Assurance Framework for the selection and programming of Bank operations, in order to align pipeline projects with the Bank's strategy and ensure selection of high quality, high impact projects. Table 3.2 (next page) provides development results expected from pipeline project in 2020.



**Table 3.2: Planned Results of Projects Pipeline in 2020**

SDG	Result Indicator	Expected Results
	Shelters/houses built, upgraded (number)	150
	Area irrigated (hectares)	13,100
	Crop production increased (tons)	175,500
	Crop storage facilities constructed (tons)	50,000
	Seed production/processing facilities established (tons/hour)	6,000
	Health facilities constructed or upgraded or equipped (number)	79
	Health personnel trained	12,280
	Number of beds added to health facility	4,350
	People benefitting from outpatient service (number)	5,258,000
	Number of persons accommodated in educational institutions	1,700
	Educational institutions built or rehabilitated (number)	908
	Students benefitted (number)	414,050
	Teachers/faculty/staff trained (number)	4,520
	Households with access to improved sanitation (number)	174,992
	Increase potable water treatment capacity (m <sup>3</sup> /day)	4,000
	Increase wastewater treatment capacity (m <sup>3</sup> /day)	75,400
	Install wastewater network (km)	1,062
	People with access to potable water (number)	1,460,000
	Water supply network installed (km)	2,650
	Installed energy generation capacity from renewable sources (MW)	50
	New households connected to electricity	15,000
	Transmission line installed (km)	1,957
	Jobs created (number of people)	30,787
	People trained (number)	13,612
	Population accessing microfinance	28,000
	Rural enterprises established (number)	580
	Expressways and national or regional highway built (km)	241
	Local/rural roads built, upgraded or rehabilitated (km)	1,351



### 3. ACHIEVED RESULTS FROM COMPLETED PROJECTS

This ADER reports on the achieved results from 72 recently completed projects worth US\$3.2 billion distributed over sectors shown in the table 3.3.

**Table 3.3: Distribution of Projects Completed in 2019**

SDG	Sector	No. of Operations	US\$ million
 	Agriculture	19	503
	Education	11	267
	Energy	12	995
	Finance	10	296
 	Health And Other Social Services	3	143
	Public Administration	1	1
	Transportation	11	698
 	Water, Sanit. & Urban Services	5	328
<b>Grand Total</b>		<b>72</b>	<b>3,232</b>

Over 11,000 poor people were provided with housing among them 8,000 in Indonesia as part of the integrated community development project.

### Agriculture

19 agriculture sector projects contributed towards the irrigation of over 60,000 hectares of land, resulting in increased crop production by 1.4 million tons mostly through a quality seed supply project in Bangladesh. An estimated 208,000 m<sup>3</sup> of water resources were developed through dam projects in Iran and Yemen.



#### ENHANCING QUALITY SEED SUPPLY PROJECT Bangladesh

This project was aimed at improving the capacity of Bangladesh Rice Research Institute (BRRI), Bangladesh Agricultural Research Institute (BARI) and Bangladesh Agricultural Development Corporation (BADC), in order to increase the supply of quality seeds to farmers. 34,450 tons of high quality seeds were produced and distributed to small farmers, expecting to result in an increase of 1.4 million tons of food and ensure food security for the target population. 46,000 farmers were provided training in improved agriculture techniques as part of this project. The project was completed in seven years with a total cost of US\$43.7 million, of which US\$35 million was contributed by IsDB.



### Health

Three projects were completed in the health sector. Nearly 4,000 health units were established mostly as part of the Integrated Community Development Program in Indonesia. The 558 bed Manisa Training and Research Program hospital was completed with an expected 1.2 million outpatient visitors yearly.



#### MANISA TRAINING AND RESEARCH HOSPITAL Turkey

The Bank contributed EUR 236 million for this Public Private Partnership (PPP) to build a 550 bed hospital project in Turkey.

In its initial 10 months of operation, the hospital has served over 1 million patients and the average occupancy rate has reached 83 percent. This high-tech hospital scored 96 out of 100 points in the Quality Standard Health review carried out by Turkey's Ministry of Health in July 2019. It exemplifies how Islamic financing and PPPs can provide sustainable solutions for improved healthcare services in the MCs.

### Education

Eleven projects were completed in the education sector. An estimated 2.3 million students were provided improved access to education and 12,000 teachers were provided training in modern teaching and learning methods. The Indonesia community development project contributed in building nearly 900 schools.



#### LITERACY PROGRAM Morocco

This project contributed to eradicating illiteracy among the 16-years and older population and benefitted over 2.3 million children mostly in rural areas. The Bank contributed US\$5.4 million to this project.

## Water, Sanitation and Housing

Over 11,000 poor people were provided with housing among them 8,000 in Indonesia through an integrated community development project with potable water and improved sanitation facilities. These projects helped build a sewerage network over 2,500 km. A post-conflict reconstruction project in Cote d'Ivoire built water treatment capacity of 12,000 m<sup>3</sup> per day.



### INTEGRATED COMMUNITY DRIVEN DEVELOPMENT (PHASE II) PROJECT - Indonesia

The Bank contributed US\$159.5 million to the Indonesian government's National Program for Community Empowerment (PNPM). In Phase II 900 schools and 4,000 health centers were built. 20,000 households were provided access to portable water and improved sanitary services. Over 8,000 houses and shelters were built and 3,000 people accessed microfinance.

## Energy

Twelve energy sector projects completed in 2019 are generating 3,622 MW of electricity, including 1,700 MW generated from renewable sources, which would result in a reduction of 204,000 tons of CO<sub>2</sub> emission per year. These power plants connected 240,000 households to the electricity grid through transmission lines extending over 2,700 km.



### TRICON BOSTON 150MW WIND POWER PLANT Pakistan

The Bank provided US\$75 million for a 150 MW wind power project in the Sindh province of Pakistan, generating energy output in the range of 520 GWh per annum to 601 GWh per annum. The plant is the largest wind power generation unit in Pakistan, expected to reduce CO<sub>2</sub> emission by 204,000 tons/year

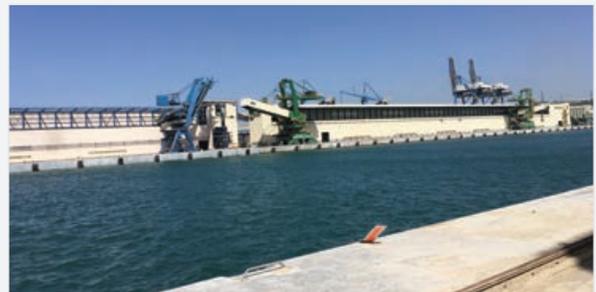
## Transport

Eleven transport sector projects were completed resulting in the construction of 12,000 km of roads including 300km of express highways. The Queen Aalia Airport Expansion Project in Jordan has increased the annual passenger transport capacity to 3 million per year. The Jorf Lasfer Sea Port Project in Morocco has led to the export of 18 million tons of Phosphate Ore annually.



### JORF LASFER PORT EXPANSION PROJECT Morocco

Each year more than 23 million tons of Phosphate Ore is mined out of the Moroccan subsoil and represent one third of the world's economically exploitable reserve. Jorf Lasfer area is rich in Phosphate and the Bank has contributed US\$150 million in expanding the industrial port in this area. The project was opened in September 2017 and it took five years to complete, while employing 7,500 persons. The port has increased the export capacity from 28 million tons per year to 47 million tons. The number of vessels charging and discharging from the port increased from 571 to 686 in 2018.



4. TRUST FUNDS

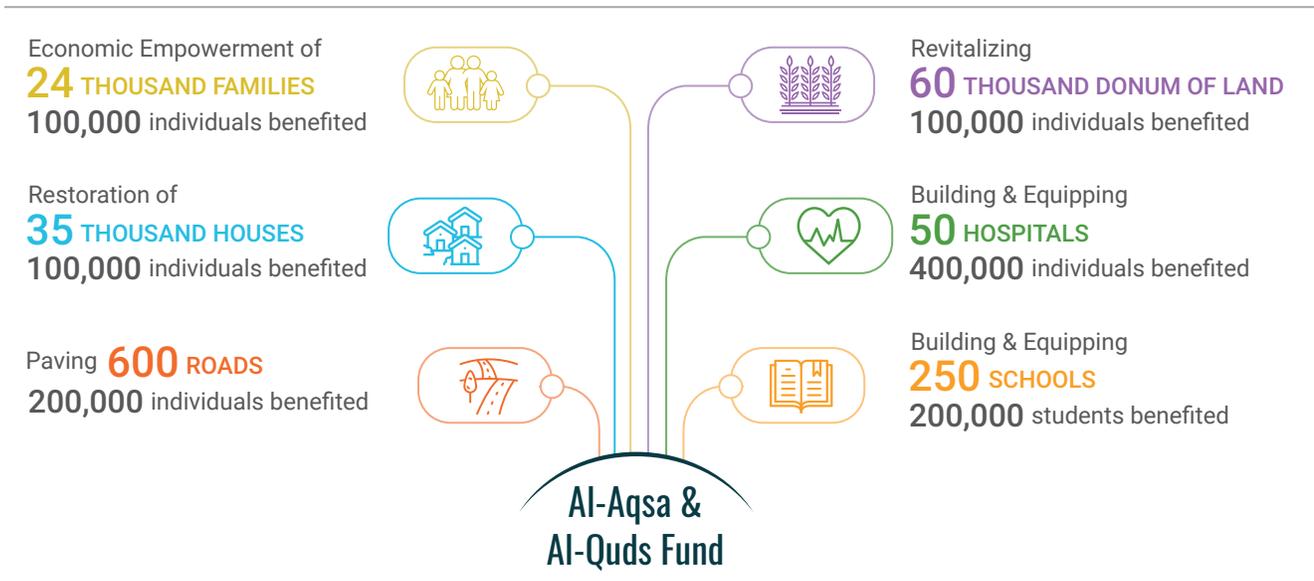
In October 2000 an emergency Arab Summit was held in Cairo to establish vital funding support and financial mechanisms to support socio-economic development and reconstruction of Palestine. The Arab League created the Al-Aqsa Fund to provide support to the Palestinian economy, entrusting the IsDB to manage the funds.

As part of the Al Aqsa fund, the IsDB is managing trust funds contributed by the Arab Fund for Economic and Social

Development, Arab Monetary Fund, Arab Bank for Economic Development in Africa, Kuwait Fund for Development, Saudi Fund for Development and others donors. The total portfolio is over US\$1 billion, with new approvals in 2019 of approximately US\$100 million.

Once completed these new projects will add results to the already achieved indicators below.

Figure 3.1: Key Results of Al-Aqsa and Al-Quds Fund Projects



E. REPOSITIONING ISLAMIC FINANCE FOR DEVELOPMENT

The IsDB seeks to expand the Islamic Finance industry by linking financing to value chain activities. The Islamic Finance industry is ready to be scaled up, given the value of Islamic assets exceeds US\$2 trillion – especially by leveraging the potential of Fintech such as blockchain, big data, and crowdfunding to universalize access to Islamic finance for development.

The Bank approved 30 Islamic finance operations and grants (US\$39.9 million) in 2019. One of the initiatives, Business Resilience for Value Adding Enterprises (BRAVE) in Nigeria, will provide employment to 1,400 women and skills development to 640 women.

30 ISLAMIC FINANCE OPERATIONS AND GRANTS (US\$39.9 MILLION) WERE APPROVED IN 2019. ONE OF THE INITIATIVES, BUSINESS RESILIENCE FOR VALUE ADDING ENTERPRISES IN NIGERIA, WILL PROVIDE EMPLOYMENT TO 1,400 WOMEN. ”



### THE INTEGRATED MICROFINANCE SUPPORT PROGRAM - Benin

The Integrated Microfinance Support Program in Benin contributed to improving the livelihood of low income population through improving access to microfinance facilities, market oriented training, and business opportunities. The Bank approved US\$10.4 million for this project. An estimated 166,000 people accessed Islamic microfinance services of which 90 percent were women. The program provided employment to 1,300 people.



Ten Islamic finance projects were completed in 2019 and provided microfinance to 145,000 poor people, while creating jobs for 40,000 people.

The Bank has supported the development of the Islamic Finance Sector through US\$2.48 million Technical Assistance

programs in 2019. These programs will help in: i) collection and distribution of Zakat in Indonesia, ii) create awareness and build capacity in Uzbekistan, Guinea and Senegal, Tunisia, iii) develop Islamic finance regulation in Somalia and the Commonwealth of Independent States region, and iv) product development in the Gambia.

In addition, 17 projects worth US\$0.4 million were approved in 2019 for the development, promotion and awareness raising related to the Islamic financial service industry. Together these programs are expected to reach 2,500 participants and industry stakeholders. The Bank has supported 100 publications to create knowledge products on topics ranging from Shari’ah governance, prudential regulations, governance and ethics, as well as accounting and auditing for Islamic financial institutions.

## F. BUILDING RESILIENT MARKET SYSTEMS

IsDB pays special attention to ensuring that no one is left behind by making markets work for all segments of the population including women and youth. When poor and disadvantaged people benefit from growth and economic development, the market system at large will achieve higher levels of resilience and sustainability. IsDB is also mainstreaming environmental and social safeguards and market inclusion policies throughout its portfolio of operations.

### 1. GRANTS AND TECHNICAL ASSISTANCE

The Bank provides specialized services based on MC needs in the areas of climate change, women and youth empowerment and resilience.

**Climate change:** The Bank has recently begun to assist the MC in the implementation of climate change adaptation and mitigation agenda. Nigeria has received US\$100,000 and Lebanon will submit funding request to CAEP for about US\$183,000.

IsDB HAS PROVIDED US\$100,000 TO NIGERIA AND IS PLANNING TO SUPPORT LEBANON FOR DEVELOPING CLIMATE CHANGE ADAPTATION AND MITIGATION PROJECTS. ”

**Resilience:** The Bank supported four emergency grants for Mozambique, Iran, Mali and Sierra Leone and three NGO projects in Chad, Somalia and Yemen worth US\$1.5 million. The resilience program in Chad will support 1,200 producers adaptation and mitigation agenda. - to grow 1,500 tons of yam with high nutritious value per year. The Bank contributed to the vocational training of over 1,000 Syrian refugees and enabled them to find employment or establish small scale businesses. Moreover, the Bank supported the Syrian displaced students to continue their schooling through smart electronic schooling platforms.

In 2019, the Bank provided emergency relief grants for 100,000 people in distress with shelter, food and hygienic kits in the aftermath of floods in Mozambique, Iran, Mali and Sierra Leon.

**Women and Youth Empowerment:** The Bank has supported six NGOs grant operations providing about US\$1 million to women and youth. The “Girls Read to Succeed” program in Pakistan has helped 1,800 girls to improve their reading skills. Also, the Bank contributed to a capacity building program in Science, Technology, Engineering and Mathematics (STEM) for teachers in Burkina Faso, Senegal and Togo. The Bank provided seed capital to 150 rural entrepreneurs (mostly women) in Azerbaijan and Indonesia. Over 1,000 rural women in Tajikistan benefited from energy efficient cooking stoves, among other basic care facilities.

THE BANK HAS SUPPORTED SIX NGOS GRANT OPERATIONS PROVIDING ABOUT US\$1 MILLION TO WOMEN AND YOUTH. ””

The Bank has developed twelve case studies that document the Bank’s contribution to youth development and empowerment and draw lessons learnt for future interventions.

2. PARTNERSHIP

The Bank has supported partnership initiatives in the areas of climate change, women and youth empowerment and resilience.

The Bank became an implementing Partner of the Climate Action Enhancement Package (CAEP) under the Nationally Determined Contributions (NDC) Partnership. The Bank also

partnered with the United Nations, German development agency GIZ, Food and Agriculture Organization, and International Renewable Energy Agency delivered several workshops for participants from the MCs.

The NGO program mobilized over US\$10 million through 21 development partners and launched a solidarity platform-Tadamun that supports resource mobilization for national CSOs as well as provides opportunities to share knowledge, experience and best practices. The Bank has conducted five capacity building workshops to help mainstream fragility, conflict, disaster management and civil society engagement into operations.

THE NGO PROGRAM MOBILIZED OVER US\$10 MILLION THROUGH 21 DEVELOPMENT PARTNERS. ””

The Bank launched the MDB Youth Development Working Group, with the UN agencies, MDBs and development partners. The working group aims to strengthen partnership in the areas of women and youth empowerment. The Women Economic Empowerment Task Force with Arab Coordination Group (ACG) members, initiated by the Bank, aims to harmonize and coordinate joint efforts in women economic empowerment. IsDB and ITFC partnered on the SheTrades Morocco project where 25 women-owned SMEs were linked with regional markets.



### 3. MAINSTREAMING CLIMATE CHANGE

To mainstream climate change in its operations, the Bank has developed a customized tool for climate screening, “Aware.” The tool facilitated climate risk assessment in 29 new projects and it has been mainstreamed in designing of new projects.

**THE BANK DEVELOPED A CUSTOMIZED TOOL FOR CLIMATE SCREENING, “AWARE”. THE TOOL FACILITATED CLIMATE RISK ASSESSMENT IN 29 NEW PROJECTS AND IT HAS BEEN MAINSTREAMED IN DESIGNING OF NEW PROJECTS. ”**

A Fragility and Resilience Assessment (FRA) tool was introduced to assess the main drivers and root causes of fragility and conflict to feed MCPS and Global Value Chain programs. The Bank has conducted 5 capacity building workshops to facilitate mainstreaming fragility, conflict, disaster management and civil society engagement into operations.

The Bank continues to lead the Youth Employability Platform, aimed at improving youth employability in MCs.

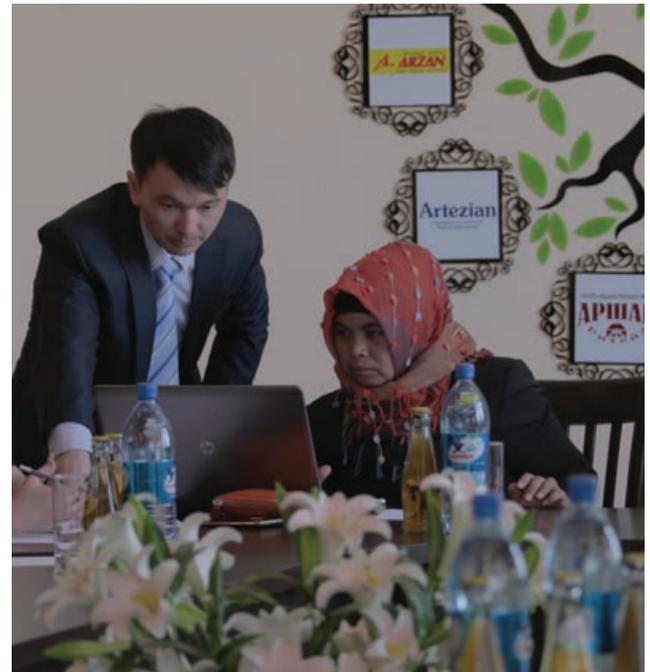
### 4. KNOWLEDGE AND CAPACITY BUILDING

Knowledge creation and dissemination in the areas of Climate Change, Women and Youth Empowerment, Resilience, Human Development, and other key sectors remain an area of high priority for the Bank.

The Bank developed the Climate Smart Agriculture Handbook in the MENA region in partnership with FAO and the Climate Action Report at City Level Arab Region in partnership with UN-Habitat. The Bank also contributed to the 2018 MDB Climate Finance Report.

The first flagship Resilience Report was published in 2018. It assesses the MCs’ institutional capacity to respond to risks, pressures and shocks from manmade and natural disasters. The Bank also produced Disaster Risks Assessment Report to facilitate assessment of the challenges and opportunities in addressing disaster risks.

The Bank developed twelve case studies that document the Bank’s contribution to youth development and empowerment as well as draw lessons learnt for future interventions.



### G. EVALUATION OF COMPLETED PROJECTS

#### LESSONS LEARNED FROM PROJECT COMPLETION REPORTS (PCR)

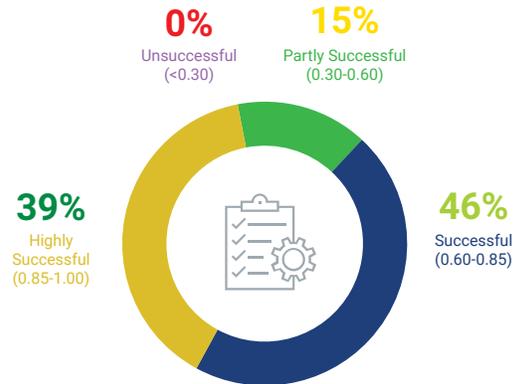
The Project Completion Report is a self-evaluation instrument used to assess development effectiveness and documents performance of a project when project activities have been completed. The PCR reviews the design, implementation, achievements and sustainability of development results relating to operational projects.

The primary purpose of a PCR is to enhance quality at exit, document project results, draw lessons for future considerations in designing new projects, and feed back into the design of IsDB’s operational policies and procedures. Accordingly, the PCR plays a key role in enhancing internal accountability mechanism of the Bank and the Executing Agencies towards achieving development results in addition to providing evidence-based for the Bank’s Operations Evaluation Department’s (OED) post implementation evaluation of completed projects .

In 2019, the Bank completed 26 Project Completion Reports and 85 percent of these projects were rated as successful or highly successful in terms of their relevance, effectiveness, efficiency and financial and social sustainability.

15 percent of the completed projects were rated as partly successful, mostly on account of their low rating on efficiency (timeliness and resource utilization) and sustainability (financial viability and technical soundness) criteria. None of the completed projects was rated as unsuccessful.

**Figure 3.2: Analysis of Project Completion Reports (2019)**  
% of Projects (n=26)



IN 2019, 26 PROJECT COMPLETION REPORTS WERE PREPARED. 85% OF THESE PROJECTS WERE RATED AS SUCCESSFUL OR HIGHLY SUCCESSFUL. ”

**Table 3.4: Ratings of Completed Projects**

n = 26	Unsuccessful (<0.30)	Partly Successful (0.30-0.60)	Successful (0.60-0.85)	Highly Successful (0.85-1)
Relevance	-	1	16	9
Effectiveness	-	-	16	10
Efficiency	-	8	12	6
Sustainability	-	3	13	10
Overall	-	4	12	10

**Figure 3.3: Lessons Learned from Project Completion Reports**

	Successful Projects	Unsuccessful Projects
<p><b>RELEVANCE</b></p>	Focus on interventions that address critical needs of the population and provide tangible economic and social benefits at an affordable price - electricity, gas, water, sewerage, irrigation, roads, health and education	Lack strategic prioritisation of the MC’s needs and review of alternative options in consultation with project stakeholders, especially the end-users and beneficiaries
<p><b>EFFECTIVENESS</b></p>	Involve multiple stakeholders, including local partners, MDBs and other development agencies, for co-financing and advisory services  Sustained levels of MC’s political will and commitment and often have high visibility and tangible impacts	Lack adequate design and feasibility analysis, incorporating the financial, economic, social and environmental considerations  Located in remote, inaccessible regions affected by disasters or conflict, limiting the EA and IsDB staff’s ability to carry out periodic monitoring and supervision missions
<p><b>EFFICIENCY</b></p>	Careful selection of a suitable executing agency, which has the capacity, organization and resources to manage project implementation and sustain the project infrastructure and outputs	Consultants and contractors lack the required experience, capacity, financial standing or equipment  Frequent changes in project design, executing agency or project personnel during project implementation
<p><b>SUSTAINABILITY</b></p>	Involvement of relevant stakeholders (organizations and beneficiaries) from the design stage to project implementation, and establishment of operations and maintenance mechanisms.	Limited community and beneficiary involvement in the design, implementation and post-completion operations and maintenance

## Operation Evaluations and Lessons Learned

The Operations Evaluation Department (OED) evaluates IsDB’s operations through independent, impartial, and evidence-based analyses of the relevance, efficiency, and effectiveness of the Bank’s operations and the sustainability of the results achieved. The department disseminates the results and findings of these evaluations to internal and external stakeholders, while ensuring alignment and compliance with evolving global standards and evaluation best practices. The OED reports to IsDB Board of Executive Directors (BED) through the Operations and Development Effectiveness Committee (ODEC) and, for administrative matters, to the chairman of the IsDB Group.

At the time of preparing this report, the evaluations conducted in 2019 were being finalized in accordance with OED’s internal review and quality assurance protocols. This report provides high-level results and lessons learnt from the 14 project evaluations carried out in 2018 and published in 2019.



IN 2018 THE OED EVALUATED 14 PROJECTS, OF WHICH 7 PERCENT WERE RATED HIGHLY SUCCESSFUL, 79 PERCENT WERE RATED SUCCESSFUL, 14% WERE RATED PARTLY SUCCESSFUL, AND NONE WERE RATED UNSUCCESSFUL. ”

In accordance with the Bank’s evaluation policy, in 2018 the OED evaluated 14 projects, of which 7 percent were rated highly successful, 79 percent were rated successful, 14 percent were rated partly successful, and none were rated unsuccessful. The pattern is similar to the previous two years, where majority of the evaluated projects were rated successful.

The evaluations covered five transport sector projects, two each from education and energy sectors, and one each from agriculture, health, water and sanitation, and industry and mining sectors. Only one project was rated partly successful.

The chart below summarizes the sectors evaluated with relevant ratings for the 14 projects in 2018.

Figure 3.4: Overall Success of OED Evaluated Projects (2018)

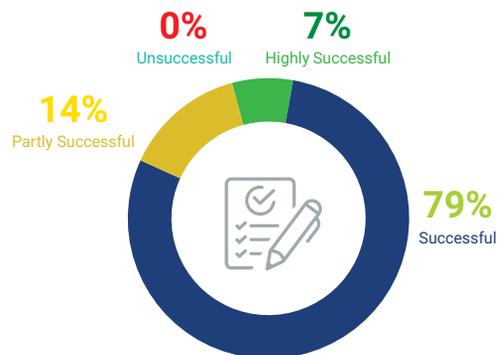
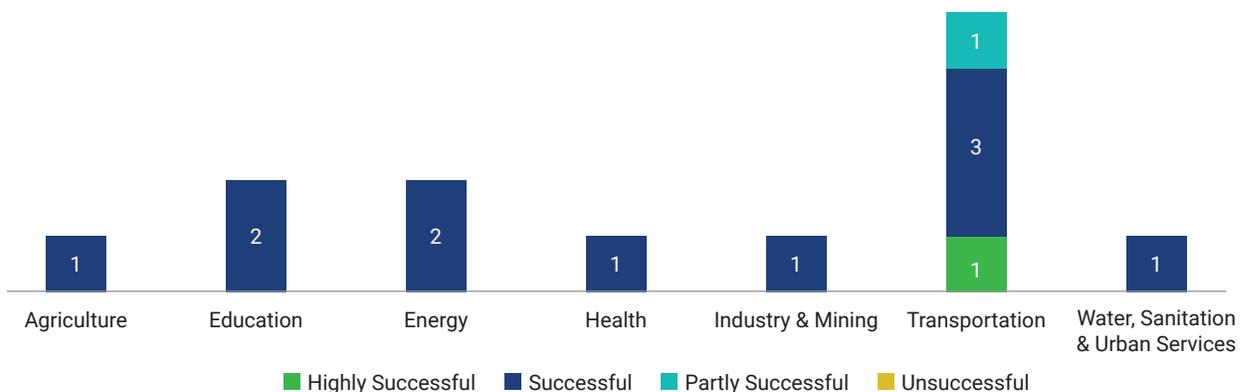


Figure 3.5: OED: Success level of Evaluated OCR Projects by Sector



The OED evaluates projects according to the four internationally accepted evaluation criteria for evaluation of public sector projects: **Relevance, Effectiveness, Efficiency, and Sustainability.**

**Relevance:** 50 percent of the projects were rated highly relevant and 43 percent were rated as relevant in 2018, compared to 32 percent as highly relevant and 63 percent as relevant in 2017. This indicated an improvement in the relevance of the Bank's interventions to the strategic priorities of the recipient MCs.

**Effectiveness:** 21 percent of the evaluated projects were rated highly effective, 64 percent as effective and 14 percent as less effective. The less effective projects included the Millennium Village Program (MVP) Phase 2 and Kuala Lumpur to Selangor Toll Expressway (KLS).

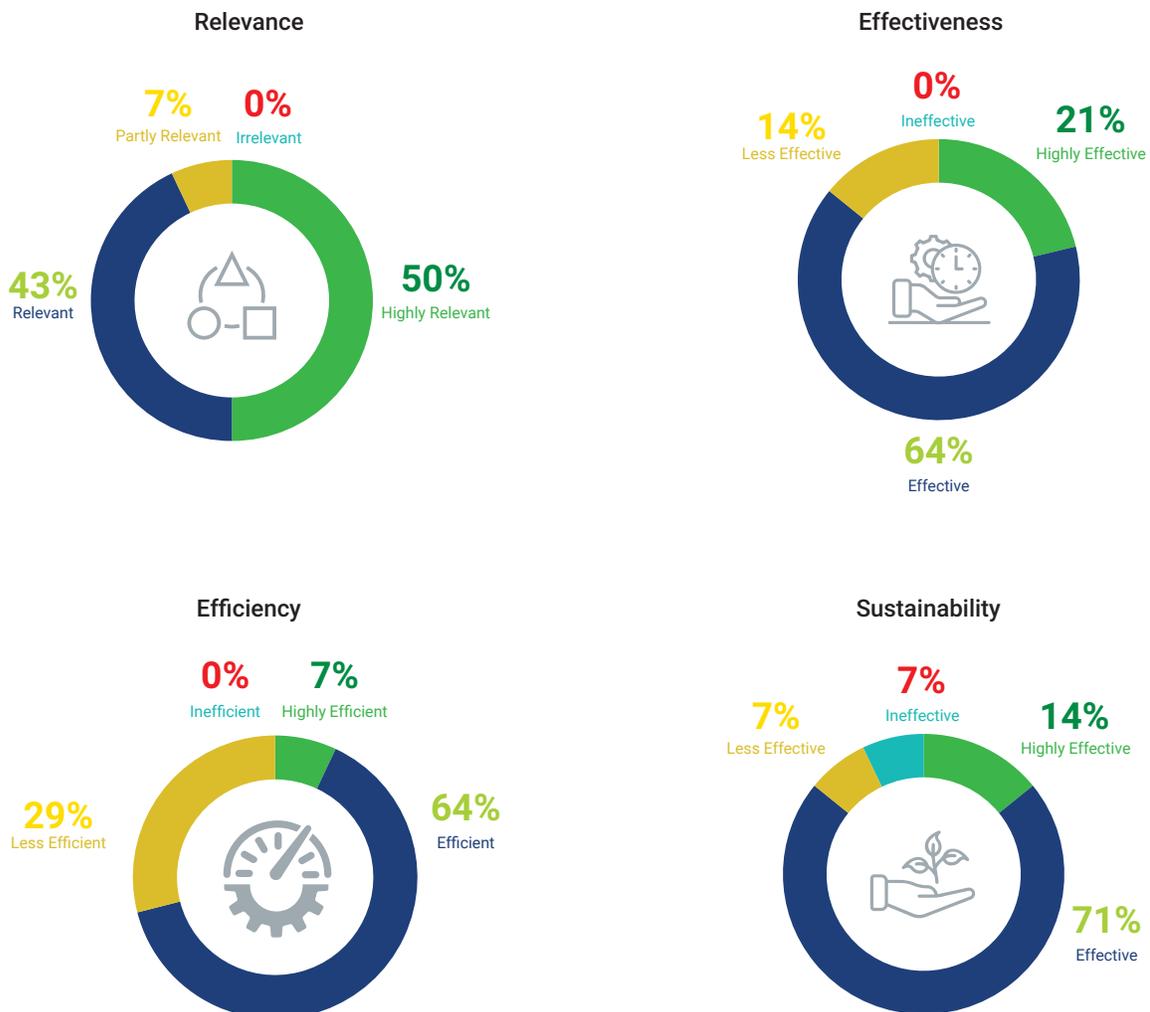
21% OF THE EVALUATED PROJECTS WERE RATED HIGHLY EFFECTIVE, 64% AS EFFECTIVE AND 14% AS LESS EFFECTIVE. ”



**Efficiency:** 7 percent of the evaluated projects were rated as highly efficient, 64 percent as efficient, 29 percent as less efficient and none as inefficient. The low efficiency ratings mainly resulted from implementation delays (9 projects were delayed by more than 12 months) and cost variations (7 projects had more than 15 percent cost variation). Two projects with the longest implementation delays were the Construction and Equipping of Vocational Colleges Project (Uzbekistan, 61-months delay) and the Tehran Power Transmission Project (Iran, 65-month delay). The Mali Millennium Village Program (MVP) Phase 2 had the largest cost variation (-63 percent) due to non-implementation of some planned components and activities.

**Sustainability:** 14 percent of the evaluated projects were rated most likely, 71 percent as likely, 7 percent as less likely and 7 percent as unlikely to be sustainable. The Mali Millennium Village Program (MVP) Phase 2 was rated less likely to be sustainable because key sustainability aspects of the achieved results remained unsolved. The Support to the Post-Conflict Reconstruction Program for Center-North-West Zones (Cote d'Ivoire) was rated as unlikely to be sustainable as the amount allocated for road maintenance only met 30 percent of requirements and the budget allocated to run the school was decreased by 75 percent in the second year of its operation.

**Figure 3.6: Summary of OED Project Evaluation Ratings**





## CONCLUSION AND RECOMMENDATIONS

The main lessons learned from both the project and the higher-level evaluations encompass three themes:

### 1. FOLLOW UP AND MONITORING MECHANISMS FOR EFFECTIVE SUPERVISION

Most evaluations stress the need for effective supervision, including regular follow-up and monitoring mechanisms to support project implementation. Identifying issues at early stages and providing result-oriented recommendations during project implementation are essential.

- ▶ Ensuring alignment of activities with disbursements through proper follow-up mechanisms is essential;
- ▶ Following up on financial covenants is key to ensuring accountability and adherence of beneficiaries to financial agreement clauses;
- ▶ Conducting an MCPS mid-term review would allow implementation of some committed activities/interventions to be tracked and the MCPS to be updated as governmental strategies evolve or change during an MCPS period.

### 2. PROCUREMENT ISSUES AND LEARNING CURVE

Improved IsDB procurement support is needed to accelerate training of executing procurement agencies. Investing in EA capacity development, especially in Islamic financing modes, would shorten project implementation times.

- ▶ Increasing expenditures to train EAs in IsDB procurement procedures is necessary to improve learning and ensure smooth implementations of future projects;
- ▶ Involving specialized institutions in procurement activities utilizes the expertise of these organizations, leading to significantly smoother project implementation;
- ▶ A solid procurement design backed by a proper monitoring mechanism is crucial to achieving coherent outputs and outcomes, especially in projects having multiple locations;
- ▶ Better planning for projects that include civil works and equipment components is important to ensure equipment is purchased in a timely manner so that it is utilized effectively and does not sit idle during its warranty period.

### 3. IMPLEMENTATION READINESS AND REALISTIC ESTIMATIONS AT APPRAISAL

One key factor for successful project implementation and operation is implementation readiness and realistic appraisal estimations. Organizational readiness prior to project initiation is vital to improved project efficiency and developmental effectiveness.

- ▶ Availability of feasibility studies, geophysical surveys, and tendering documents prior to appraisal will help ensure project cost and implementation time savings;
- ▶ Including environmental and social impact assessments in a project's preparation stage is vital to achieving effectiveness while also preventing negative environmental effects;
- ▶ Projects with large-scale financing require adequate preparation time, stakeholder engagement and preparatory work before submission for approval;
- ▶ Projects requiring complex legal paperwork or advanced technical expertise should be given adequate time to ensure that all due-diligence measures required by the Bank are completed before submission;



- ▶ Key features of interventions must be based on the context and the needs of local beneficiaries, especially a proper needs-assessment prior to project-location selection;
- ▶ Detailed and precise cost estimations were expected to accompany feasibility studies especially, the PPP projects and those expected to be financially self-sufficient. Schedules and budgets should be based on experience from previous projects, past performance of EAs and companies, and benchmarks relevant to project contexts;
- ▶ Viewing a sector's value chain holistically is crucial for development impact and effectiveness. Where necessary, the projects should be coordinated and complemented with additional investments to realize the investment's full potential.

Table 3.5: Planned Results from Projects Approved in 2019

SDG	Sector Indicator	Project Results
	Shelters/houses built, upgraded or rehabilitated (number)	9,595
	Agricultural storage capacity built or upgraded (tons)	3,000
	Area irrigated (hectares)	28,575
	Crop production increase (tons)	60,000
	Farmers' access to improved seeds and fertilizers increased (no. of farmers)	20,000
	Health facilities constructed or upgraded or equipped (number)	23
	Health personnel trained	2,400
	Beds added to health facility(ies) (number)	190
	People benefitting from outpatient services annually (number)	38,068,000
	Preventive healthcare - long-lasting insecticidal nets (number)	32,500,000
	Preventive healthcare - people reached through awareness campaigns	38,000,000
	Students provided accommodation (number)	965
	Class rooms built or upgraded in primary/secondary education (number)	264
	Institutions built or upgraded or equipped (number)	72
	Students benefitted (number)	600,000
	Teachers/faculty/staff trained (number)	1,200
	Households with access to improved sanitation (number)	2,145
	Households with access to potable water supply systems (number)	100,000
	Sewerage network installed or upgraded (length in kilometers)	323
	Water supply network installed or upgraded (length in kilometers)	198
	Installed energy generation capacity (megawatts)	2,152
	New households connected to electricity (number)	2,506,526
	Substations installed, upgraded or rehabilitated	1,007
	Transmission/distribution lines installed, upgraded (kilometers)	1,240
	Associations established or actively promoted (numbers)	120
	Market centers established, upgraded or rehabilitated (number)	58
	People employed (number)	37,741
	People trained (number)	45,080
	Population accessing microfinance (number)	26,500
	Rural (farm, non-farm or cottage industry) enterprises established (number)	63
	Expressways and National or Regional highways built or upgraded (kilometers)	411
	Local/Rural roads built, upgraded or rehabilitated (kilometers)	739
	CO <sub>2</sub> emissions reduced (tons/day)	14,130
	Length of fiber optic network built (kilometers)	5,340
	Internet subscribers (number of users)	60,000,000

Table 3.6: Development Results of Projects Completed in 2019

SDG	Sector Indicator	Project Results
	Shelters/houses built, upgraded or rehabilitated (number)	10,989
	Agricultural storage capacity built or upgraded (tons)	41,500
	Area irrigated (hectares)	60,426
	Crop production increase (tons)	1,428,538
	Livestock (Meat) production increased (tons)	8,000
	Water resources developed for multiple use (cubic meters)	208,500
	Health facilities constructed or upgraded or equipped (number)	3,968
	Number of beds added to health facility(ies) (number)	558
	People benefitting from outpatient services annually (number)	1,200,000
	Preventive healthcare - long lasting insecticidal nets distributed (number)	630,000
	Accommodation - persons accommodated (number)	965
	Accommodation - rooms built or upgraded in hostels (number)	43
	Class rooms built or upgraded in primary/secondary education (number)	463
	Institutions built or upgraded or equipped (number)	948
	Students benefitted (number)	2,377,566
	Teachers/faculty/staff trained (number)	13,652
	Households with access to improved sanitation (number)	796
	Households with access to potable water supply systems (number)	24,986
	Sewerage network installed or upgraded (length in kilometers)	2,524
	Water supply Network installed or upgraded (length in kilometers)	846
	Energy Efficiency Improvement - Loss reduced per year (%)	48
	Installed energy generation capacity using non-renewable sources (megawatts)	1,918
	Installed energy generation capacity using renewable sources (megawatts)	1,704
	New households connected to electricity (number)	240,691
	Substations installed, upgraded or rehabilitated	1,844
	Transmission /distribution lines installed (kilometers)	2,718
	People employed (number)	38,427
	People trained (number)	49,025
	Population accessing microfinance (number)	144,564
	Annual capacity increase at airports (number of passengers)	3,065,097
	Annual capacity increase at maritime ports (tons)	18,000,000
	Expressways and National or Regional highways built or upgraded (kilometers)	276
	Local/Rural roads built, upgraded or rehabilitated (kilometers)	10,266
	Railway tracks constructed, upgraded or rehabilitated (kilometers)	326
	CO <sub>2</sub> emissions reduced (tons/year)	204,000



## Chapter 4



# Corporate Performance

UNDER THE PRESIDENT'S 5-YEAR PROGRAM (P5P), THE BANK HAS INTRODUCED SEVERAL REFORMS AND INITIATIVES TO IMPROVE THE QUALITY OF ITS PORTFOLIO AND OPERATIONS. THIS SECTION PROVIDES AN UPDATE ON THE BANK'S KEY PERFORMANCE INDICATORS, THEIR TRENDS AND UNDERLYING DRIVERS OF CHANGE.

Under the President's 5-Year Program (P5P), the Bank has introduced several reforms and initiatives to improve the quality of its portfolio, sovereign and non-sovereign operations. These include the introduction of integrated multiyear programming and portfolio quality standards (at entry, implementation and at completion), decentralization of portfolio management from the Headquarter to Regional Hubs, reduction in delays at various stages of the project cycle, review and closure of inactive and non-performing projects, and reduction in the amount of Cumulative Undisbursed Commitments (CUC).

### A. ANALYSIS OF THE ACTIVE PORTFOLIO

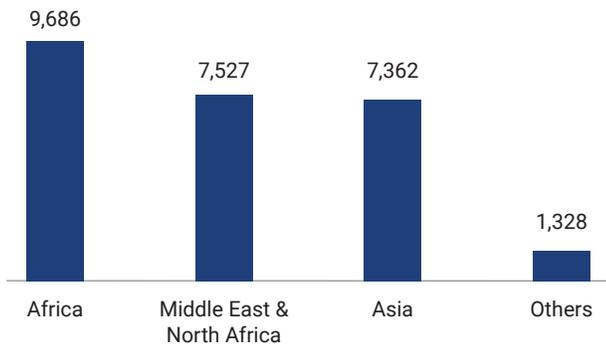
At the end of 2019, the Bank has an active portfolio of US\$25.8 billion, which has marginally expanded from US\$25.4 billion last year. This includes 463 active projects worth US\$24.3 billion, and 657 grants worth US\$1.5 billion.

The bank's active portfolio is dominated by Africa at 37 percent, followed by 29 percent each in Asia and the Middle East and Europe regions. Remaining 5 percent of the portfolio comprises projects that are addressing the development needs of Muslim populations in non-member countries in Europe and Latin America.

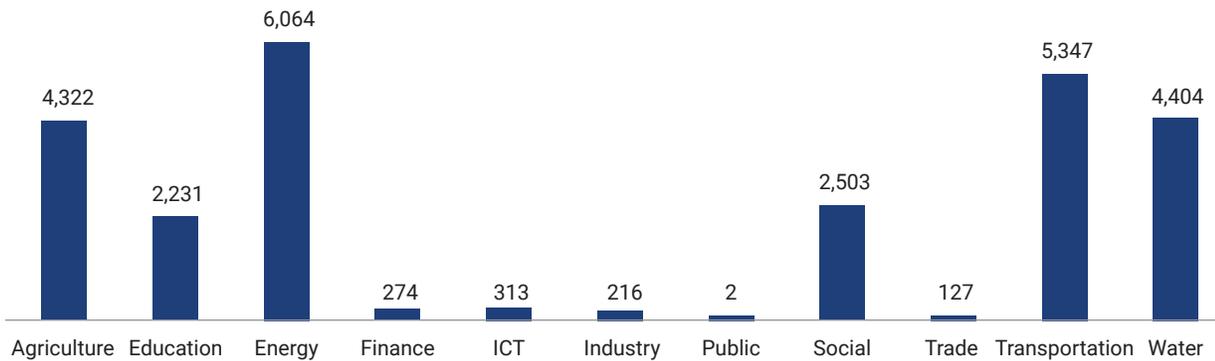
Reflecting the priority needs identified by the MCs, the Bank's investments are concentrated in eleven sectors: energy (23 percent), transport (21 percent), water and sanitation (17 percent), agriculture (17 percent), education (9 percent), social sectors and health (9 percent) and remaining (4 percent) in finance, public administration, trade, mining, industry and communication.

**THE BANK HAS AN ACTIVE PORTFOLIO OF US\$25.8 BILLION, UP FROM US\$25.4 BILLION LAST YEAR. THIS INCLUDES 463 ACTIVE PROJECTS WORTH US\$24.3 BILLION, AND 657 GRANTS WORTH US\$1.5 BILLION. ”**

**Figure 4.1: Active Portfolio by Region at 31 Dec 2019**  
(US\$ million)



**Figure 4.2: Active Portfolio by Sector**  
(US\$ million)



### 1. GRANTS AND PROJECT APPROVALS

The Bank approved new projects worth US\$1,921 million in 2019, including US\$1,640 million through the Ordinary Capital Resources (OCR), US\$77.8 million through the Awqaf property investment fund, US\$48.8 million through the Islamic Solidarity Fund for Development, and the remaining US\$151.66 million in the form of grants through special funds.

In terms of regional breakdown, Africa and Latin America received 47 percent of the new allocations, followed by Middle East and Europe at 28 percent and Asia at 20 percent, whereas 5 percent was allocated for regional projects or projects in non-member countries.

The largest allocations (30 percent) were approved for the social sector, predominantly health projects, followed by transport (22 percent), energy (14 percent), agriculture (10 percent), water and sanitation (8 percent), trade (5 percent),

education (5 percent), communication (2 percent), finance (2 percent), public administration (0.02 percent) and industry (0.01 percent).



Figure 4.3: IsDB Approvals in 2019 by Region

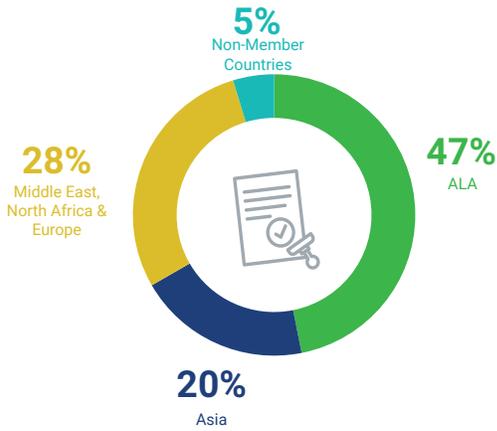


Figure 4.4: IsDB Approvals in 2019 by Fund Source

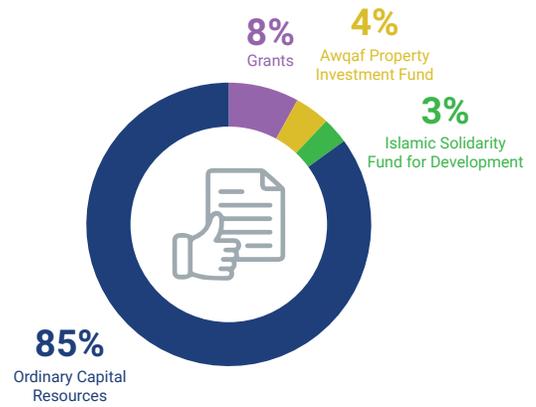
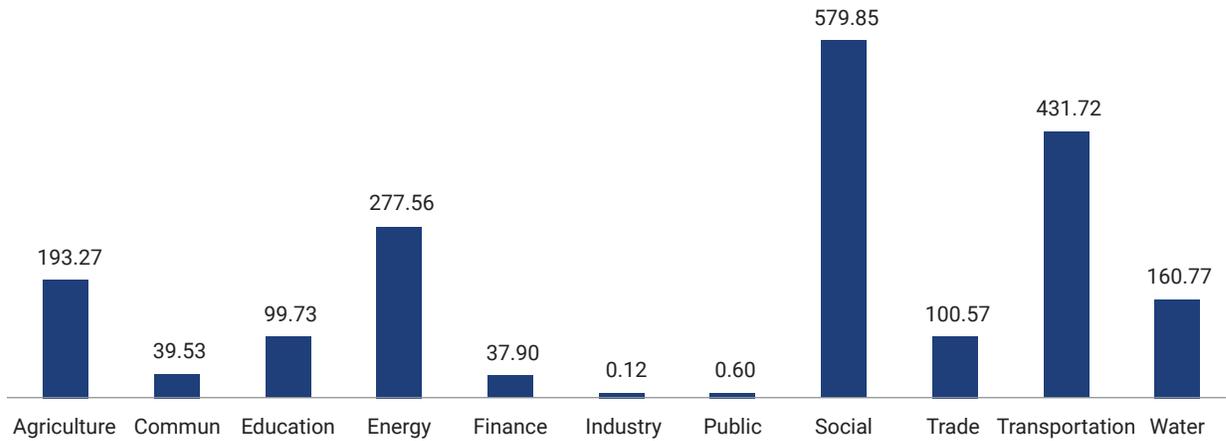


Figure 4.5: IsDB Approvals in 2019 by Sector (US\$ million)



## 2. OPERATIONAL DISBURSEMENTS

In 2019, the Bank disbursed US\$2.98 billion for projects and grants operations, registering an 16 percent increase over the 2018 disbursement of US\$2.6 billion.

IsDB DISBURSED US\$2.98 BILLION FOR PROJECTS AND GRANTS OPERATIONS, 16% HIGHER THAN THE AMOUNT DISBURSED IN 2018. ”

Figure 4.6: Disbursements at a Glance

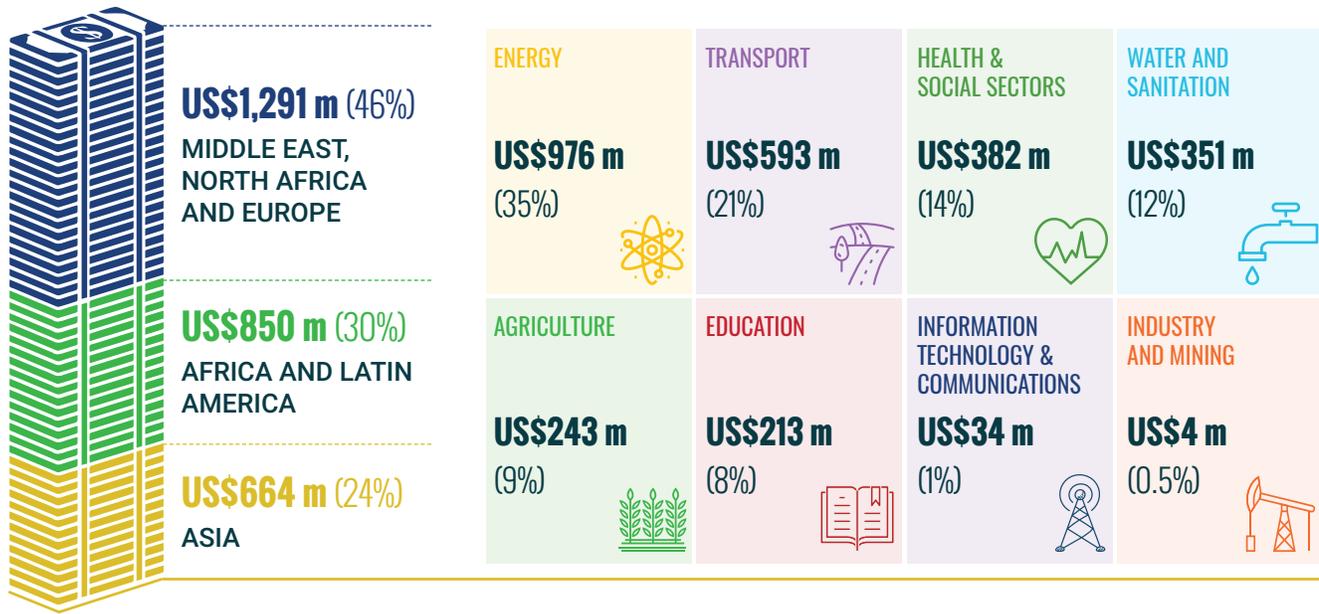


Figure 4.7: IsDB Disbursements Trend 2010-2019 (US\$ million)

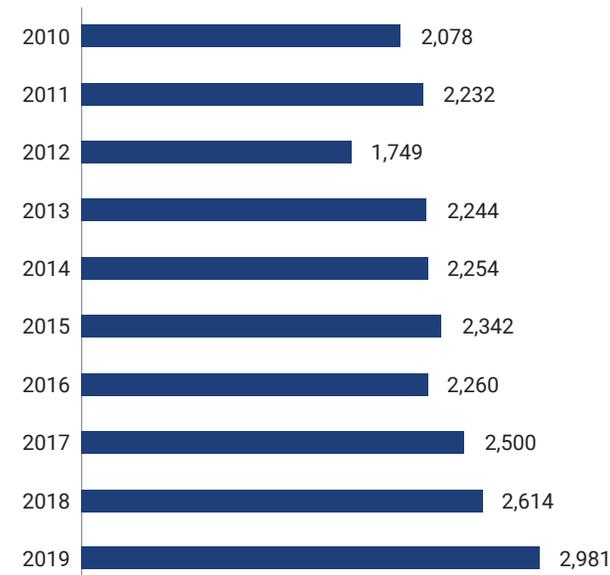


Figure 4.8: Disbursement by Region (2019)

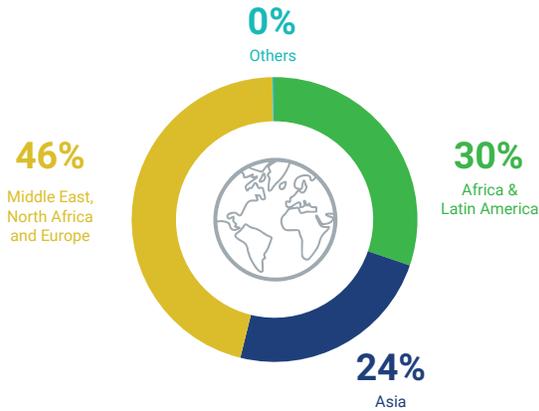
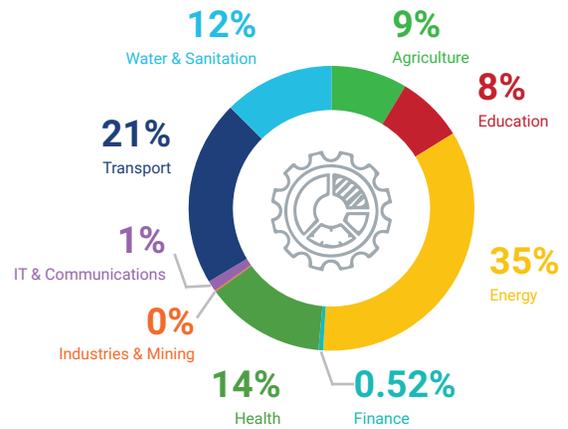


Figure 4.9: Disbursement by Sector (2019)



### 3. CUMULATIVE UNDISBURSED COMMITMENTS (CUC)

The Bank established a special task force to periodically monitor portfolio quality dashboards, recommend changes to operational policies and practices, and reduce delays at various stages of the project cycle. At the end of 2019, 72 percent of the active portfolio is now disbursing and the Bank's Cumulative Undisbursed Commitment (CUC) has declined from US\$12.6 billion in 2018 to US\$11.3 billion.

The Bank surpassed the 20 percent target of disbursement ratio (amount disbursed during the year as percent of the Cumulative Undisbursed Commitment at the beginning of the year) in the last two years, improving from 20.7 percent in 2018 to 22.8 percent in 2019.

Figure 4.10: Trend of Cumulative Undisbursed Commitments (US\$ million)

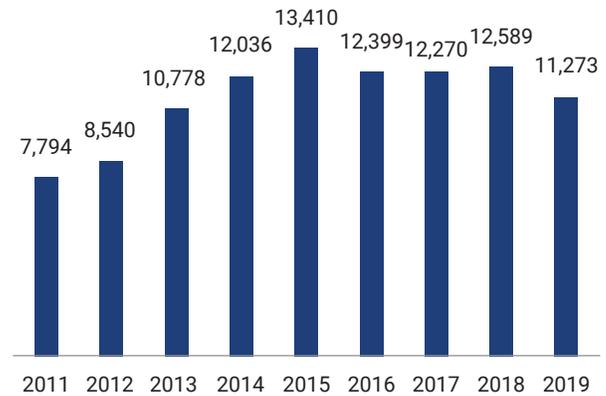
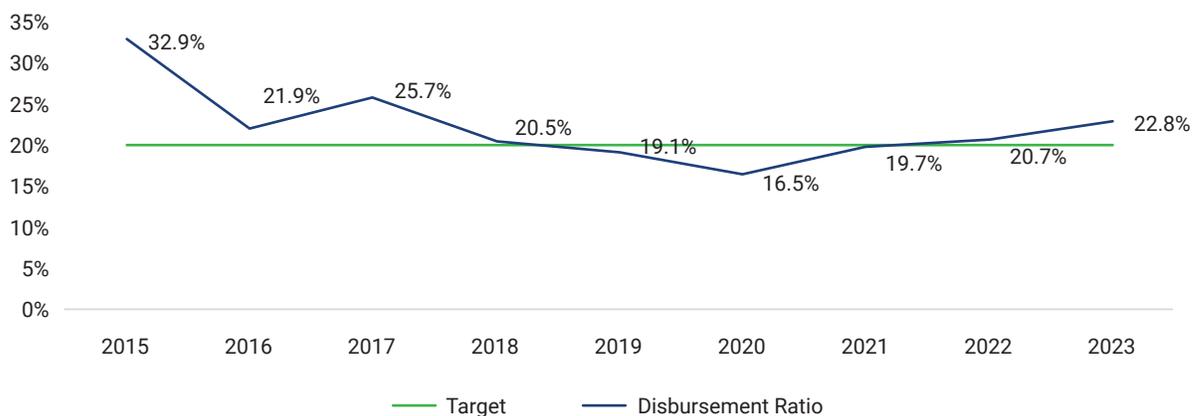


Figure 4.11: Disbursement Ratio (%)



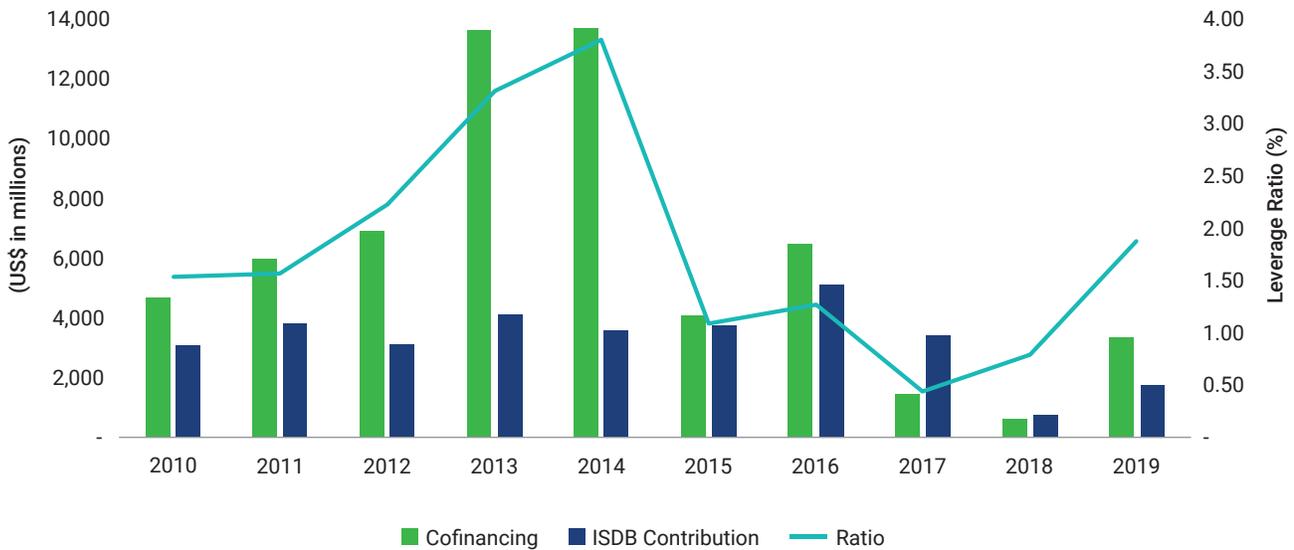
## B. CO-FINANCING AND LEVERAGING FOR SDGs ACCELERATION

Over the years, IsDB has been able to leverage or partner in projects that mobilize co-financing from other development partners or MC Governments. This arrangement ensures that resources are pooled and priorities are aligned for maximum impact and the achievement of the SDGs. In 2019, the Bank leveraged US\$3,327 million against project approvals worth

US\$1,768 million, with a leverage ratio of 1.88 – representing the highest amount leveraged by the Bank since 2015.

Major co-financing partners include the Asian Development Bank, the World Bank, the African Development Bank, the European Bank for Reconstruction and Development, the OPEC Fund for International Development, the Saudi Fund for Development, the Kuwait Fund, and the United Nations Organizations and Funds.

Figure 4.12: IsDB Contribution Versus Co-financing in Approved OCR Projects



## C. REFORMS TO IMPROVE OPERATIONAL MANAGEMENT

Under the President's 5-Year Program (P5P), the Bank has developed a multipronged approach that includes: (i) a decentralized operating model through 11 Regional Hubs; (ii) active supervision through undertaking Project Implementation Assessment and Support Reviews (PIASRs) (iii) Country Portfolio Performance Review (CPPRs); (iv) setting up of a cross-department task force to focus on portfolio improvement; (v) a rigorous measurement and assessment of results by ensuring quality at entry, during implementation and at exit; and (vi) development of business intelligence dashboards to monitor portfolio quality and aid effective portfolio management.

### 1. GLOBAL VALUE-CHAIN BASED MEMBER COUNTRY PARTNERSHIP STRATEGY (MCPS 2.0)

The programming is increasingly linked to the Member Country Partnership Strategy (MCPS) 2.0, which follow the President's 5-Year Plan's Global Value Chains (GVC) framework, and are a central element of the Bank's new approach to support the MCs in meeting the SDGs. The share of the MCPS allocations will be increased from 20 percent in 2020 to 80 percent in 2022. In 2019, four MCPS were developed (Gabon, Turkey, Morocco and Maldives), while 7 MCPS programs (Senegal, Malaysia, Indonesia, Guinea, Saudi Arabia, Pakistan and Nigeria) are planned for 2020.

The Regional Hubs are at the forefront of proactive needs assessment of the MCs, periodic dialogue and identification of global value chains that have high potential for growth, employment generation and sustainable human development.

### 2. COUNTRY ALLOCATIONS USING THE DEVELOPMENT & FINANCIAL ASSESSMENT INDEX (DEFAI)

To ensure a systematic and transparent allocation of resources among MCs, the Bank has introduced a Development & Financial Assessment Index (DeFAI). The index is informed

THE BANK HAS INTRODUCED A DEVELOPMENT & FINANCIAL ASSESSMENT INDEX (DEFAI) TO ENSURE SYSTEMATIC AND TRANSPARENT ALLOCATION OF RESOURCES AMONG MEMBER COUNTRIES. ”



by lessons learnt from project reviews and evaluations, consultations with MCs, and best practices of other MDBs.

The DeFAI determines country allocations by giving due consideration to an MC's developmental needs, SDG financing requirements, absorptive capacity and implementation efficiency of the ongoing and completed projects financed by IsDB. The DeFAI is a composite index consisting of eight sub-indices, three of which focus on the financial assessments of an MC from an operational perspective (Potential Commitment, Operational Efficiency and Exposure) and the other five focus on developmental performance and needs assessment (Depth of Project Completion Index, Projects' Age, Human Development, SDGs and Regional Cooperation and Integration).

**Table 4.1: Regional Allocation for 2020**

Region	Allocation 2020 (US\$)	
	US\$	%
Africa & Latin America (22 MCs)	816	40.82
Middle East and North Africa (24 MCs)	862	43.09
Asia (10 MCs)	322	16.10
Total	2,000	100

### 3 INTEGRATED STRATEGIC PROGRAMMING FRAMEWORK (ISPF)

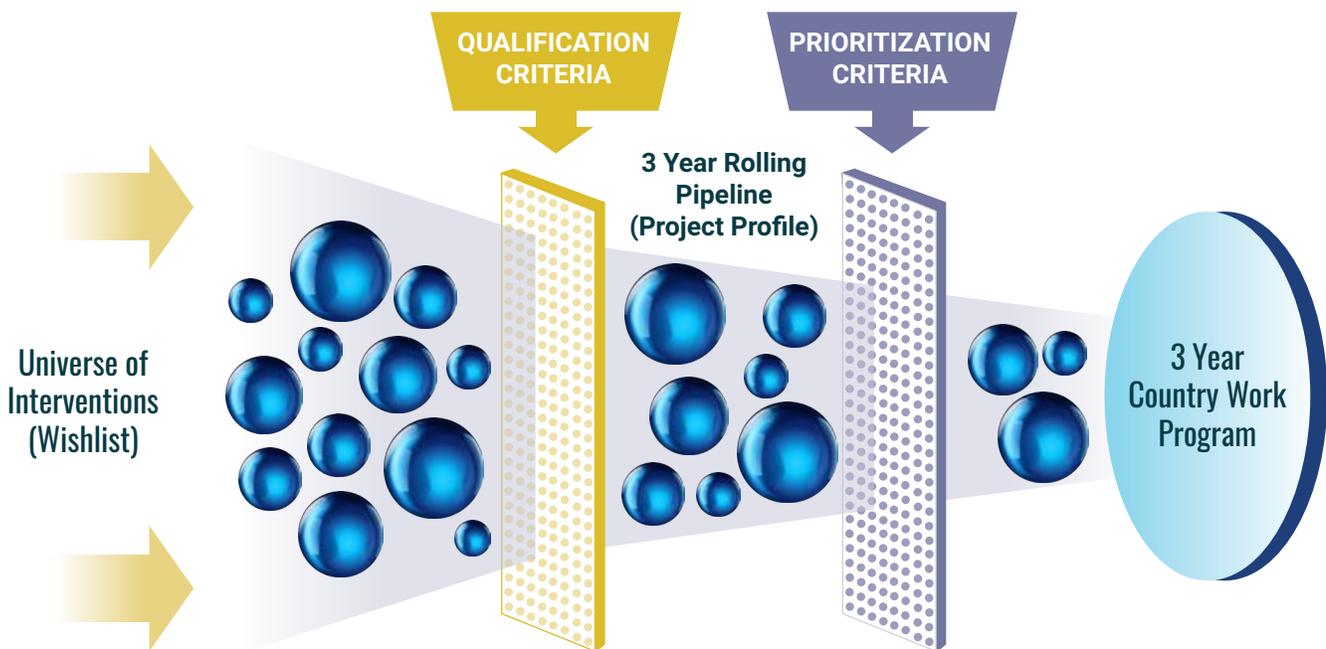
The Bank has introduced Integrated Strategic Programming Framework (ISPF), which includes three key elements: proactive needs assessment; ensuring impactful selectivity; and linking strategy and resources. The ISPF ensures a cohesive approach of integrating strategy, finance and operations through a 3-Year Work Program (3YWP). The 3YWP is based on a dynamic programming exercise involving the RHs and MCs and a Qualification and Prioritization tool (Q&P) for prioritization of projects.

### 4. PROJECT QUALITY ASSURANCE AND PRIORITIZATION TOOL (Q&P)

In 2019, the Bank launched the Integrated Quality Assurance Framework (IQAF), which aims to provide a multi-dimensional tool that supports the Bank staff to systematically review and improve the quality of projects across all stages of the project cycle, especially in terms of Quality @ Entry and Quality @ Implementation and closure.

INTEGRATED QUALITY ASSURANCE FRAMEWORK (IQAF) IS A MULTI-DIMENSIONAL TOOL THAT SUPPORTS SYSTEMATIC REVIEW AND QUALITY ASSURANCE OF PROJECTS, ESPECIALLY IN TERMS OF QUALITY @ ENTRY AND QUALITY @ IMPLEMENTATION AND CLOSURE. ”

Figure 4.13: Impactful Selectivity of Projects for Entry into Work Program



**Figure 4.14: Six Dimensions of the Integrated Quality Assurance Framework**

## 5. SPECIAL ACTION PLAN FOR LIVES AND LIVELIHOODS PORTFOLIO

Another key effort was the development of a special action plan to enhance quality at implementation of the projects co-financed by the IsDB’s concessionary funding facility, the Lives and Livelihoods Fund (LLF). The action plan covers both upstream and downstream operational actions and mechanisms with enhanced due diligence in terms of closer monitoring and supervision of project designs and improved project implementation for effective achievement of sustainable results. These efforts have led to a reduction of delays at various stages, achievement of the 2019 disbursement targets, and improvements in various portfolio quality indicators.

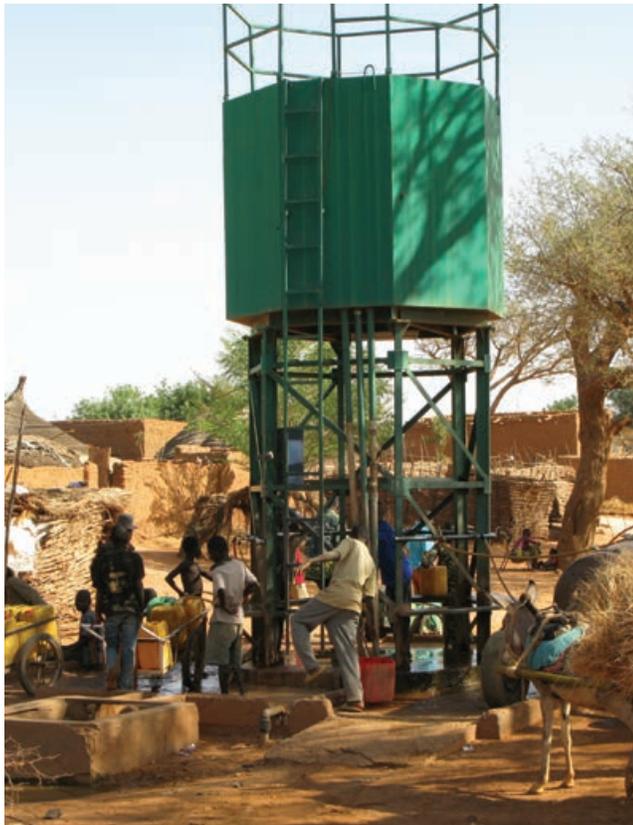
## 6. REDUCTION IN PROJECT IMPLEMENTATION DELAYS

An analysis of project timelines indicates a significant reduction in delays at various stages of project implementation. The Bank was able to reduce the time lag between the approval date and the first disbursement date from 24 months to 19 months. The highest efficiency gain was noticed in the time



between project effectiveness to first disbursement, which was reduced by 9 months. There was a slight reduction in the overall project duration (first disbursement to last disbursement) from 51 to 50 months.

The sectoral breakdown of the portfolio highlights that the highest improvement was observed in the water sector projects, where the time lag between the approval date and first disbursement date was reduced from 30 to 17 months, followed by the finance and agriculture sector projects.



CONCERTED EFFORTS TO IMPROVE PORTFOLIO QUALITY HAVE LED TO CONSIDERABLE REDUCTION IN TIME LAGS AT VARIOUS STAGES OF THE PROJECT CYCLE. ”

Table 4.2: Time Lag between Stages of Project Cycle

Stages of Project Cycle	No. of Months		
	2010-16	2017-19	Reduction
Approval to Signature	10	5	5 ●
Signature to Effectiveness	10	6	4 ●
Effectiveness to First Disbursement	14	5	9 ●
Approval to First Disbursement	24	19	5 ●
First Disbursement To Last Disbursement	51	50	1 ●

**Table 4.3: Number of Months at Different Stages of Project Cycle**

Sector	Approval to Signature		Signature to Effectiveness		Effectiveness to First Disbursement		Approval to First Disbursement		Reduction
	2010-16	2017-19	2010-16	2017-19	2010-16	2017-19	2010-16	2017-19	
Agriculture	12	6	12	7	17	6	32	22	10 
Communication	5	3	4	4	9	-	10	10	0 
Education	15	2	8	7	11	5	28	21	7 
Energy	11	6	15	6	16	5	22	18	4 
Finance	11	3	6	6	11	4	30	19	11 
Industry	6	9	7	7	6		17	9	8 
Social	10	8	12	9	18	5	26	28	-1 
Transport	11	5	9	4	18	9	26	27	-1 
Water	12	3	12	7	16	5	30	17	13 
Average	10	5	10	6	14	5	24	19	5 

While a notable improvement there is considerable scope for reduction in time lag between various steps in project execution in the coming years.

## 7. PROCUREMENT CAPACITIES AND PROCESS

To bring the Bank's services closer to MCs, the Bank has deployed procurement specialists in the Regional Hubs. The Bank launched new Guidelines for the Procurement of Goods, Works, and Consultant Services. An internal and external website has been developed for project procurements and all important documents are made available for stakeholders. In addition, several innovative instruments have been included the procurement policy.

Given low procurement capacities in some MCs, affecting projects implementation and delivery, the Bank has organized capacity building trainings for staff in ministries, departments, EAs, and PMUs of IsDB financed projects.

**THE BANK HAS DECENTRALIZED PROCUREMENT AND DEPLOYED PROCUREMENT SPECIALISTS IN THE REGIONAL HUBS. ”**

## D. REINFORCE PREPARATION AND ANALYSIS OF PROJECT IMPLEMENTATION ASSESSMENT AND SUPPORT REPORTS (PIASR)

As part of the Bank's procedures, the project team leaders are expected to conduct periodic supervision missions and prepare Project Implementation Assessment and Support Reports (PIASRs). The PIASR provides the context and background for monitoring and supervising project implementation and facilitates the realization of project outputs and outcomes. A PIASR covers the following elements: (i) basic project data; (ii) implementation progress (i.e. log-frame objectives, inputs, outputs and immediate outcomes); (iii), progress on achieving results; (iv) application of project performance rating system; (v) assessment of project risks; and (vi) framing of a remedial action plan to address significant implementation issues.

Based on the above six dimensions, the PIASR provides the basis for determining project performance rating (maximum score of 4) in the following domains:

- I. Project Implementation Arrangements
- II. Project Procurement
- III. Delivery of Goods, Works and Services

IV. Disbursement

V. Development Results

In 2019, a total of 125 PIASRs were submitted to the Bank management. 67 percent of the ongoing projects were rated as Satisfactory or Highly Satisfactory, whereas 31 percent were rated as Partly Satisfactory and 2 percent as Unsatisfactory. Major causes of Unsatisfactory ratings were disbursement or implementation delays and underachievement of development results envisaged in the project document. In most projects, implementation, procurement and delivery of goods, services and works were rated as “on track” and in compliance with the approved implementation plans.

IN 2019, 67% OF THE REVIEWED PROJECTS WERE RATED AS SATISFACTORY OR HIGHLY SATISFACTORY, 31% AS PARTLY SATISFACTORY AND 2% AS UNSATISFACTORY. ”

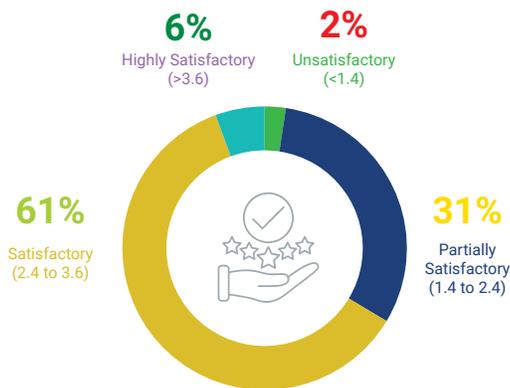


Table 4.4: Ratings of Project Implementation & Assessment Reports

Ratings (n = 125)	Unsatisfactory (<1.4)	Partly Satisfactory (1.4 to 2.4)	Satisfactory (2.4 to 3.6)	Highly Satisfactory (>3.6)
Implementation	0%	18%	64%	19%
Procurement	3%	17%	53%	27%
Delivery	3%	15%	61%	21%
Disbursement	33%	37%	22%	8%
Results	27%	26%	36%	12%
Overall	2%	31%	61%	6%

Figure 4.15: PIASR Ratings of Active Portfolio

% of Projects (n=126)



E. HUMAN RESOURCES

Effective and efficient human resource management is critical for efficiency in delivery of products and services based on MC needs. The proportion of staff in operational departments in the Bank reached 33 percent of the total in 2019. Approximately 57 percent (from 45 to 165 staff) are frontline staff engaging and serving MCs from the 7 RHs and Country Offices. During the year 2019, the Bank hired 81 professional staff including 48 professionals deployed in the operational departments. The Bank has introduced an employee performance planning system that links staff objectives with their departments objective which in turn is linked to the President’s Five Year Program (P5P).

## F. INTEGRATED PROGRAMMING FOR EFFICIENT RESOURCE UTILIZATION

The internal administrative budget was reduced by 2.4 percent in 2019 compared to the previous year. The ratio of internal administrative expenses per US\$1 million disbursement has fallen to US\$56,000 from US\$70,000 in the previous year. In 2020 the Bank has introduced an integrated strategic programming framework which has facilitated the linking of resource allocation from strategy to operations and administrative expenses, thus ensuring that administrative budget is allocated strategically to support operational interventions in MCs for better delivery of results.

THE RATIO OF INTERNAL ADMINISTRATIVE EXPENSES PER US\$1 MILLION DISBURSEMENT HAS FALLEN TO US\$56,000 FROM US\$70,000 IN THE PREVIOUS YEAR. ””

### Innovative Financing for SDGs

The Bank has issued its first Green Sukuk in November 2019 for a value of Euro 1 billion. This asset backed Islamic bond is committed to finance SDG sectors in member countries through innovative financing in: (i) renewable energy, (ii) clean transportation, (iii) energy efficiency, (iv) pollution prevention and control, (v) environmentally sustainable management of natural living resources and land use, and (vi) sustainable water and wastewater management.

Green Sukuk issuance reached approximately US\$3 billion in 2019, representing 1 percent of the annual global issuance of labelled bonds. Globally, the issuance of sustainable bonds reached around US\$1 trillion in 2019. Green bonds make up 77 percent of this market. The 2030 Development Agenda demands the creation of alternative financing instruments to bridge the huge funding gap in Global SDG financing, and IsDB's Green Sukuk provides an innovative financing instrument towards this end.

GREEN SUKUK ISSUANCE REACHED APPROXIMATELY US\$3 BILLION IN 2019, REPRESENTING JUST 1% OF THE ANNUAL GLOBAL ISSUANCE OF LABELLED BONDS. ””

## G. PROCESS AND TECHNOLOGY EFFICIENCY

The on decentralization initiatives have resulted in the of seven fully staffed Regional Hubs that have improved visibility of IsDB Group and are expected to improve the implementation of operations. Corporate procurement has been completely decentralized whereby the HQ team sets standards and RHs implement and execute projects on the ground. Corporate dashboards have been designed to track progress on decentralization initiatives, operational targets and service-level agreements.



To streamline end-to-end processes for improving operational effectiveness and efficiency, a Center of Process Competence has been established after the introduction of the new organizational structure and Delegation of Authority. The center has documented 130 operational procedures which are available through Signavio online portal. These procedures have created synergies among the operational departments and functions across the Bank.

Instead of using email or hard copy documents, the MCs can now submit their official documents, project requests, disbursement information, etc. through a secured online platform for immediate follow up. MCs can also track their submissions and check the status of applications online.



## Chapter 5



# Conclusion and Challenges

THREE YEARS INTO ITS IMPLEMENTATION, THE PRESIDENT'S 5-YEAR (P5P) HAS REFORMED THE BANK TO SUPPORT THE MCs IN MAKING CONCRETE PROGRESS TOWARDS THE SDGs. WHILE THERE ARE CONSIDERABLE IMPROVEMENTS IN BANK'S PERFORMANCE, A RAPIDLY CHANGING WORLD, THE MC'S NEEDS AND THE SDGs REQUIRE SCALING UP THESE EFFORTS THROUGH A PROACTIVE APPROACH, CONTINUOUS INNOVATION, ENGAGEMENT OF YOUTH AND WOMEN, AND PARTNERSHIPS.

The IsDB member countries are widely distributed both geographically as well as on the spectrum of development. These countries are spread from Indonesia in far east to Suriname in Latin America. These include rich oil-exporting countries as well as the least developed countries in Sub Saharan Africa. In addition, several MCs are experiencing fragility and instability. These variations add complexity to the developmental mandate of the Bank.

BY BECOMING MORE PROACTIVE, ADAPTIVE AND AGILE, IsDB IS COMMITTED TO MOVING AWAY FROM REACTIVE, ONE-OFF INVESTMENTS AND TOWARDS ADDRESSING THE ROOT CAUSES IMPEDING SUSTAINABLE DEVELOPMENT IN MEMBER COUNTRIES (MCs). ”

The year 2030 is fast approaching, which is the year set for SDG targets, and yet countries are at different spectrum of achieving these targets. At the aggregate level, IsDB member countries score the lowest at goal number 9 on the SDG achievement index (only 22 percent). That means that our member countries need to accelerate their industrialization, innovation and sustainable infrastructure. Addressing this critical need has been at the heart of the Bank's new business model anchored on four pillars: **value chains, innovation, partnerships and Islamic finance**. The Bank is preparing Member Country Partnership Strategy (MCPS) for four countries this year, followed by seven more in 2020 to strengthen the participation of these countries in the global value chains and move from being raw material exporters, to producers of goods, services and knowledge based on their comparative advantages.

The Bank cannot solely rely on its own financial resources, hence the need to crowd-in funding from other partners. The Bank has developed an Alternative Development Finance (ADF) function in 2019 to enable participation of a wide spectrum of developers and leverage the Bank's resources to catalyze additional funding for development. The ADF has developed a Regional Islamic Supranational Entity (RISE) mechanism that will serve as the lynchpin for financing of upcoming MCPSSs. The plan is to engage with 12 member countries on this innovative financing model: Niger, Senegal, Morocco, Turkey, Indonesia, Gabon, Maldives, Afghanistan, Tunisia, Nigeria, Kuwait, and Saudi Arabia. One example of such a partnership under the ADF model is the agreement with the Arab Petroleum Investments Corporation (APICORP) on developing green energy infrastructure in member countries. The Bank has approved US\$1 billion for infrastructure projects in the green energy sector.

THE BANK HAS APPROVED US\$1 BILLION FOR INFRASTRUCTURE PROJECTS IN THE GREEN ENERGY SECTOR. ”



Under the same concept of partnership, the Bank is developing an agriculture commodities fund with participation from BADEA, One WASH fund with Federation of Red Cross and Red Crescent (IFRC), and the World Food Program, as well as another global fund for the refugees and displaced populations.

To enhance its internal operational and organizational Integrated Strategic Programming Framework (ISPF), whereby budget resources are integrated into a work program package that links three key elements: strategy, operation and administration. The qualification and prioritization tool

THE BANK HAS DESIGNED AN INTEGRATED STRATEGIC PROGRAMMING FRAMEWORK (ISPF), WHEREBY BUDGET RESOURCES ARE INTEGRATED INTO A WORK PROGRAM PACKAGE THAT LINKS THREE KEY ELEMENTS: STRATEGY, OPERATION AND ADMINISTRATION, THUS CLOSING THE GAP BETWEEN THE STRATEGY AND RESOURCE ALLOCATION. ”

will help the Bank to select projects that are aligned with our strategy, are at advanced stage of readiness, and have the greatest positive impact on people. Through such tools and processes our projects are expected to witness less delays and have better effectiveness. The Bank is improving its presence and visibility to clients through seven Regional Hubs with more to open in the next year. A total of 165 staff are already advancing Banks mission from these hubs. The Bank has leveraged on improved process, and technology tools to smooth the transition process of our hub staff and tighten the connection with the headquarter.

Our Annual Development Effectiveness Report (ADER) is a prime tool to take stock of achieved results and find areas where targets are missed. The ADER informs the Bank's management, stakeholders and beneficiaries in member countries. As a multilateral development Bank, we have the mandate to finance as well as to develop viable projects that

address the priority needs of the MCs. Often the development effectiveness and results-based management bringing in new projects, mobilizing funds, approvals, procurement, disbursement, etc. curtails the equal if not more important objective of monitoring and reporting on the developmental results and outcomes achieved on the ground. ADER aims to create a culture of development effectiveness and results-based management and celebrate success stories. The Bank has revised its business model, undertaken organization restructuring, and linked strategy with resources. For the first time in the Bank, we have developed a Corporate Performance Management system in the form of introducing Key Performance Indicators (KPIs) at the President's level, which have been cascaded down all the way to the Department level. This was a comprehensive exercise whereby the KPIs have been developed after an extensive engagement with the Vice Presidents and the Directors across the Bank.



## Annexes

# Annex 1- Key Results from Completed Projects\*

Country	SDG	Project Name	Core Sector Indicator	Achieved Results	
Afghanistan		Regional Power Transmission Interconnection	New households connected to electricity (number)	95,000	
			Substations, Installed, upgraded or Rehabilitated (MVA)	81	
Albania		First Albanian Financing Development (ISFD, WAQF)	People employed (number)	4,500	
			Population accessing microfinance (number)	1,209	
Azerbaijan		Flood Protection, Modernization and Expansion of the irrigated areas in Nakhchivan	Area irrigated (hectares)	10,465	
			Crop production increase (tons)	28,538	
			Crop yield increase (tons/hectare)	2	
			Capacity Building of Marine Fisheries (WAQF)	Livestock (Meat) production increased (tons)	8,000
				People trained (number)	1,786
Bangladesh		Enhancement of Quality Seeds Supply	Crop production increase (tons)	1,400,000	
			Crop yield increase (tons/hectare)	1	
			People trained (number)	45,914	
			Bhola 225 MW Combined Cycle Power Plant	Installed energy generation capacity using renewable sources (MW equivalent)	205
New households connected to electricity (number)	43,173				
People employed (number)	3,469				
Bangladesh		Rural Electrification Expansion Project	Installed energy generation capacity using renewable sources (MW equivalent)	380	
			New households connected to electricity (number)	100,116	
			Substations, Installed, upgraded or Rehabilitated (MVA)	45	
			Transmission /distribution lines installed, upgraded or rehabilitated (kilometers)	2,537	
Benin		Integrated Microfinance Support Program (ISFD, WAQF)	People employed (number)	1,107	
			People trained (number)	1,209	
			Population accessing microfinance (number)	138,355	
Burkina Faso		Basic Education Development (Project-4) (ISFD)	Accommodation - Residence rooms built or upgraded in hostels and accommodation in educational institutions (number)	30	
			Class rooms built or upgraded in primary/secondary education (number)	90	
			Students benefitted (number)	45,000	
Cameroon		Construction of Grain Storage Facilities (WAQF)	Teachers/faculty/staff trained (number)	787	
			Agricultural storage capacity built or upgraded (tons)	41,500	
			Local/Rural roads built, upgraded or rehabilitated (kilometers)	181	
Chad		Expansion of the University of Mongo and Moundou (WAQF)	Institutions built or upgraded or equipped (number)	2	
			Teachers/faculty/staff trained (number)	67	

\* This list of results are extracted for projects completed in 2019 or earlier projects that submitted Project Completion Report (PCR) in 2019. Funds other than are indicated. Also, PPP projects are marked.

Country	SDG	Project Name	Core Sector Indicator	Achieved Results
Cote d'Ivoire		Support to the Post-Conflict Reconstruction Program (WAQF)	Increased potable water treatment capacity (cubic meters/day)	12,000
			Local/rural roads built, upgraded or rehabilitated (kilometers)	13
			Water supply Network installed or upgraded (length in KM)	20
Djibouti		Balbala Urban Poverty Reduction Program (WAQF)	People employed (number)	1,086
			Population accessing microfinance (number)	2,000
Egypt		Al-Suez Steam Power Plant Project	Installed energy generation capacity using non-renewable sources (megawatts)	650
				Dubreka Integrated Rural Development Project (WAQF)
	Telimele Integrated Rural Development Project	Local/rural roads built, upgraded or rehabilitated (kilometers)		
			Telimele Integrated Rural Development Project	Area irrigated (hectares)
	Telimele Integrated Rural Development Project			Class rooms built or upgraded in primary/secondary education (number)
			Telimele Integrated Rural Development Project	Health facilities constructed or upgraded or equipped (number)
	Telimele Integrated Rural Development Project			Local/rural roads built, upgraded or rehabilitated (kilometers)
			Telimele Integrated Rural Development Project	Area irrigated (hectares)
	Rural Development Project in Kakossa (WAQF)			Class rooms built or upgraded in primary/secondary education (number)
			Rural Development Project in Kakossa (WAQF)	Health facilities constructed or upgraded or equipped (number)
	Rural Development Project in Kakossa (WAQF)			Local/rural roads built, upgraded or rehabilitated (kilometers)
			Capacity Building to the Central Bank (WAQF)	People trained (number)
	The IsDB PNPM - Integrated Community Driven Development (Phase II) (ISFD, WAQF)			Health facilities constructed or upgraded or equipped (number)
			The IsDB PNPM - Integrated Community Driven Development (Phase II) (ISFD, WAQF)	Households with access to potable water supply systems (number)
	The IsDB PNPM - Integrated Community Driven Development (Phase II) (ISFD, WAQF)			Institutions built or upgraded or equipped (number)
			The IsDB PNPM - Integrated Community Driven Development (Phase II) (ISFD, WAQF)	Local/rural roads built, upgraded or rehabilitated (kilometers)
	The IsDB PNPM - Integrated Community Driven Development (Phase II) (ISFD, WAQF)			Population accessing microfinance (number)
			The IsDB PNPM - Integrated Community Driven Development (Phase II) (ISFD, WAQF)	Sewerage network installed or upgraded (kilometers)
	The IsDB PNPM - Integrated Community Driven Development (Phase II) (ISFD, WAQF)			Shelters/houses built, upgraded or rehabilitated (number)
			The IsDB PNPM - Integrated Community Driven Development (Phase II) (ISFD, WAQF)	Water supply network installed or upgraded (kilometers)
	Quality Improvement of Padjajaran University			Institutions built or upgraded or equipped (number)
			Quality Improvement of Padjajaran University	Teachers/faculty/staff trained (number)
	Reconstruction and Upgrading of the State University of Padang			Institutions built or upgraded or equipped (number)
			Kahir Storage Dam Project	Area irrigated (hectares)
	Kahir Storage Dam Project			Water resources developed for multiple use (cubic meters)
			Qom Water Supply Project	Water supply network installed or upgraded (kilometers)
	Azerbaijan Power Transmission Project			Substations installed, upgraded or rehabilitated (MVA)
			Azerbaijan Power Transmission Project	Transmission /distribution lines installed, upgraded or rehabilitated (kilometers)

Country	SDG	Project Name	Core Sector Indicator	Achieved Results
Jordan		Queen Aalia Airport Expansion Project (PPP)	Annual capacity increase at airports (annual capacity in PAX or tons of cargo)	3,000,000
			People employed (number)	8,000
Mali		Djenne Agricultural Development Project	Area irrigated (hectares)	6,654
			Class rooms built or upgraded in primary/secondary education (number)	110
	Health facilities constructed or upgraded or equipped (number)	13		
		Millennium Village Program (MVP) Phase 2 (ISFD)	Households with access to improved sanitation (i.e. latrines, sewage system) (number)	796
			Households with access to potable water supply systems (number)	2,921
			Local/rural roads built, upgraded or rehabilitated (kilometers)	84
		90 MW Kayes Thermal Power Plant Project (PPP)	Installed energy generation capacity using non-renewable sources (megawatts)	160
	Expansion and Modernization of the Bamako-Senou International Airport	Annual capacity increase at airports (annual capacity in PAX)	65,097	
		People employed (number)	97	
Mauritania		Vocational Literacy Program for Poverty Alleviation (VOLIP) (ISFD)	Class rooms built or upgraded in primary/secondary education (number)	69
				Aftout Elchargui Zone East Water Supply project
	Water supply network installed or upgraded (kilometers)	148		
		Construction of Atar-Tidjikja Road Project		
				Construction of Kiffa-Kankossa Road
	The Literacy Project (WAQF)	Students benefitted (number)		
		Teachers/faculty/staff trained (number)	12,000	
Morocco		The Safi Independent Power Plant Project (PPP)	Installed energy generation capacity using non-renewable sources (megawatts)	1,250
				OCP Jorf Lasfar Port Expansion (PPP)
	Annual capacity increase at other transport or logistics gateways/hubs	686		
	People employed (number)	200		
		Tangier - Casablanca High Speed Rail Line	Railway tracks constructed, upgraded or rehabilitated (kilometers)	326
Mozambique			Rehabilitation of Secondary and Tertiary Canals in the Chokwe Irrigation Perimeter (WAQF)	Area irrigated (hectares)
	Niger	Support the Special Program for Food Security (WAQF)		Area irrigated (hectares)
Pakistan			Neelum-Jhelum Hydropower Plant Project	Installed energy generation capacity using renewable sources (megawatts)

Country	SDG	Project Name	Core Sector Indicator	Achieved Results
Pakistan		The Triconboston 150MW Wind Power Project (PPP, ISFD)	CO <sub>2</sub> emissions reduced	204,000
			Installed energy generation capacity using renewable sources (megawatts)	150
			Accommodation - Residence rooms built or upgraded in hostels and accommodation in educational institutions	13
			Expressways and national or regional highways built, upgraded or rehabilitated (kilometers)	115
			Health facilities constructed or upgraded or equipped (number)	4
			Institutions built or upgraded or equipped (number)	4
Sierra Leone		Acquisition of Buses and Trucks Project (WAQF)	Annual capacity increase at other transport or logistics gateways/hubs	150,000
Sudan		Central Zone Malaria Free Initiative (WAQF)	Preventive healthcare - Number of long Lasting Insecticidal Nets (LLINs) distributed (Malaria)	630,000
Tajikistan		Secondary Schools Development Project	Class rooms built or upgraded in primary/secondary education (number)	166
			Students benefitted (number)	5,688
			Teachers/faculty/staff trained (number)	651
Turkey		Reconstruction of Ravshan Electricity Substation	Substations, Installed, upgraded or rehabilitated (MVA)	250
		Construction of Kulyab-Kalaikhum Road	Expressways and national or regional highways built, upgraded or rehabilitated (kilometers)	40
		Manisa Training and Research Hospital (PPP)	Beds added to health facility(ies) (number)	558
			People benefitting from outpatient services annually (number)	1,200,000
		School Development Program in Istanbul P	Institutions built or upgraded or equipped (number)	25
			Students benefitted (number)	39,668
			Purchase of a Student Hostel in Eskişehir (WAQF)	Accommodation - Number of persons accommodated (number)
Uganda		Development of Ankara-Konya High Speed Railway	Annual capacity increase at other transport or logistics gateways/hubs	6
		Construction of Small Bridges in North a	Local/rural roads built, upgraded or rehabilitated (kilometers)	3
		Community Agricultural Infrastructure Improvement Program (CAIIP-3)	Local/rural roads built, upgraded or rehabilitated (kilometers)	376
		Uganda National Education Support Project (Phase II)	Students benefitted (number)	3,036
			Teachers/faculty/staff trained (number)	60
Uzbekistan		Construction of Modern Rural Housing Project	Households with access to potable water supply systems (number)	2,242
			New households connected to electricity (number)	2,242
			Shelters/houses built, upgraded or rehabilitated (number)	2,242
		Efficient Outdoor Lighting for Tashkent	Energy efficiency improvement - loss reduced per year (percentage)	48
Yemen		Integrated Rural Development Project	Area irrigated (hectares)	26,642
			People employed (number)	19,968
			Water resources developed for multiple use (cubic meters)	100,000
		Participation in the Rural Access Program (WAQF)	Local/rural roads built, upgraded or rehabilitated (kilometers)	54

## Annex 2- Planned Results from 2019 Projects

Country	SDG	Project Name	Core Sector Indicator	Planned Values
Afghanistan		The Construction of Kabul City Ring Road Project	Expressways and national or regional highways built, upgraded or rehabilitated (kilometers)	100
			Local/rural roads built, upgraded or rehabilitated (kilometers)	75
Bangladesh		Rural and Peri-Urban Housing Finance Project 1	People trained (number)	400
			Population accessing microfinance (number)	32,000
			Shelters/houses built, upgraded or rehabilitated (number)	4,200
			Households with access to improved sanitation (i.e. latrines, sewage system) (number)	4,290
Benin		Support to the Social Housing Project in Benin	Households with access to potable water supply systems (number)	4,290
			Local/rural roads built, upgraded or rehabilitated (kilometers)	30
			New households connected to electricity (number)	4,000
			People employed (number)	26,000
			Sewerage network installed or upgraded (kilometers)	30
			Shelters/houses built, upgraded or rehabilitated (number)	4,290
Burkina Faso		Dangoumana region Hydroagricultural Development (PAHD) (ISFD)	Crop yield increase (tons/hectare)	72
			Farmers' access to improved seeds and fertilizers increased	40,000
Cote d'Ivoire		LLF - Abidjan & 11 Secondary Cities Sanitation Project in Cote d'Ivoire (ISFD, LLF)	Increased wastewater treatment capacity (cubic meters/ day)	1,679,000
Djibouti		LLF - Health System Strengthening with Emphasis on Maternal, Newborn and Child Health Project (ISFD, LLF)	Health facilities constructed or upgraded or equipped (number)	16
			DARE Regional Submarine Cable Project	Increase in subscribers of Internet /mobile/ land line phone) (number of users)
				Length of Fiber Optics Network built (kilometers)
Gambia		Solar Energy Project for the development of rural electrification under Reverse Linkage with Morocco as a provider of knowledge (WAQF)	CO <sub>2</sub> emissions reduced	4,608
			Installed energy generation capacity using renewable sources (megawatts)	10
Gambia		Solar Energy Project for the development of rural electrification under Reverse Linkage with Morocco as a provider of knowledge (WAQF)	New households connected to electricity (number)	8,652
			Substations, installed, upgraded or rehabilitated (MVA)	13
			Transmission /distribution lines installed, upgraded or rehabilitated (kilometers)	582
Guinea		Construction of Boké - Quebo Road (Section Boké – Dabiss Road - 45 Km)	Expressways and national or regional highways built, upgraded or rehabilitated (kilometers)	45
			CO <sub>2</sub> emissions reduced	11,826
Guyana		Small Hydro Power Plants (Moco Moco, Kumu & Ikuribisi)	Increase share of renewable energy sources (percentage)	17
			Installed energy generation capacity using renewable sources (megawatts)	3
Guyana		Small Hydro Power Plants (Moco Moco, Kumu & Ikuribisi)	New households connected to electricity (number)	200
			Transmission /distribution lines installed, upgraded or rehabilitated (kilometers)	57

Country	SDG	Project Name	Core Sector Indicator	Planned Values
Indonesia		LLF - The Development of Integrated Farming Systems in Upland Areas (ISFD, LLF, WAQF)	Area irrigated (hectares)	42,000
			Associations established or actively promoted (numbers)	300
			Local/rural roads built, upgraded or rehabilitated (kilometers)	1,650
			People trained (number)	126,000
			Population accessing microfinance (number)	54,000
Kazakhstan		Almaty Ring Road PPP (BAKAD) Project (PPP)	Expressways and national or regional highways built, upgraded or rehabilitated (kilometers)	66
			Agricultural storage capacity built or upgraded (tons)	3,000
Kyrgyzstan		Irrigated Agriculture Development in Issyk-Kul and Naryn Regions Project	Area irrigated (hectares)	6,000
			Associations established or actively promoted (numbers)	20
			Crop production increase (tons)	60,000
			People employed (number)	7,000
			People trained (number)	2,000
			Population accessing microfinance (number)	500
Lebanon		Reconsider Financing : Improvement of Wastewater Management and Sanitary Services in Al Ghadir Drainage Basin	Increased wastewater treatment capacity (cubic meters / day)	90,000
			Sewerage network installed or upgraded (kilometers)	308
Mauritania		Project for the Support of Agriculture Transformation in Mauritania – Making value chain works for smallholders	People employed (number)	3,000
			Area irrigated (hectares)	3,150
			Crop yield increase (tons/hectare)	54
			cropping intensity increased	360
			Local/rural roads built, upgraded or rehabilitated (kilometers)	96
Mauritania		Project for the Support of Agriculture Transformation in Mauritania – Making value chain works for smallholders	People employed (number)	3,000
			Rural (farm, non-farm or cottage industry) enterprises established or promoted (number)	6
Morocco		Inclusive Social Development Project in the Eastern Region of Morocco (ISFD)	Class rooms built or upgraded in primary/secondary education (number)	528
			Health facilities constructed or upgraded or equipped (number)	2
			Health personnel trained	800
			Beds added to health facility(ies) (number)	380
			People benefitting from outpatient services annually (number)	136,000
			People trained (number)	660
			Students benefitted (number)	7,920
Morocco		Support to the National Initiative for Human Development (phase III) (WAQF)	People employed (number)	340
Mozambique		Temane Transmission Project -TTP	Installed energy generation capacity using non-renewable sources (megawatts)	1,800
			Substations installed, upgraded or rehabilitated (MVA)	1,400
			Transmission /distribution lines installed, upgraded or rehabilitated (kilometers)	1,126

Country	SDG	Project Name	Core Sector Indicator	Planned Values
Nigeria	3 GOOD HEALTH AND WELL-BEING	LLF - Support to Malaria Elimination Project (ISFD, LLF)	Preventive healthcare - long lasting insecticidal nets (LLINs) distributed (number)	32,500,000
			People employed (number)	1,400
	8 ECONOMIC AND FINANCIAL GROWTH	Business Resilience for Value Adding Enterprises (BRAVE) Women Nigeria	People trained (number)	640
			Expressways and national or regional highways built, upgraded or rehabilitated (kilometers)	376
			Health facilities constructed or upgraded or equipped (number)	2
regional	2 ZERO HUNGER	Reconstruction of the Abakaliki Ring Road Project in Ebonyi State	Institutions built or upgraded or equipped (number)	8
			Regional Soil Fertility Mapping Program (ISFD)	People trained (number)
Pakistan	3 GOOD HEALTH AND WELL-BEING	LLF - Phase-III (2019-2021) of the Emergency Plan for Polio Eradication (ISFD, LLF)	People benefitting from outpatient services annually (number)	38,000,000
			Preventive healthcare - Number of people reached through awareness campaigns (number)	38,000,000
	7 AFFORDABLE AND CLEAN ENERGY	Jamshoro 600 MW Coal Power Plant-2nd Unit	Installed energy generation capacity using non-renewable sources (megawatts)	1,200
New households connected to electricity (number)			2,500,000	
Senegal	2 ZERO HUNGER	Agriculture Transformation Project (South Agropole)	Area irrigated (hectares)	7,000
			People employed (number)	10,000
			Rural (farm, non-farm or cottage industry) enterprises established or promoted (number)	60
Sierra Leone	3 GOOD HEALTH AND WELL-BEING	Reducing maternal, infant and child mortalities in Sierra Leone (WAQF)	Health facilities constructed or upgraded or equipped (number)	39
			Health personnel trained	6,000
Suriname	7 AFFORDABLE AND CLEAN ENERGY	Expansion of Power Generation, Transmission and Distribution Systems Project	Installed energy generation capacity using non-renewable sources (megawatts)	44
			Substations installed, upgraded or rehabilitated (MVA)	300
			Transmission /distribution lines installed, upgraded or rehabilitated (kilometers)	43
Tajikistan	4 QUALITY EDUCATION	IsDB/GPE Project for Support to Implementation of the National Education Development Strategy of the Republic of Tajikistan (ISFD)	Institutions built or upgraded or equipped (number)	204
			Teachers/faculty/staff trained (number)	3,600
Turkey	8 ECONOMIC AND FINANCIAL GROWTH	Purchase of a Student Hostel in Eskişehir to be used as Waqf for the Umut Eğitim Vakfı, , Turkey (APIF, WAQF)	Accommodation - Number of persons accommodated (number)	1,930
			Second Line of Financing (LoF II)	People employed (number)
Uganda	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Upgrading of Muyembe Nakapiripirit Road Project	Expressways and national or regional highways built, upgraded or rehabilitated (kilometers)	92
			Local/rural roads built, upgraded or rehabilitated (kilometers)	111
Uzbekistan	3 GOOD HEALTH AND WELL-BEING	Construction of Modern Rural Housing Project (Phase-2)	Market centers established, upgraded or rehabilitated (numbers)	58
			Shelters/houses built, upgraded or rehabilitated (number)	6,400
			Transmission /distribution lines installed, upgraded or rehabilitated (kilometers)	286
			Water supply network installed or upgraded (kilometers)	198





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